



THE KING'S SCHOOL

GRANTHAM

The Academy Handbook

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1. INTRODUCTION

- 1.01. The King's School is an Academy Trust (AT) and has been constituted as a charitable company limited by guarantee. This means that the AT must comply with:
- a. Company law as set out in the Companies Act 1985 (and subsequent Acts);
 - b. Charity law and the requirements of the **Charity Commission and its Statement of Recommended Practice (SORP)**.
- 1.02. Company and charity law bring a key requirement, in the context of financial management, that the AT must prepare and publish a governors' report and audited accounts in a prescribed format annually.
- 1.03. The audited accounts must be submitted to the Education & Skills Funding Agency (ESFA) by 31 December; they must be published on the AT website by 31 January; they must be filed with Companies House; they must be provided to all of the 'members' (please see below) and they must be provided to anyone who requests a copy.
- 1.04. The relationship between AT and the Secretary of State is set out in a legal document known as a Funding Agreement (FA). The ESFA expects the AT to take full control of its financial affairs. The AT must produce audited company accounts as a company under the FA. The accounting period for our AT requires reporting to a 31 August year-end.
- 1.05. As a charity, the AT must maintain accounting records and provide publicly accessible accounts in line with the SORPs. It is a condition of the ATs' charitable status that accounts must be published and copies provided to anyone who requests it.
- 1.06. As a public body, the AT must ensure regularity, propriety and value for money in managing public funds.
- 1.07. As a public body, office holders of the AT must adhere to the 7 principles of public life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).
- 1.08. The Academy Trust Handbook and the FA set out the financial relationship between the ESFA and AT. The Handbook covers all of the requirements under the financial accountability system for the AT. It sets out all of the areas of HM Treasury's "Managing Public Money" that directly apply to AT, so all references to "Managing Public Money" are to provide further explanation and clarification.
- 1.09. Operating as a Governing Body, the Governors as Trustees recognise that they are ultimately responsible for the financial management of the AT and have produced this policy document to help it fulfil those responsibilities.
This document has been produced to:
- Ensure that policies, procedures and guidelines exist to protect the interests of individuals who manage or deal with the academy's finances.
 - Promote efficiency and accountability in the management of the academy's finances.
 - Assist everyone's understanding of the need for sound management of the academy's finances.
- Reflect the requirements of the ESFA and DfE in the arrangement of the academy's finances. In this respect this policy should be referenced against current Academy Trust Handbook issued by the DfE and ESFA.
- 1.10. These procedures are issued with the approval of the Full Governing Body which will seek confirmation from the AT's Senior Leadership Team (SLT) that they are being complied with. The procedures in this document must be adhered to.

The ESFA have restrictions on certain financial transactions, these are outlined in the Academies Handbook.

2. ORGANISATION & SCHEME OF DELEGATION

- 2.1. The AT has defined the responsibilities of each role involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff.
- Trusts must ensure that their members are not currently subject to a direction made under section 128 of the Education and Skills Act 2008 which prohibits individuals from taking part in academy trust management, and that they do not appoint as a member, a person who is currently subject to a section 128 direction.
- All academy trust members, trustees and individuals on any committees including local governing bodies are required to have an enhanced criminal records certificate from the Disclosure and Barring Service (DBS), which does not include a barred list check (unless in addition to their governance duties they also engage in regulated activity).
- 2.2. The AT Members are appointed in accordance with the Articles of Association. The role of Members is clearly stated in the Academies Trust Handbook and must include 2 places which are reserved for individuals with parental responsibilities. Membership as at 1 September 2024 is as follows:
- Mr P J Ross – Chairman
 - Mr D J Armes - signatory
 - Mr L J Allen – Foundation Governor
- 2.3. The AT Trustees are appointed in accordance with the Articles of Association. The role of Trustees is clearly stated in the Academies Trust Handbook. Membership as at 1 September 2024 is as follows:
- Mr P J Ross – Chairman – Foundation Governor
 - Mr L J Allen - Foundation Governor
 - Mr D J Armes - Foundation Governor
 - Mr G Mills – Co-opted Governor
 - Mrs F Ross – Co-opted Governor
 - Mr S Sutcliff – Co-opted Governor
 - Miss S Jones - Teacher Governor
 - MrsC Luckhurst - Support Staff Governor
 - Mr S Pickett - Head (ex-officio) & Accounting Officer
 - Mrs E Drury – Parent Governor
 - Mrs SMarsh – Parent Governor
- 2.4. The Academy Trustees have three core functions:
- a. ensuring clarity of vision, ethos and strategic direction
 - b. holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff
 - c. overseeing and ensuring effective financial performance
- 2.5. The AT is governed by the Governing Body constituted under a Memorandum of Association and Articles of Association (Revised 2021). The Governing Body is responsible for:
- a. strategic leadership that sets and champions vision, ethos and strategy
- 2.6. accountability and assurance that drives up educational standards and effective financial performance
- a. people with the right skills, experience, qualities and capacity
 - b. structures that reinforce clearly defined roles and responsibilities

- c. compliance with statutory and contractual requirements
- d. evaluation of governance to monitor and improve its quality and impact

However, it is also responsible for ensuring that the AT funds are used only in accordance with:

- o the law;
- o the Governing Body powers under the FA;
- o the Academies Trust Handbook.

Academy trust boards have a duty to:

- safeguard and promote the welfare of children
- have regard to any statutory guidance on safeguarding issued by the Secretary of State
 - o ensure the suitability of staff, supply staff, volunteers, contractors and proprietors

Responsible, as the employer, for the health and safety of its staff, pupils and any visitors

Manage the school estate strategically and maintain their estate in a safe working condition.

- 2.7. The Governing Body has wide discretion over its use of the AT's funds. The trustees must ensure regularity and propriety in use of the trust's funds, and achieve economy, efficiency and effectiveness – the three elements of value for money. The trustees must also take ownership of the trust's financial sustainability and its ability to operate as a going concern.
- 2.8. The governors are subject to the duties and responsibilities of charitable trustees and company directors, as well as any other conditions that the Secretary of State may require. These responsibilities are mutually reinforcing and are there to ensure the proper governance and conduct of the AT. The key requirements are reflected in the FA (including the Articles) and the Academies Trust Handbook, but the AT should be aware of the Charity Commission's guidance for academies: guidance on their regulation as charities and two guidance notes which are relevant for academy governors. These guidance notes are:
 - a. **CC3: The Essential Trustee - What You Need to Know**
 - b. **CC8: Internal Financial Controls for Charities.**
- 2.9. The members of the Governing Body of the AT should also be aware of the statutory duties of company directors, which are set out in the Companies Act and include the duties to:
 - a. exercise their powers only for a proper purpose.
 - b. promote the company's success.
 - c. exercise independent judgement.
 - d. exercise care and skill.
 - e. avoid conflicts of interest.
- 2.10. The FA sets out the respective responsibilities of the Governing Body and the Accounting Officer of the AT. The Accounting Officer must take personal responsibility (which must not be delegated) for assuring the Governing Body that there is compliance with the Handbook, the FA and all relevant aspects of company and charitable law.
- 2.11. The Governing Body also has a duty to take appropriate action when there are weaknesses in the academy. Where individual governors have concerns that cannot be resolved about the running of the academy or a proposed action, they should ensure that their concerns are recorded in minutes.
- 2.12. The AT must designate a named individual as its Accounting Officer, at The King's School this is the Head (who acts as the Chief Executive Officer (CEO)). The CEO is responsible for the overall organisation, management, and staffing and for its financial and other procedures, including conduct and discipline.
- 2.13. The Accounting Officer's roles and responsibilities are set out in the ESFA Academy Trust Handbook (also known as the Academy Trust Handbook).

