

**Finance Policy
and Procedures**



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Introduction

This manual has been designed to help all parties with financial responsibilities understand and abide by the finance policy and procedures of the Dulwich Hamlet Educational Trust (The Trust).

The Trust will manage its affairs in accordance with the seven principles of Public Life.

These are:

- **Selflessness** - holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.
- **Integrity** - holders of public office should not place themselves under any financial obligation to outside individuals or organisations that might influence them in the performance of their official duties.
- **Objectivity** - in carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- **Accountability** - holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- **Openness** - holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- **Honesty** - holders of public office have a duty to declare any private interests relating to their public duties and take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership** - holders of public office should promote and support these principles by leadership and example.

Section I Roles and Responsibilities

- I.1 Dulwich Hamlet Educational Trust is a Multi Academy Trust ('the Trust'), a company registered under the Companies Act 2006. The Trust operates two schools, Dulwich Hamlet Junior School (DHJS) and The Belham Primary School. The financial framework for the Trust reflects its status as a company, a charity and public body, and is set out in the Academies Financial Handbook. Trustees and governors are responsible for the strategic direction and operational priorities of the schools.
- I.2 The Board of Trustees delegates a number of its statutory responsibilities to the Accounting Officer (the Executive Headteacher), the Chief Financial Officer, and senior staff in the schools.
- I.2 Full details of delegated authorities are provided in the Financial Delegations (part of the DHET Scheme of Delegation) – attached at **Appendix I**. The Scheme of Delegation is reviewed by the Board of Trustees annually.
- I.3 The Trust regularly reviews its financial management arrangements and makes amendments as necessary, in accordance with the requirements of the Department for Education (DfE), the Education and Skills Funding Agency (ESFA), charities legislation and company law.
- I.4 All trustees and employees recognise the need to ensure compliance with the Academies Financial Handbook, the Trust's Funding Agreements and the Regulatory Framework for Academies.

Section 2 Governance Arrangements

Governance arrangements for the Trust are summarised below and in the diagram at **Appendix 2**.

Summary of the Dulwich Hamlet Educational Trust governance structure

- Members can appoint up to five Trustees.
 - They receive reports on finances and strategy from the Trustees.
 - They meet once a year at the Annual General Meeting to approve the auditors and the annual accounts.
 - They can agree and amend the Articles of Association and call Extraordinary General Meetings.
- The Board of Trustees enters into funding agreements with DfE.
 - The Board is responsible for: strategy; educational performance; financial management, including the internal system of controls; operational management, including senior appointments and salaries; risk management; holding the Executive Headteacher to account; and compliance with charity and company law.
 - There are a range of standing and ad hoc Board committees, including the Local Governing Bodies (LGBs)
- The LGBs have delegated responsibility for the operation of their individual school within the overall strategic direction and framework of delegation set by the Trustees.
 - There are two standing Committees of the LGBs – Business (inc finance, premises and personnel) and Education.

Section 3 Financial Planning and Review

3.1 Budget Setting

- 3.1.1 The annual budget for the Trust and individual schools will be prepared having regard to the School Development Plans, consistent with the Trust's medium and long term strategy.
- 3.1.2 The budget will be approved by the Board of Trustees following detailed discussion and on the recommendation of the Executive Headteacher/Accounting Officer, the Audit Committee, the Local Governing Bodies of the schools (LGBs) and their business sub committees, as appropriate. This approval shall be formally minuted.
- 3.1.3 The Executive Headteacher and Heads of School are authorised to incur expenditure within the approved budget without further authorisation from the LGBs or Board of Trustees, subject to the limits set out in the Scheme of Delegation.

3.2 Budget Preparation Timetable

3.2.1 February

- Initial informal discussions between the Executive Head, Heads of School, the Chief Financial Officer and LGBs regarding the resource requirements in light of anticipated curriculum offering, and other services to be provided.

3.2.2 March/April

- The Chief Financial Officer models the implications of curriculum changes or developments for the following academic year, particularly levels of staffing and other resource requirements.

3.2.3 April

- The Chief Financial Officer, Heads of School and Business Committee, where appropriate, investigates emerging priorities regarding the maintenance and/or improvement of sites and buildings, together with a review of service level agreements, contracts etc.

3.2.4 May

- Compilation of all of the above resource requirements by the Chief Financial Officer.

3.2.5 June

- Checking and remodelling the above information in readiness to produce a draft budget by the Chief Financial Officer, HR Lead, Heads of School and Financial Consultant

3.2.6 July

- The Chief Financial Officer produces a draft budget for the forthcoming financial year reflecting reasonable assumptions about student numbers and forecasts of future resource requirements.
- Approval obtained from the Trust Board and minuted formally. Notification to delegated budget holders.
- Submission to the ESFA by end July.