- 2.14. The Accounting Officer must advise the Governing Body in writing if at any time, in his opinion, any action or policy under consideration by the Governing Body is incompatible with the terms of the Academy Handbook or FA. Similarly, the Accounting Officer must advise the Governing Body in writing if the Governing Body appears to be failing to act where required to do so by the terms and conditions of the Handbook or FA.
- 2.15. Where the Governing Body is minded to proceed, despite the advice of the Accounting Officer, the Accounting Officer must consider the reasons the Governing Body gives for its decision. If after considering the reasons given by the Governing Body, the Accounting Officer still considers that the action proposed by the Governing Body is in breach of the Handbook or FA, the Accounting Officer must advise in writing the ESFA's Accounting Officer of the position. More detailed guidance on the role of an Accounting Officer is set out in Chapter 3 of HM Treasury's Managing Public Money. HM Treasury's handbook, Regularity, Propriety and Value for Money describes what these concepts mean in a financial context.
- 2.16. A Governance Official (previously known as the Clerk) will be appointed by the AT to support the board of trustees. They are someone other than a trustee, principal or chief executive of the trust. A clerk will provide:
- administrative and organisational support
 - guidance to ensure the board works in compliance with the appropriate legal and regulatory framework, and understands the potential consequences of non-compliance
 - advice on procedural matters relating to operation of the board

The trust must make available for public inspection:

- the agenda for every meeting of the trustees, local governing bodies and committees
- the approved minutes of each meeting
- any report, document or other paper considered at each meeting.

The trust may exclude from any item any material relating to:

- a named teacher or other employee or proposed employee
- a named pupil or student at the academy, or candidate for admission or referral to it
- any matter which, by reason of its nature, the trustees are satisfied should remain confidential.

3. FINANCIAL OVERSIGHT

THE GOVERNING BODY

- 3.1. The Governing Body: will schedule time for full consideration of financial matters and receives the prior monthly budget monitoring report at each meeting of the Governing Body. The AT has opted to put in place an audit and risk committee as although income levels do not reach the £50M threshold, it is recommended that all ATs have an Audit and Risk Committee to direct the internal scrutiny necessary as part of the annual audit process. It is also a mandatory addition to the ESFA Academy Trust Handbook document from 2021.

The principal financial functions to be exercised by the Governing Body are:

- To consider the academy's indicative funding, notified annually by the DfE and ESFA, and to assess its implications for the academy, in consultation with the Head, in advance of the financial year, drawing any matters of significance or concern to the attention of the Governing Body.
- To consider and recommend acceptance or non-acceptance of the academy's budget, at the start of each financial year.
- To contribute to the formulation of the academy's Development Plan, through the consideration of financial priorities and proposals, in consultation with the Head, with the stated and agreed aims and objectives of the academy.

- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the Development Plan.
 - To liaise with and receive reports from the Personnel & Salaries committee.
 - To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the DfE and ESFA, drawing any matters of concern to the attention of the Governing Body. An essential financial focus for the Governing Body is to understand and address variances between budget and actual income and expenditure during review of the academy performance during the academic and financial year. Where there are concerns about financial management, governors may be required to report information about the cash position to the ESFA.
 - To monitor and review procedures for ensuring the effective implementation and operation of financial procedures on a regular basis and where appropriate, make recommendations for improvement.
 - To prepare the financial statement to form part of the Annual Report of the Governing Body and for filing in accordance with the Companies Act and Charity Commission requirements.
 - To receive auditors' reports and instigate action as appropriate in response to audit findings.
 - To recommend to the Members AGM the appointment or reappointment of the auditors of the AT.
 - To review and approve the Charges & Remissions Policy annually.
 - To ensure that the Minutes of meetings are kept and distributed.
- 3.2. The Governing Body will manage a programme of risk review and checking of controls by the appointment of an internal audit service. Internal Audit will be carried out as a minimum twice a year and findings reported back to the Governing Body. Any serious concerns, particularly any which relate to potential fraud or similar misconduct, shall be reported immediately to the Head, or if relating to the conduct of the Head, to the Chair of Governors.

THE PERSONNEL & SALARIES COMMITTEE

- 3.3. The Personnel & Salaries Committee: is a subcommittee of the Full Governing Body and meets at least annually to review the staffing and salary structure. Terms of Reference (TOR) for this sub-committee are in the Annex to this document.

THE AUDIT AND RISK COMMITTEE

- 3.4. The academy trust must establish an audit and risk committee, appointed by the board. ATs with an income below £50m must either have a dedicated audit and risk committee or can combine it with another committee, such as finance. The audit and risk committee should meet at least three times a year. Terms of Reference (TOR) for this sub-committee are in the Annex to this document. The Chair of this committee must not be the Chair of the Governing Body.

THE ACCOUNTING OFFICER

- 3.5. As the Accounting Officer, the Head is personally responsible for assuring the Governing Body that there is compliance with the ESFA Academy Trust handbook and these regulations. The Head delegates much of the financial responsibility for the academy to the School Business Leader, but the Head retains responsibility for:
- Budget virements as described in the list of approved financial delegations.
 - Authorising orders and contracts as described in the list of approved financial delegations.
 - Signing and authorising cheques and BACs payments in conjunction with the School Business or other authorised signatories.

THE CHIEF FINANCIAL OFFICER

- 3.6. The School Business Leader is appointed to this role as Chief Financial Officer (CFO) and works in close collaboration with the Head. They are responsible to the Governors. The Chief Financial Officer's roles and responsibilities are set out in the ESFA Academy Trust Handbook. The main responsibilities of the CFO are:
- Overall responsibility for the day-to-day management of financial issues including:
 - Ensure delegated financial authorities are complied with, co-ordinating the planning and budgeting process; applying discipline in financial management, including managing debtors, creditors, cash flow and monthly bank reconciliations; planning and overseeing capital projects; managing and overseeing assets; ensuring regularity, propriety and value for money in the organisation's activities; reducing the risk of fraud and theft and the delivery of independent checking of controls, systems, transactions and risks. The management of the academy financial position at a strategic and operational level within the framework for financial control determined by the Governing Body and Head.
 - Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy.
 - The preparation of monthly management accounts, balance sheet and cash flow report.
 - Authorising orders and contracts as described in the list of approved financial delegations.
 - Signing and authorising cheques and BACs payments in conjunction with the Head or other authorised signatories.
 - Ensuring forms and returns are sent to the DfE and ESFA in line with the timetable in the DfE guidance.

INTERNAL AUDIT

- 3.7. The Internal Audit service is appointed by the Governing Body and provides governors with an independent internal audit oversight of the academy's financial affairs. The main duty of Internal Audit is to provide the Governing Body with independent assurance that:
- a. The financial responsibilities of the Governing Body are being properly discharged.
 - b. Resources are being managed in an efficient, economical and effective manner.
 - c. Sound systems of internal financial control are being maintained.
 - d. Financial considerations are fully considered in reaching decisions.
- 3.8. Internal Audit will undertake a programme of reviews as assessed by the Audit and Risk Committee and the AT's risk register to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Governing Body. Internal audit must not be conducted by a member of the Senior Leadership Team, nor can it be carried out by the appointed External Auditors.
- 3.9. All staff are responsible for the security of AT property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the AT's financial procedures.

REGISTER OF BUSINESS INTERESTS

- 3.10. 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 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 AT may purchase goods or services.
- 3.11. The Conflicts of Interest Policy is an Appendix to this Policy.
4. **FINANCIAL ACCOUNTING & COMPUTER SYSTEMS (FACS)**
- 4.1. The FACS was updated to an online software package called Access Finance on 1 September 2020

- 4.2. All the public financial transactions of the academy must be recorded on the FACS accounting system. The academy payroll is outsourced to a commercial provider. Non-public fund expenditure is currently housed on the 'AT Fund Manager' stand-alone financial system.

SYSTEM ACCESS

- 4.3. Entry to FACS and AT Fund Manager is password restricted and the School Business Leader is responsible for implementing a system which ensures that passwords are changed regularly. FACS is hosted by Access Education and is available in the 'cloud' to all registered AT users. The Finance Officers operate the Main AT Fund (MSF) used for Public funds and the General Fund (GF) a non-Public account which deals with trips, minibuses and charity accounts.
- 4.4. The following roles have access to the FACS financial system:
- The Accounting Officer – all systems
 - School Business Leader – all systems
 - Senior Finance Officer – all systems
 - Assistant Finance Officer – all systems
 - Estates Leader – Estates orders only
 - Budget holders – placing orders and monitoring department budget.
- 4.5. The School Business Leader will set access levels for all members of staff using the system as users.
- 4.6. The AT is registered for Data Protection with the ICO, and the School Business Leader is the Data Protection Officer.

TRANSACTION PROCESSING

- 4.7. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. All journal transfers must be authorised by the School Business Leader. Paper copies of the journals are to be retained in the Journal File held in the Finance Office. All transactions input by the Assistant Finance Officer should be reconciled monthly then checked by the Senior Finance Officer prior to review by the School Business Leader whilst carrying out the monthly reconciliation. Should the School Business Leader process any journals, these should be signed off by the Head. A monthly Journal Report will be printed and signed off by the School Business Leader as part of the month end process.

TRANSACTION REPORTS

- 4.8. The School Business Leader will obtain and review system reports to ensure that all transactions are posted correctly to the accounting system.

AUDIT TRAIL REPORTS.

- 4.9. Management accounts summarising expenditure and income against budget at budget holder level.

RECONCILIATIONS

- 4.10. The Senior Finance Officer is responsible for ensuring the following are reconciled each month:
- Sales ledger control account.
 - Purchase ledger control account.
 - Bank balances per the cash book to the bank statements.

Any unusual or long outstanding reconciling items must be brought to the attention of the School Business Leader who will also review and sign all reconciliations as evidence of review.

5. FINANCIAL PLANNING & MONITORING

- 5.1. The AT prepares both short term (one year) and medium term (3 years) financial plans.

- 5.2. The medium-term financial plan is prepared as part of the development planning process. The School Development Plan (SDP) indicates how the AT's educational and other objectives are going to be achieved within the expected level of resources and 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.
- 5.3. Each year the Head will propose a planning cycle and timetable to the Governing Body which allows for:
- A review of past activities, aims and objectives.
 - Definition or redefinition of aims and objectives.
 - Development of the plan and associated budgets.
 - Implementation, monitoring and review of the plan.
 - Feedback into the next planning cycle.
- 5.4. The completed SDP will normally include detailed objectives for the coming academic year. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

ANNUAL BUDGET

- 5.5. The School Business Leader is responsible for preparing and obtaining approval for the annual budget. The budget must be reviewed by the SLT and the Full Governing Body. The budget should be approved in line with the ESFA financial timetable, and the School Business Leader is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the budget submission date is met.
- 5.6. 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.
- 5.7. The budgetary planning process will incorporate the following elements:
- Forecasts of the likely number on roll (NOR) to estimate the amount of DfE and 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 cost base.
 - Identification of potential efficiency savings and new costed initiatives in the SDP.
 - Review of the main expenditure headings in light of the SDP objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

BALANCING THE BUDGET

- 5.8. 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. Governors' direction on the level of reserves to be held must be adhered to and accommodated in the final budget.

FINALISING THE BUDGET

- 5.9. Once the different options and scenarios have been considered, a draft budget will be prepared by the School Business Leader. This will be reviewed by the SLT before being presented to the Governing Body for approval. The approved budget will be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints. The budget should be seen as a working document and the "Forecast of Outturn" against the budget may need revising during the year as circumstances change.

MONITORING AND REVIEW

- 5.10. Monthly reports will be prepared by the CFO. The CFO must prepare management accounts every month

setting out the financial performance and position. The Management accounts must be shared with the chair of trustees every month and with the other trustees at least six times a year. The board must ensure appropriate action is being taken to maintain financial viability including addressing variances between the budget and actual income and expenditure. The format of management accounts must include an income and expenditure account, variation to budget report, cash flows and balance sheet.

5.11. The AT has selected the following key financial performance indicators and measures its performance against them regularly, including analysis in its annual trustees' report. They have been based on the DFE and ASCL models.

- Staffing costs as a percentage of total income.
- Spend on teaching staff as a percentage of total expenditure.
- Spend on supply staff as a percentage of total expenditure.
- Spend on education support staff as a percentage of total expenditure.
- Spend on administrative and clerical staff as a percentage of total expenditure.
- Spend on other staff costs as a percentage of total expenditure.
- Spend on-premises (including staff costs) as a percentage of total expenditure.
- Spend on teaching resources as a percentage of total expenditure.
- Spend on energy as a percentage of total expenditure.
- Other spending as a percentage of total expenditure (balancing line).
- Average teacher cost (£).
- Senior leaders as a percentage of workforce.
- Pupil to teacher ratio.
- Pupil to adult ratio.
- Teacher contact ratio (less than 1.0).
- Average class size.
- Ofsted rating.
- Progress 8 score.
- Income
 - GAG Funding
 - Other Income
 - Total Income
- Expenditure
 - Teaching Staff
 - Educational Support Staff
 - Premises Staffing
 - Admin and Clerical Staff
 - Other Employees Costs/Expense
 - Premises Costs
 - Learning Resources
 - Supplies and Services
 - Capital Financing from Revenue
 - Total Expenditure
- Summary Position
 - In Year Position
 - Balance Brought Forward

Balance carried forward

- 5.12. Balance Information
General School Revenue Balance
Extended School Balance (Community Focused)
School Revenue Balance Percentage (%)

- Key indicators for the budget % against financial costs will be measured against and reported against:

| Area of expenditure KPI | Target spend as a % of available funding |
|---------------------------|--|
| Teaching staff | 60 |
| Other staff | 20 |
| Premises / infrastructure | 10 |
| Curriculum | 5 |
| Other | 5 |

- 5.13. Any potential overspend against the budget must in the first instance be discussed between the Head and the School Business Leader.
- 5.14. 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.
- 5.15. Budget virements may be made as described in the list of approved financial delegations.

6. RESERVES & INVESTMENT POLICY

- 6.1. The policy of the Academy is to carry forward an appropriate balance (reserve) in case of any unexpected expenditure to meet its aims and objectives as long as this does not affect its current activities. Governors have agreed that a minimum cash reserve level of 2% of GAG, is to be maintained.
- 6.2. Investments must be made only in accordance with procedures approved and minutes taken by the Governing Body. All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated.

7. PAYROLL & HUMAN RESOURCE (HR) MANAGEMENT

- 7.1. The Governing Body has approved a Personnel & Salaries sub-committee to monitor staffing. Significant changes can only be made to this staffing structure with the approval of the Governing Body which must ensure that adequate budgetary provision exists for any establishment changes. The Head maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified to the HR Officer.
- 7.2. Monthly salary payments are to follow the procedures outlined in the Appendix table 'The King's School at Grantham - Salary Authorisation Tracking Sheet'.
- 7.3. The maintenance of goodwill in respect of salaries is deemed to be very important and any breach or lapse in the safeguarding of personal financial details by responsible personnel will be viewed as a serious breach of trust and handled within the AT disciplinary codes.

Academy trusts must obtain prior ESFA approval before making a staff severance payment where:

- an exit package which includes a special severance payment is at, or above, £100,000; and/or
- the employee earns over £150,000. The trust must publish on its website in a separate readily accessible form the number of employees whose benefits exceeded £100k, in £10k bandings, for the previous year ended 31 August. Benefits for this purpose include salary, employers' pension contributions, other taxable benefits and termination payments. Trusts may wish to display this information in a tabular form showing in each column salary, pension etc. Where the academy trust has entered into an off-payroll arrangement with someone who is not an employee, the amount paid by the trust for that person's work for the trust must also be included in the website disclosure

where payment exceeds £100k as if they were an employee.

8. PURCHASING, PROCUREMENT & TENDERING

- 8.1. The AT will always seek to achieve “best value” for money from all purchases.
Probity, the AT must be demonstrable that there is no corruption or private gain involved in contractual relationships of the AT.
Accountability, the AT is publicly accountable for its expenditure and the conduct of its affairs.
Fairness, the AT must ensure that all those dealt with by the AT are dealt with on a fair and equitable basis.

9. FINANCIAL DELEGATIONS

9.1. The Governing Body has approved the following financial delegations:

| Purchasing (Excluding Monthly Salary, Pensions & NI Payments) | Responsibility |
|---|--|
| Approve expenditure, including long term & lease contracts if expenditure included in whole AT budget. HSBCNet electronic transfers are limited to £175,000 per day per signatory for any bulk transaction payment. The AT daily limit is £275,000. | Head, School Business Leader and Deputy Head Masters /Assistant Headteachers. Double signature of cheque or electronic authorisations applies to ALL payments. Individual invoices valued at over £70,001 can be paid by BACS if the Chair of Governors and Head have both given approval via an email audit trail. |
| Purchases above £1,000: Budget holder must be able to demonstrate VFM has been achieved. 3 quotations or prices should be sought, but where suppliers are limited or there is a case of urgency, fewer quotations or prices may be agreed by the Head. | Budget Holders if expenditure within budget allocation. All orders to be processed by the Finance Office. |
| Other purchases up to £40,000. | If expenditure is: Within budget allocation – School Business Leader. Emergency purchase not within budget allocation – Head after out of committee agreement from Governing Body. |
| Purchases above £40,001 but not exceeding £70,000. | If expenditure is: Within budget allocation – Head. Not within budget allocation –Governing Body and authorised by Chair of Governors (if absent by a vice Chair). |
| Purchases above £70,001. | If expenditure is: Within budget allocation – Chair of Governors. Not within budget allocation –Governing Body. |
| Salaries, tax, pensions & NI | Responsibility |
| Monthly remunerations etc. are paid via payroll provider and procedures above are to be followed. | See relevant section for authorisations and checking procedures. |
| Virements | Responsibility |
| Diverting funds from the original budget plan is not encouraged unless there is a change in priority focus, or there is strong evidence that the original budget allocation is inaccurate. Auditors will check minutes for evidence of approval for virements impacting on the governor approved budget plan. | Requires Head and School Business Leader double signature. Budget Holders affected are to be consulted. Virements impacting on the approved budget plan should be referred to the Governing Body. |
| Credit cards | Responsibility |