3.2.7 **October/November**

- Final Budget review and sign-off by Local Governing Body, reflecting any unforeseen staffing changes and fluctuations in student numbers.
- Review of census and other known information about pupil numbers by Heads of School / the Chief Financial Officer to inform budget for following year.

3.3. **Budget Monitoring**

3.3.1 Delegated budget holders are accountable for monitoring and controlling their own budgets.

3.3.2 Actual income and expenditure shall be monitored against budget as follows:-

- A monthly management report shall be produced by the Chief Financial Officer showing actuals to budgeted spend, and percentage variance.
- The Executive Headteacher and Heads of School as appropriate shall discuss any variances, and take remedial action where necessary
- Agreed actions and the implementation of past actions to be reported termly to the LGBs and Audit Committee, with oversight by the Trust Board.
- Monthly management reports, cash flow actuals and forecast, and Balance sheets are circulated to the Chair of Trustees and Accounting Officer monthly, and six times a year to other Trustees.

3.4 **Government Returns**

3.4.1 The Chief Financial Officer and HR Lead are responsible for ensuring that Returns are completed within the timescales as specified by DfE or ESFA.

Section 4 Tendering Procedures

4.1 When purchasing any goods or services, the Trust must ensure that value for money is obtained. The quotation and tendering levels are set out in the Financial Delegations (**Appendix I**).

4.2 For orders under £2,500 finance staff should make an informed judgement as to the need to obtain information in addition to an estimated price from a supplier, this might include bench-marking against alternative suppliers and periodic value for money checks. The Premises Manager is authorised to spend up to £500 for emergency repairs.

For expenditure between £2,500 and £10,000 costings or quotes from at least two alternative suppliers should be obtained where possible.

For expenditure over £10,000 and up to £50,000 at least three competitive quotations must be obtained on the basis of a written specification, and the process must be evidenced in writing through a named project manager.

For expenditure over £50,000 full tendering procedure with tender panel, interviews and an external project manager may be required. See Appendix I for limits of authorisation.

4.3 The level of expenditure above which the full tender procedures set out in paragraphs 4.4-4.9 below must be followed has been set by the Board at £10,000. Below this cost it is still an absolute requirement that value for money is sought for the expenditure, but less onerous procedures may be appropriate.

4.4 Suppliers who wish to tender for provision of goods and services over £10,000 are provided with a detailed specification of the work required, together with the closing date for receipt of the tenders. All envelopes enclosing tenders or emails are marked as such and remain sealed until the scheduled time for opening.

4.5 Tenders are opened at the appointed time by an individual designated by the Chair of Trustees, who may nominate a Tender Committee with delegated authority to appoint a service provider or contractor on behalf of the Trust. The evaluation of tenders must be fully documented and the documents retained.

4.6 Those evaluating tenders must confirm positively that they have no interest, whether business or personal, in the tender being evaluated, or any of the suppliers involved. If any person has an interest, he/she must declare it and withdraw from the evaluation process.

4.7 All tenderers should be informed of the decision made by the tender evaluation panel immediately. No work can be started or goods supplied until formal letters of confirmation have been issued. In the case of building works contracts, confirmation must be obtained that the contractor has sufficient Public Liability insurance and that all relevant health and safety requirements will be met.

- 4.8 Contracts for the supply of goods or services will be awarded on the basis of the lowest tender bid price, after taking into account relevant factors, for example the quality of service, timely delivery and ability of the supplier to provide what is required. Where a contract is awarded other than on the basis of the lowest price quoted, the reasons for doing so must be fully documented.
- 4.9 All documentation in respect of tenders, including unsuccessful tenders, must be retained for a period of 6 years.
- 4.10 The Trust will review contracts at regular intervals, at least once every 3 years, and renegotiate or put them out to tender where appropriate.

Section 5 Expenditure Controls and Purchasing

5.1 Expenditure Limits

An approved budget holder is permitted to authorise expenditure within an agreed budget for curriculum items. A sequence of orders, all individually within the limit, to cover a larger order or orders is not permitted.

All expenditure must follow the tendering procedures outlined in Section 4 above.

5.2 Budget Virement Limits

The Executive Headteacher and Heads of School are permitted to authorise budget virements between individual budgets up to a limit of £15,000. Virements between £15,000 and £30,000 must be referred to the Business Committee of the LGB and over £30,000 to the Board of Trustees.

5.3 Approval of BACs payments

BACS payment facility is one form of payment in use at the Trust. The following principles should apply. Approval is required by two designated signatories across the Trust. If an individual invoice payment exceeds £20,000 and is not related to transfers within the Trust, or reclaimable costs, then permission from the LGB must be sought.

5.4 BACs security

Any security tokens or devices used by authorised staff for the approval and release of payments by BACs are to be kept in the safe when not in use.