| | |
|---|---|
| <p>The AT holds two Credit cards:</p> <p>HSBC Main AT Fund Credit Card – limit £8,000.</p> <p>HSBC AT General Fund Debit Card – daily cash withdrawal limit £300.</p> <p>The cards are in the name of the School Business Leader and Deputy Head Master (King’s AT).</p> | <p>School Business Leader and Budget Holder where expenditure included in budget. Receipts for all purchases to be countersigned by budget holders where possible but in every case by two (2) authorised signatories.</p> |
| Sale of goods | Responsibility |
| Occasionally students and staff will need to pay for goods (i.e. textbooks, equipment etc.) purchased by the AT on their behalf; where applicable VAT will be charged. | Budget Holders or the School Business Leader |
| Financial Procedures for Quotes and Tenders | Responsibility |
| Purchases with a value between £2K - £10K: three written quotations to be obtained but where suppliers are limited or there is a case of urgency fewer quotations or prices may be agreed by the Head. | <p>School Business Leader and Budget Holder where expenditure included in budget.</p> <p>The Governing Body must be able to satisfy itself and others that the price obtained is reasonable and constitutes value for money.</p> |
| <p>Purchases with a value between £10,001- £80,000:</p> <p>The AT has the option of obtaining tenders or quotations. – invitation to tender or quote normally to a minimum of three candidates, but where suppliers are limited, or there is a case of urgency, fewer quotations or /prices may be accepted.</p> <p>Formal Tender: Governing Body to assess award of contract, lead as shown opposite.</p> <p>In deciding which route to take consideration should be given to:</p> <ul style="list-style-type: none"> the value of the procurement. the length of the proposed contract. the suppliers involved. the sensitivity of the procurement. the need to arrange supplies and services quickly. the ongoing liabilities in the case of assets. | <p>Where expenditure does not exceed £70,000 and is included in budget - Head.</p> <p>Where expenditure does not exceed £80,000 and is included in budget – Chair of Governors.</p> <p>Where expenditure exceeds £80,000 and is not included in budget –Governing Body.</p> <p>In general terms, for contracts at the higher level of the band, formal tendering may be more appropriate. One of the aims of competition is to demonstrate fairness and accountability in the letting of contracts, and this should always be borne in mind.</p> <p>When obtaining quotations, the nominated officer must receive them in writing and a deadline for receipt should be specified.</p> |
| Large Purchases will be subject to the UK Find a Tender Service equivalent with effect from 1 January 2021 | Home Find a Tender (findatenderservice.co.uk) |
| Staff Travel Reimbursements | Responsibility |
| Following approval of expenditure staff reimbursements made by BACS. | Budget Holders and School Business Leader |
| Income Generation | Responsibility |
| Planning & initiating activities. | SLT |
| Incorporate projected income into budget planning. | School Business Leader |
| Receipt and recording income. | Finance Officers |
| Disposals | Responsibility |

| | |
|--|---|
| Disposal of assets. Priority is for the disposal of items for a market value and income generated paid into the AT budget. Any items to be disposed of may be offered free of charge to other local ATs or non- profit-making organisations. | Disposals to be approved by School Business Leader. |
| Loan of Equipment | Responsibility |
| Equipment shall not be loaned to employees of the AT, other than laptops for staff or for reasons of Security. | Head and School Business Leader |
| Inventories | Responsibility |
| A record of assets with a value of > £1500 is to be held. Fixed Assets are recorded on the fixed asset register with details of the depreciation calculated each month. | Finance Officers are responsible for the Fixed Asset register. Recording of assets: Finance Officers, IT, Estates. |

9.2. The Find a Tender Service Thresholds now include VAT:

The thresholds are:

- o Goods: £214,904
- o Works: £5,372,690
- o Small lots: £70,778

- 9.3. All budget holders have access to online budget monitoring and purchase ordering processes using the FACS accounting system. Budget holders will be informed of the budget available to them before the start of the academic year. It is the responsibility of the budget holder to manage their budgets and that the budget is not overspent.
- 9.4. A written quote or price should normally be obtained before any order is placed. Budget holders and the Finance Office should endeavour to obtain the lowest cost price for purchases.
- 9.5. Ordinarily all orders must be prepared by the budget holders using the official Purchase requisition via the FACS accounting system. Purchase orders will normally only be placed by the Finance Officers and will be subject to funding being available in the budget area concerned.
- 9.6. Authorised orders are recorded and committed by the financial system, allocated a reference number and dispatched to the supplier by the Finance Office. Electronic copies of the Purchase Order and invoices will be scanned and recorded on FACS by finance staff and available for review by budget holders.
- 9.7. The finance office must coordinate appropriate arrangements for the delivery of goods to the AT. On receipt the AT representative taking delivery of goods (normally a member of the Estates Team will perform this task) 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. All checked goods are then passed to the budget holder and the GRN is then to be passed to the Finance Office.
- 9.8. 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 will record this.
- 9.9. All invoices should be sent to the Finance Office. The invoice will be scanned into the financial system and checked for:
- a. Invoice arithmetically correct
 - b. Goods or services received

- c. Goods or services as ordered
 - d. Prices correct
 - e. Invoice posted to purchase ledger
 - f. Invoice authorised for payment
- 9.10. If a budget holder is pursuing a query with a supplier, the Finance Department must be informed of the query and periodically kept up to date with progress.
- 9.11. Once a month the Finance Office will produce a list of outstanding invoices from the purchase ledger and this list together with supporting documentation will be reviewed by the School Business Leader.
- 9.12. The Finance Office will input details of payments to be made to the purchase ledger and generate the BACS payments or cheques required. BACS payments will be notified to suppliers by email.
- 9.13. Non-order purchases must have the prior approval of the School Business Leader. Non- order purchases must be kept to a minimum and should only take place when it will affect the smooth running of the budget department. The following exemptions apply:
- 9.14. The Senior Finance Officer is authorised to make essential and urgent non-order purchases where health and safety, site security or the maintenance of essential AT operations is concerned.
- 9.15. The Examinations Officer has an exemption for examination entries but must ensure that budgets are adhered to.
- 9.16. All orders must carry the school address. Staff must not use their personal address.
- 9.17. Preferred Suppliers. The AT maintains a list of regular suppliers. General academic and office supply purchases should be benchmarked against the ESPO catalogue for pricing and the best value for money should be sought at all times. Estates contractors' prices should be reviewed regularly by the Estates Manager to ensure that they remain competitive in terms of price and quality of service being delivered.
- 9.18. The School Business Leader will carry out a review of the large value contracts as a minimum every three years, not only monitoring 'value for money'" in terms of price, but also in quality of the delivery of service.
- 8.19 Related Party Transactions must be recorded where there is a direct link to a company or supplier and a member of the AT staff. This information is required to be presented to Auditors as part of the annual audit process.
Counter Party Transactions must be recorded where income or expenditure is processed to either another AT or a government department such as Lincolnshire County Council, ESFA etc. This information is required to be presented to Auditors as part of the annual audit process.
- 8.20 Irrespective of whether ESFA approval is required, the AT must disclose aggregate figure for transactions of any amount, and separate disclosure or individual transactions above £5000, in its audited accounts for the following transactions:
- special payments – compensation
 - special Payments – ex gratia
 - writing of debts and losses
 - guarantees, letters of comfort and indemnities
 - acquisition or disposal of freehold land and buildings
 - disposal of heritage assets
 - taking up or granting a leasehold on land and buildings
 - gift by the trust
 - Income

9.19. The main sources of income for the AT are the grants from the ESFA; Lettings Income; and grants from Lincolnshire County Council and other LAs in respect of SEN & Pupil Premium provision. The receipt of these sums is monitored directly by the School Business Leader who is responsible for ensuring that all grants due to the AT are collected.

10. TRIPS

10.1. The SLT, and in cases of overseas trips the Governing Body, are responsible for assessing the viability and authorising AT trips. The GF is utilised to record and handle all receipts and payments for these activities. The Finance Office staff will receive all monies and issue receipts.

10.2. A lead teacher must liaise with the Finance Office regarding budgetary issues, payment plans for students using Parent Pay and insurance. The Finance Office will prepare a record for each student intending to go on the trip showing the amount due. Finally, the lead teacher must maintain a record of all receipts for cash and other expenditure incurred on the trip. Within 14 working days of return from the trip a full reconciliation sheet for the trip must be completed and handed with all receipts into the Finance Office. Any expenditure without a receipt and any cash balance shortfalls will be the responsibility of the lead teacher to explain and account for.

10.3. The Finance Officers should maintain an up-to-date record for each student showing the amount paid and the amount outstanding. Small end of trip balances may be retained providing the balance to be carried forward is not more than £10 per student.

CATERING INCOME

10.4. The catering function is outsourced, currently to Innovate who are responsible for the collection of all catering income from Parent Pay and at point of sale.

10.5. Student catering account balances will only be refunded when a student leaves the AT, or moves to year 11, 12 or 13 if requested. Balances may be transferred to a sibling if requested.

10.6. Official, pre-numbered academy receipts should be issued for all cash received where no other formal documentation exists. All cash and cheques must be kept in the safe in the Finance Office prior to banking.

10.7. Monies collected must be banked in their entirety in the appropriate bank account. The Finance Officers are 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 and checked weekly by the Senior Finance Officer or the School Business Leader and certified.

11. CASH MANAGEMENT

11.1. The King's School operates the following bank accounts:

| SERIAL | BANK/BRANCH | ACCOUNT TITLE/SORT CODE/ ACCOUNT NO | REMARKS |
|--------|-------------------|---|--|
| 1 | HSBC, GRANTHAM | KINGS AT (PUBLIC) 40-22-19 32005212 | Current A/C: A balance of £15,000 is held on this account daily |
| 2 | HSBC, GRANTHAM | KINGS AT (PUBLIC) 40-22-19 13667170 | Money Manager No 1: All Funds in Excess Of £15,000 Are Held in This Low Interest Earning Fund |
| 3 | HSBC, GRANTHAM | KINGS AT (NON-PUBLIC) 40-22-19 22005743 | Treasurer Account: A balance of £3,000 is held on this account daily |

| | | | |
|---|-------------------|--|--|
| 4 | HSBC, GRANTHAM | KINGS AT (NON-PUBLIC) 40-22-19 53667189 | Money Manager: all funds in Excess of £3,000 are held in this interest earning fund |
| 5 | HSBC, GRANTHAM | KINGS AT "GIFT AID" ACCOUNT 40-22-19 13667162 | Voluntary Donations |

THE PROCEDURES FOR OPERATION OF BANK ACCOUNTS AT THE KING'S SCHOOL AT ARE OUTLINED BELOW:

- 11.2. All cheque payments are to be signed by any two of the following authorised signatories:
- a. Chair of Governors
 - b. Head
 - c. School Business Leader
 - d. Other SLT members
- 11.3. All single item payments in excess of £70,000 must be authorised by the Chair of Governors.
- 11.4. The school credit or debit card accounts are also used with the balances cleared monthly by direct debit or BACS payments. Invoices are to be matched to monthly statements and reconciled by the Finance officers. VAT recovered on credit card purchases is entered into FACS by the Finance Officers to ensure that it is accounted for in the monthly VAT return. This account is to be checked monthly by School Business Leader and all payments are to be authorised in writing by budget holders.
- 11.5. All non-automatic cash transfers are to be initiated and authorised by a document or printout raised by the Finance Officer and signed by the School Business Leader.
- 11.6. Direct debit and standing orders are to be authorised and signed by the School Business Leader.
- 11.7. The main stock of cheques is to be kept locked in the safe in the Finance office. Cancelled or spoiled cheques are to be destroyed under dual control and signed for (dual control is Senior Finance Officer or School Business Leader and one other member of the Finance Office).
- 11.8. MSF and GF accounts are to be reconciled at the end of each month. The Finance Officers are to prepare full reconciliation of all accounts and cash holdings in a timely fashion aiming for the seventh working day after the month end when possible. These reconciliations are to be checked and signed off by the School Business Leader. The Head should conduct this monthly reconciliation check on a random basis.
- 11.9. Alterations to cheques and other payment documents must be made in ink or other permanent form and initialled by a cheque signatory.
- 11.10. Dishonoured cheques which are returned "refer to drawer" by the bank are dealt with as follows:
- a. Refer the matter to the drawer taking care not to break confidence or embarrass any student at the school.
 - b. The School Business Leader or Finance Officer can then negotiate payment in stages, point out the consequences of non-payment and advise on other possible sources of funds.

DEPOSITS

- 11.11. Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:
- a. The amount of the deposit.
 - b. A reference, such as the number of the receipt or the name of the debtor.

PAYMENTS & WITHDRAWALS

- 11.12. All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two authorised signatories.
- 11.13. This provision applies to all accounts, public or private, operated by or on behalf of the Governing Body.
- 11.14. Signatories should not ordinarily authorise BACS payments or sign a cheque reimbursing themselves. In all cases a second cheque signatory or BACS authoriser is required for payments. The exception to this provision is for salary payments, where separation of duties, robust oversight and a double signatory process provides suitable safeguards against fraud.

ADMINISTRATION

- 11.15. The School Business Leader must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure:
- All bank accounts are reconciled to the academy's cash book.
 - Segregation of duties: Senior Finance Officer or Assistant Finance Officer
 - Reconciliations are subject to a monthly review carried out by the School Business Leader or the Head.
 - Adjustments arising are dealt with promptly.

CASH FLOW FORECASTS

- 11.16. The School Business Leader is responsible for preparing cash flow forecasts to ensure that the AT has sufficient funds available to pay for day-to-day operations.

12. FIXED ASSETS & DEPRECIATION

ASSET REGISTER

- 12.1. All items purchased with a value over the academy's capitalisation limit of £1500 must be entered in an asset register. The asset register is to be maintained by the Finance Officers and should include the following information:
- Asset description.
 - Serial number (if available).
 - Date of acquisition.
 - Asset cost.
 - Source of funding (% of original cost funded from DfE grant and % funded from other sources).
 - Expected useful economic life.
 - Depreciation.
 - Current book value.
- 12.2. The Asset Register:
- Helps to ensure that staff take responsibility for the safe custody of assets.
 - Enables independent checks on the safe custody of assets, as a deterrent against theft or misuse.
 - Manages the effective utilisation of assets and helps plan for their replacement.
 - Helps the external auditors to draw conclusions on the annual accounts and the AT's financial system.
 - Supports insurance claims in the event of fire, theft, vandalism or other disasters.

DEPRECIATION

- 12.3. The rate of Depreciation on assets has been approved by governors and is as follows:
- Land and Buildings 2% straight line (A revaluation of assets should take place at least every 6 to 8 years).

- b. Motor Vehicles 20% straight line.
- c. Plant & Machinery 15% straight line.
- d. Furniture & Equipment 20% straight line.
- e. Computer Equipment & Software 20% straight line.
- f. No depreciation is provided on freehold land. Depreciation on assets in the course of construction is not charged until they are brought into use.

SECURITY OF ASSETS

- 12.4. Where possible, equipment should be secured by means of physical and other security devices.
- 12.5. All the items in the register should, where practical, be permanently and visibly marked as AT property.

DISPOSALS

- 12.6. Asset items which are to be disposed of by sale or destruction must be authorised for disposal in accordance with the approved financial delegations table and, where significant, should be sold following competitive tender.
- 12.7. Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the AT obtained value for money in any sale or scrapping of equipment.
- 12.8. The AT is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other academy assets. If the sale proceeds are not reinvested, then the academy must repay to the DfE a proportion of the sale proceeds.
- 12.9. All disposals of AT owned land must be agreed in advance with the Secretary of State.

LOAN OF ASSETS

- 12.10. Items of academy property of value above £100 [e.g. text books are not applicable, laptops are] must not be removed from academy premises without the authority of the Head or School Business Leader. A record of the loan must be recorded on a loan of equipment form and booked back into the academy when it is returned. The record is to be kept by the School Business Leader.
- 12.11. If assets are on loan for extended periods or to a single member of staff on a regular basis this 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.

13. INSURANCE

- 13.1. The Governing Body has considered the Risk Protection Arrangement (RPA) and has decided to maintain insurance cover in the commercial sector.
- 13.2. The School Business Leader is to ensure that an 'all-risks' policy is maintained at all times to meet DfE and ESFA academy insurance requirements.
- 13.3. Governors have assessed the risk to the AT of a terrorist incident and have opted not to take out terrorism cover.
- 13.4. The Governing Body via School Business Leader ensures that the insurance provided is appropriate for the AT in terms of cover and value for money. The risks to the AT are to be reviewed annually and an appropriate level of cover is to be maintained.
- 13.5. The Governing Body does not allow the AT to give any indemnity to a third party without written consent from the insurers and the DfE or their agents.
- 13.6. The School Business Leader is responsible for informing the insurers of all accidents, losses and other incidents which may give rise to an insurance claim. On occasions, notification must also be given of major build or repair & maintenance projects.

14. RISK MANAGEMENT

14.1. The Governing Body operates a Risk Register. The Risk Register is a working document, reviewed and updated by the SLT and presented periodically to the Governing Body. Following any risk management audit, governors must implement reasonable risk management audit recommendations.

15. HOSPITALITY & GIFTS POLICY

15.1. The Hospitality and Gifts Policy, is an appendix to this document, and has been approved by Governors and must be complied with.

16. PETTY CASH

16.1. Petty Cash is used for small purchases, up to a maximum of £40, where the full invoice system would not be appropriate. The Petty Cash system is not normally to be used for travel or subsidy. A petty cash box is held by the Finance Office.

Responsibility for petty cash holdings and daily reconciliation rests with the Finance Officers.

Science and DT each hold their own petty cash box and are responsible for their reconciliation at the end of the month. Science/DT budget holder approves expenditure via a spreadsheet forwarded to the Finance Office for reconciliation.

16.2. Cash boxes are to be locked away in a safe or secure locker at night. Normally the cash boxes are to be maintained at the following levels from cash flow through the Finance Office:

- a. Finance/Estates - £140.
- b. Science - £50
- c. Design and Technology - £50.

16.3. Staff wishing to reclaim a petty cash purchase must:

- a. Obtain documented and signed prior approval from the relevant budget holder for the intended spend.
- b. Obtain a proper VAT receipt (so that all VAT can be reclaimed).

In order to be reimbursed, fill in a petty cash requisition form and attach proper receipts issued by the vendor.

Science and DT complete a spreadsheet which is signed by the relevant budget holder at the end of each month and forwarded to the Finance Office for reconciliation.

16.4. Either Finance Officer can process the requisition and the staff member receiving reimbursement will sign to confirm that they have received the money.

16.5. The balance of cash and requisition forms is to be kept in the petty cash folder which is reconciled with the cash box monthly.

17. STAFF AND GOVERNORS' TRAVEL & SUBSISTENCE ALLOWANCES

17.1. Staff and Governors, who in the course of their approved duties are required to travel, may be entitled to claim reimbursement for necessary expenses which are not covered by course costs.

17.2. In order to reclaim expenses, the staff member must complete a Travel Expense Claim Form and attach original receipts for all expenses claimed. Claim forms must be completed in ink and fully completed and authorised before payment can be processed. Rates for reimbursement are listed below and these are to be reviewed annually by the Governing Body. Travel and subsistence claims submitted by the Head must be authorised by the Chair of the Governing Body or two members of the Senior Leadership Team.

| Type/ Mode | Guidance | Rate Allowable | Comments |
|-----------------|--|---|--|
| Rail | Travel is always to be in standard class. If staff wish to travel first class, then they can personally contribute the additional charge for upgrading the ticket. | Actual cost | All staff are to ensure that an early booking is made (through the Finance Office for general non-CPD travel and through Mrs S Hutchins for CPD related travel) to secure best discounted prices. Train tickets should be purchased in advance and a minimum of 7 days' notification given to finance staff to obtain best value for money. Where staff fail to obtain the best possible fare owing to poor personal administration, the amount paid for the journey may not be reimbursed in full, but limited to what would have been a reasonable fare if booked in good time. |
| Taxi | Only to be used when public transport is not available, or the business is urgent. A receipt must be obtained. | The fare plus a reasonable gratuity (not exceeding 10%) may be reclaimed. | Taxi to or from Grantham station should be less than a daily parking rate at or near the station. In London use of travel card should be made for tube or bus journeys. |
| Bus | | Actual expenditure. | |
| Car & Motorbike | Motor mileage is refundable for the shortest route between The King's School and the destination; AA Route Planner can be used to determine this claimable distance If a journey commences from home, then the full mileage from home to the destination can be claimed. If an employee stops off at The King's School for a reason unlinked to the business journey, then this will be classed as a stop off and mileage must only be claimed from The King's School to the destination. | Rate is 45p per mile. Expenditure incurred on tolls or parking may be claimed. Additional passengers carried (staff or governors only), attract an additional payment of 5p per mile. | Rates for motor cycles – 24p per mile. NB: Use of car for long journeys (over 200 miles) may be subject to refund of maximum standard class rail journey only. Staff wishing to use their private vehicle for school business will be required to sign the expense form to confirm that they have a valid MOT, Tax, Business Insurance, and driving license. |
| Rental Vehicles | For journeys involving several staff, the option of hiring a vehicle may be cheaper than other modes including train or private car. | The actual cost of fuel and expenditure incurred on tolls or parking may be reclaimed. | The cost of hiring will be paid on invoice by Finance Office. |

| Type/ Mode | Guidance | Rate Allowable | Comments |
|-----------------------------|--|---|---|
| Personal Business Insurance | Staff wishing to use their private vehicle for regular school business (not occasional) must hold personal Business Insurance through their own motor policy. A claim can be made to the Finance Office for reimbursement of the premium (covering one car) for the Business Insurance element. (Original policy and premium documentation to be presented to the Finance Office and a copy to be kept on file.) | | |
| Meal & Subsistence | Meal costs are refundable, but the absences must justify a particular expense. Costs are not reimbursed for trips undertaken as part of normal duties i.e. sports matches. Night (i.e. over 24 hours) Guidance should be sought from the School Business Leader at least 72 hrs in advance of travel if costs are likely to be higher in the area to be visited. A flat rate of subsistence will be granted for employees supporting the Duke of Edinburgh and other events if preauthorised by the School Business Leader or Head. | Lunch - £12 Dinner - £18 £140.00 Hotel rate for exceptional circumstances. £300.00. London. The overnight rates include an element for all meals during the 24-hour period. | Examples: Lunch cost could be reclaimed for a day's course if lunch was not provided. Dinner may not be claimed if the claimant arrived home in time for a meal (guide time 19:00hrs). Claims for alcoholic drinks will not be accepted. Receipts, where reasonable, or images of receipts, are required on completion of the journey. Subsistence and meals rates cannot be claimed concurrently. |

Receipts (including VAT receipts when VAT has been charged), must be obtained and submitted with every expense claim.

18. PRIVATE TELEPHONE CALLS

18.1. The policy does not seek reimbursement for short, emergency personal telephone calls; however, all staff are encouraged to use personal mobile phones for personal calls. Where there has been a clear abuse of the telephone facility and relevant individuals can be identified, reimbursement will be sought.

19. LETTINGS OF AT PREMISES

19.1. The net income derived from lettings is a useful addition to funds. The premises and facilities may be let to hirers subject to the demands made upon them for school use and in line with the Lettings Policy. School use including school clubs, societies and the PTFA will take precedence over outside lettings, although it may be possible to reschedule events to avoid interference.

19.2. The Assistant Bursar (Admin) is responsible for all aspects of lettings and for notifying the Finance Office of invoices to be raised on a monthly basis.

20. THE KING'S SCHOOL AWARD FOR LONG SERVICE

20.1. The Governing Body operates a Long Service Award Scheme which applies to all staff employed on a permanent contract. Staff become eligible for an Award after reaching 20- and 35-years' service at The

King's School. Staff employed at The King's School prior to academy conversion in 2011 will have this continuous service counted towards The King's School Award.

20.2. Staff members approaching the award points will be notified by the HR Officer who will make the necessary arrangements to obtain a suitable gift which will be presented at a suitable occasion. Staff members may elect to purchase their own award, or accept a voucher, or have payment through the payroll system although this option will be subject to tax. For staff purchasing their own gift, reimbursement will be made on production of proof of purchase. Awards given are £200 for a 20-year award, or £350 for a 35-year award.

21. MUSIC TUITION

21.1. The Lincolnshire Music Service has assumed responsibility for the delivery of music tuition. Where locally employed staff provide delivery of music tuition the monies are to be handled and reconciled termly by finance staff.

21.2. The Head of Department (HOD) for Music is responsible for oversight of music tuition. The HOD closely monitors income payments and initiates action to ensure that payments are requested, received and passed to Finance for banking. In addition, the HOD, during the academic year, monitors: dropouts and non-payments.

21.3. The Finance Office's role is to bank income, make payments and assist the HOD in meeting their responsibilities regarding music tuition and alert the School Business Leader to any shortfall.

ANNEX A: PERSONNEL AND SALARIES SUB COMMITTEE TERMS OF REFERENCE

The Personnel & Salaries Committee is a sub-committee of the Governing Body and is authorised by the Governing Body to determine all matters relating to the AT staffing complement and salary scales. In addition, the committee is responsible for ensuring procedures and policies relating to pay and related performance of staff are in place and are monitored and reviewed regularly. This includes the establishment of a Teachers' Pay Policy for adoption annually by the Governing Body.

COMMITTEE MEMBERSHIP

The Personnel and Salaries Committee will consist of at least three governors nominated each September by the Governing Body. The Committee will not include any member of staff employed by the Governing Body. The Head will attend all meetings but will be excluded from discussion of his salary progression.

COMMITTEE REMIT

The Personnel & Salaries Committee will have full delegated powers from the Governing Body to take all decisions relating to pay in accordance with the approved AT pay policies and within the financial context of the AT medium term financial forecast budget.

Specifically, this will include:

- Ensuring that the whole school pay policies are statutorily compliant, including where relevant the STPCD and extant support staff GLPC pay equivalent policies.
- Reviewing the Teacher's Pay Policy and making recommendations to the Governing Body for amendment where necessary.
- Reviewing staffing and pay structures annually to consider the impact of any changes to nationally recommended pay rates and reporting to the Governing Body as appropriate.
- Ensuring that the policy is applied equitably and consistently for all staff.
- Ensuring that pay decisions are fair and equitable, linked to the Performance Management Policy for teachers and support staff, and take account of the recommendations of the Head and where appropriate, other members of the Senior Leadership Team.
- In accordance with existing pay policies, determine the pay ranges for all staff employed at the AT, including allowances and temporary recruitment and retention payments where appropriate.
- Maintain an up-to-date staffing structure.
- Ensure and receive external advice where appropriate, particularly in respect of salary matters relating to the Head.
- Ensure annual pay statements are issued to all staff in accordance with the Pay Policy.
- Report to the Governing Body summarising pay decisions and issues arising.

22. ANNEX B: AUDIT AND RISK SUB COMMITTEE TERMS OF REFERENCE

The Audit and Risk Committee is a sub-committee of the Governing Body and is authorised by the Governing Body. Specifically, the audit and risk committee must:

- Review the external auditor's plan each year,
- review the annual report and accounts,
- review the auditor's findings and actions taken by the trust's managers in response to those findings •
- assess the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal or retendering.

Considerations may include:

- the auditor's sector expertise
- their understanding of the trust and its activities
- whether the audit process allows issues to be raised on a timely basis at the appropriate level
- the quality of auditor comments and recommendations in relation to key areas
- the personal authority, knowledge and integrity of the audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
- the auditor's use of technology
- produce an annual report of the committee's conclusions to advise the board of trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.

COMMITTEE MEMBERSHIP

Employees of the trust should not be audit and risk committee members, but the accounting officer and chief financial officer should attend to provide information and participate in discussions. The chair of trustees should not be chair of the audit and risk committee. Where the audit and risk committee are combined with another committee, employees should not participate as members when audit matters are discussed.

The committee must: have written terms of reference describing its remit;

- agree a programme of work annually to deliver internal scrutiny that provides coverage across the year;
- review the ratings and responses on the risk register to inform the programme of work, ensuring checks are modified as appropriate each year;
- agree who will perform the work;
- consider reports at each meeting from those carrying out the programme of work;
- consider progress in addressing recommendations;
- consider outputs from other assurance activities by third parties including ESFA financial management and governance reviews, funding audits and investigations;
- have access to the external auditor as well as those carrying out internal scrutiny, and consider their quality

COMMITTEE REMIT

The audit and risk committee must:

- direct the trust's programme of internal scrutiny,
- ensure that risks are being addressed appropriately through internal scrutiny,
- report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.

Trusts should note that the Financial Reporting Council's revised Ethical Standard states that a firm providing

external audit to an entity shall not also provide internal audit services to it.

The trust must deliver internal scrutiny in the way most appropriate to its circumstances. Options include:

- employing an in-house internal auditor
- a bought-in internal audit service from a firm, other organisation or individual with professional indemnity insurance
- the appointment of a non-employed trustee
- a peer review by the chief financial officer from another academy trust.

The trust should satisfy itself that the trust supplying the reviewer has a good standard of financial management and governance and should minute the basis for its decision. The peer reviewer should be independent of the trust.

The trust must confirm in its governance statement, accompanying its annual accounts, which of the internal scrutiny options it has applied and why. The outcome of the work must also inform the accounting officer's statement of regularity in the annual accounts.

The trust must keep its approach to internal scrutiny under review. If it changes in size, complexity or risk profile, it should consider whether its approach remains suitable.

Further information is available in the <https://www.gov.uk/government/publications/audit-committee-handbook>

ANNEX C: ACCEPTANCE OF GIFTS AND HOSPITALITY POLICY

INTRODUCTION

The King's School AT is committed to the values of probity and accountability. All staff should conduct themselves with integrity, impartiality and honesty always. Staff should maintain high standards of propriety and professionalism.

The guiding principles are:

- The conduct of individuals should not create suspicion of any conflict between their official duty and their private interest.
- The action of individuals acting in an official capacity should not give the impression to any member of the public, to any organisation with whom they deal or to their colleagues that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

APPLICATION

This policy applies to all Trustees, Governors and members of staff.

Procedures apply to gifts from students and their families as well as from potential suppliers.

ACCEPTANCE OF GIFTS

Staff should not accept gifts or rewards from any organisation or individual with whom they have contact in the course of their work as an inducement either for doing something or not doing something in their official capacity. Particular care should be taken about any gift from a person or organisation which has or is hoping to have a contract with the Academy.

Gifts of a trivial or inexpensive nature may be accepted (e.g. diaries, calendars, mugs), but more substantial or expensive offerings should be declined.

Gifts are deemed to include:

- Goods provided for personal or other private use
- Personal services
- Loans of equipment, vehicles etc. for personal use
- The provision of goods / services at preferential cost for personal or other private use

If unsolicited gifts of a substantial nature arrive from contractors, they should be returned with a polite explanation that the Academy's policies do not allow their acceptance.

ACCEPTANCE OF HOSPITALITY

Hospitality can take a variety of forms, some of which staff may accept, some of which should be declined.

Staff may be offered hospitality as a normal business practice in a way that is directly linked to their role. Examples of this kind of hospitality include the offer of refreshments at business meetings or the offer of lunch or dinner at the end of an official engagement. This kind of conventional hospitality may be accepted.

Staff may also be offered other forms of hospitality which are not related to their role and are not linked to AT business. This might include substantial offers of social functions, travel or accommodation, offers of tickets and invitations to sporting, cultural or social events. These forms of hospitality should be declined.

If any member of staff is in doubt about whether it is appropriate to accept any offer of hospitality, the advice of the Head should be sought, who may also seek the advice of the School Business Leader.

You must never canvas or seek gifts or hospitality.

DECLARING THE ACCEPTANCE OF A GIFT

Trustees, Governors and staff must record being offered or accepting any gifts by completing a Declaration of Gifts and Hospitality. The declaration should be approved by the Head for staff and the Chair of the Governing Body for Trustees and Governors. The School Business Leader will maintain the Register for Gifts and Hospitality.

FAILURE TO COMPLY

In all instances where there is a reasonable belief that there has been a failure to declare, the Chair of the Governing Body or the Head will conduct a formal investigation of the situation. Employees may be subject to disciplinary procedures to pursue potential matters of misconduct.

It is a criminal offence for an employee of the AT to corruptly accept any inducement or reward for doing, promising or refraining from doing anything in the course of their employment, or corruptly showing favour or disfavour in the handling of contracts. In acting corruptly, the employee would demonstrate their intention to purposefully act with a lack of probity and with a disregard for the implications of their actions for the Academy.

ANNEX D: THE BRIBERY ACT 2010

The Bribery Act applies to all businesses and organisations no matter what their size in terms of numbers of offices or employees.

The Bribery Act creates offences which can impact as heavily on ATs as they can other businesses. Offences created by the Bribery Act are:

- offering, promising or giving a bribe.
- requesting, agreeing to receive or accepting a bribe.
- bribing a foreign public official to obtain or retain business.
- failing to prevent bribery but not having in place "Adequate Procedures".

Certain activities, even local practices may constitute offences under the Bribery Act. Examples are of a catering supplier offering the AT a financial incentive for the renewal of a catering contract or parents offering a contribution to the AT if their child is made a sports captain or Head Boy.

If in doubt the following 'tests' should be applied:

- Is the 'favour/benefit' payable to an individual?
- Is this individual authorised to receive such benefit?
- Is the individual the decision maker or in a position to influence decisions?
- Is it an inducement for that individual to act improperly or breach a duty of good faith and impartiality?
- It is transparent?
- Is it part of the contract?
- Will it result in obtaining an 'unfair' business advantage?
- Do you feel comfortable with it?
- Could you justify it if challenged (in a court of law, for instance)?

For further information follow the link below:

<http://www.justice.gov.uk/guidance/docs/bribery-act-2010-quick-start-guide.pdf>

APPENDIX 1 - DECLARATION OF GIFT OR HOSPITALITY

Please indicate by ticking box A or B whether you have been offered and declined or have accepted a gift or hospitality

| | |
|-----------|--|
| Name: | |
| Position: | |

A I have been offered a gift / hospitality which I have declined

B I have been offered a gift / hospitality which I have accepted.

| Declaration details | | |
|---|---|-------------------------------|
| Name of external organisation and their relationship with the Federation. | Nature of interest / gift / hospitality | Estimated Value If applicable |
| | | |
| | | |
| | | |

I believe my objectivity and independence in relation to the above external organisation has not been impaired in any way by the offer of gifts or hospitality.

| | |
|--------------------|--|
| SIGNED (Recipient) | |
| Date | |
| NAME IN CAPITALS | |

| | | | |
|------------------|--|------|--|
| (Chair / Head) | | Date | |
| NAME IN CAPITALS | | | |

Completed forms should be sent to the School Business Leader to enter in Register.

Entered in Register Date: Reference:

APPENDIX 3: BEST VALUE STATEMENT

The King's School AT has the authority to seek the provision of supplies and services from a wide range of suppliers. The Governing Body is committed to achieving "Best Value" for money. The AT policy is to base decisions on sound commercial practice and not to favour any individual supplier. The requirement is to ensure "Best Value" for money in all decisions made and this responsibility is delegated by the Governing Body to the Head and the School Business Leader. The Head and School Business Leader will use the principles of Best Value as they apply to securing continuous improvement in this AT and will:

- Regularly review the functions of the school, challenging how and why services are provided and setting targets and performance indicators for improvement.
- Monitor outcomes and compare performance with similar schools.
- Consult appropriate stakeholders before major decisions are made.
- Promote fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.
- The Governing Body will strive to ensure that it is using resources effectively to meet the needs of students and will monitor these resources.
- Plan together with the School Development Plan in order to determine the extent of continuous improvement.

BUSINESS ETHICS

Staff are to be guided by the following principles when dealing with suppliers:

- Any material interest held by a member of staff, or by a governor in a supplier's business, or any other personal interest which could impinge or might be seen by others to impinge, must be declared to the Head.
- Not to seek or solicit gifts, commission or other inducements either in cash or kind.
- The offering of gifts should be actively discouraged.

If gifts (other than promotional materials) are received they should be passed to the Head, who will decide if they may be retained, or become AT property or disposed for the benefit of a charity.

- Invitations to meals should be reported to the Head unless they have no commercial implications.
- Discounts on goods or services procured by the AT belong to the AT.

Staff may not represent any outside company or organisation within AT premises and during AT time without written permission from the Head. In addition, the School Business Manager acting as Company Secretary in conjunction with Clerk to the Governors is to maintain a register of Trustees, Governors' and SLT interests.

Annex E: The ESFA 'Musts'.

Guidance must be read in full; all MUSTS are included in Part 8 of the ESFA Academy Trust Handbook. These are to be reviewed annually by the Governing Body

TOP 10 'MUSTS' FOR CHAIRS AND OTHER TRUSTEES

PERSONAL RESPONSIBILITIES

- Apply highest standards of conduct and ensure robust governance, comply with charitable objects, with duties as company directors, with charity law and the funding agreement [1.13 and 1.14]

STRUCTURES

- Ensure the board of trustees meets at least three times a year, and conducts business only when quorate [2.3]
- Approve a written scheme of delegation of financial powers [2.4]

RELATIONSHIPS

- • Manage conflicts of interest, be even-handed with related parties, and ensure goods or services provided by them are at no more than cost, beyond the limits in this handbook [5.35 to 5.59]

MONEY AND OVERSIGHT

- • Ensure the board approves a balanced budget for the financial year and minutes their approval [2.10]
- • Share management accounts with the chair of trustees monthly, with the other trustees six times a year, and consider when the board meets, taking action to maintain financial viability [2.19 and 2.20]
- • Ensure decisions about executive pay follow a robust evidence-based process reflecting the individual's role and responsibilities, and that the approach to pay is transparent, proportionate and justifiable [2.30 and 2.31]
- • Appoint an audit and risk committee (either dedicated or combined with another committee) to advise on the adequacy of the trust's controls and risks [1.24 and 3.6 to 3.14]

ACCOUNTABILITY AND AUDIT

- • Submit audited accounts to ESFA by 31 December [4.4]
- • Ensure an appropriate, reasonable and timely response to findings by auditors, taking opportunities to strengthen financial management and control [4.16]

WRITE-OFFS AND ENTERING INTO LIABILITIES

The academy trust must obtain ESFA's prior approval for write off actions beyond the delegated limits [5.19]

SENDING THE BUDGET TO THE ESFA

The academy trust must submit to ESFA, in a form specified by ESFA, an Academies budget forecast return (BFR) each August in accordance with deadlines published annually. These must be approved by the trustees before submission.

23. APPENDIX 4: THE KING'S SCHOOL - SALARY AUTHORISATION TRACKING SHEET

| MONTH | | | | |
|-------|--|------------------------|------------------------|------------------------|
| YEAR | | | | |
| # | ACTION REQUIRED | ACTIONED BY | AUTHORISED BY | |
| 1 | PAYROLL SUBMITTED ON EduPay PORTAL: (c09 Month) Initial payroll produced with documentary evidence of all changes to normal payroll (overtime/change of contract letters, one-off payments etc.) Timesheets submitted (c01 Month) and approved (c07 Month) Payroll Summary report generated | Payroll Administrator | School Business Leader | Head |
| | | Signature | Signature | |
| | | Date | Date | |
| 2 | PAYROLL ANALYSIS REPORT VERIFIED AND AMENDED: (c16th Month) Gross Pay v Net Pay Variance Report Reconciliation Report Amendments actioned on EduPay Payroll locked by SBL once approved by the HM | Payroll Administrator | Head | School Business Leader |
| | | Signature | Signature | Signature |
| | | Date | Date | Date |
| 3 | BANK RECONCILIATION REPORTS & INVOICES RECEIVED FOLLOWING PAY DAY: (c24th Month) Final Payroll Summary Report (dated pay day) verified against budget figures for accuracy BACS detail and Pay Deductions report downloaded Invoice accuracy checked. | Payroll Administrator | School Business Leader | |
| | | Signature | Signature | |
| | | Date | Date | |
| 4 | JOURNALS POSTED TO Access (c 31st to 7th of month following) Journals produced for Finance team by School Business Leader. Senior Finance Officer to upload journals. | School Business Leader | Senior Finance Officer | |
| | | Signature | Signature | |
| | | Date | Date | |
| 5 | BANK STATEMENTS RECONCILED TO EduPay INVOICES (c 7th month following) | School Business Leader | Senior Finance Officer | |
| | | Signature | Signature | |
| | | Date | Date | |

| | | | | |
|--|--|--|--|--|
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