5.5 Direct Debits

Salary payments are made by direct debit by the school's payroll provider, EPM. Other direct debit arrangements can be set up only with full authorisation of the Executive Headteacher and the Chief Financial Officer within their delegated authority, and mandates are signed by signatories in accordance with the bank mandate.

5.6 Bad Debts

The trust should only consider writing-off losses after careful appraisal of the facts, including whether all reasonable action has been taken to effect recovery from the debtor. Please refer to Appendix I for delegation limits.

5.7 Expenses for Governors

There is an approved scheme for the payment of appropriate and authorised expenses to Governors.

5.8 Gifts and hospitality

When giving gifts or considering hospitality related expenditure the school must ensure the value is reasonable and have due regard to propriety and regularity in the use of public funds. A record of all gifts received and given should be kept in the Gifts and Hospitality Register. The Head of School or Executive Headteacher may authorise expenditure on gifts for staff up to the value of £50 per individual, with a total maximum annual expenditure of £500. Expenditure above this amount requires LGB approval.

The annual hospitality budget should not exceed £500. A summary of hospitality spend should be provided to the LGB on an annual basis.

5.9 Monitoring

The responsibility for monitoring the budget regularly rests with the the Chief Financial Officer, reporting to the Executive Headteacher/Head of School. Details are set out in Section 3 above. The School currently purchases the support of a financial consultant (School Management Support) in undertaking some of the reporting functions. The Chief Financial Officer will report to the LGB's, the Audit Committee and the Board as required.

5.10 Ordering

5.9.1 A Purchase Order Form (**Appendix 3**) is to be completed for every item of expenditure, or the equivalent information provided by email. This can be completed by the budget holders or finance and administration team. Details of the budget to be charged will be completed. Where value and/or delivery dates are critical, this should be stated on the order.

5.9.2 The Chief Financial Officer ensure that budget allocations are not over-committed before authorising the payment.

5.9.3 Following authorisation, the order is recorded on the accounting system (ACCESS) and placed with the supplier.

5.9.4 Cancelled or spoiled orders are retained and filed by the Chief Financial Officer.

5.9.5 The purchase of items by members of staff for subsequent reimbursement is only permitted in exceptional circumstances as purchases should either be made following the normal order and invoice process, or where appropriate, using the school charge card account. In the exceptional case where this is not possible and employees have paid for items, an expenses claim form must be completed (**Appendix 4**), and the employee will be reimbursed via payroll.

5.11 Deliveries

5.11.1 All deliveries are received by a member of the finance or administrative teams. The receiver checks the goods and signs a delivery note to confirm that all goods have been received and in a satisfactory condition. The delivery note is retained with the requisition and order documentation.

5.11.2 The originator of the order (or a member of the same department) must check the goods for quality and advise the finance or administrative teams immediately if there are any issues.

5.12 Payment

5.12.1 Invoices rendered are extracted when the mail is opened and passed to the finance team for checking against order and delivery notes.

5.12.2 Invoices are matched and attached to the orders and delivery notes and an authorisation grid stamped on each invoice. The grid is initialled by the member of the

finance or administrative teams to confirm that the invoice is in order, matches with the order and the goods or services have been received. Staff who have raised and placed the order are not permitted to add the invoice to the system to ensure there is a segregation of duties.

- 5.12.3 Invoices are approved for payment (evidenced by initialling the stamp) by the Head of School, Executive Headteacher or Chief Financial Officer
- 5.12.4 When an invoice becomes due for payment, it is passed with all related documentation to the BACs approvers for review when authorising payment.
- 5.12.5 BACs payment summaries should be signed by the Chief Financial Officer and Head of School, with periodic review by the Executive Head.
- 5.12.6 Payments must always be made on legitimate invoices, never on pro forma invoices or statements. The remittance advice is emailed to the company that the payment is made to.
- 5.12.7 Where payments are made by BACs, the documentation for each payment is retained with the BACs run summary from ACCESS, in payment date order.
- 5.12.8 Invoices and payments are accurately input into the accounting system and once complete, documentation is filed in date order of the BACs transaction.

5.13 Suppliers

- 5.13.2 Before making an order for goods or services, new suppliers should be vetted to ensure they are reputable and the products supplied will meet the Schools' requirements, including any health and safety regulations. This can be achieved by using organisations such as Crescent Purchasing Consortium of which DHET are a member. Records of any such assessments should be retained.
- 5.13.3 Self-employed individuals retained by the Trust to provide services are required to complete an IR35 online assessment with the HR Lead or Chief Financial Officer. A copy of the result is kept on file. If the Intermediaries Legislation applies, the individual providing the service must be paid via the payroll. Records of all checks undertaken are retained for inspection if required.

Section 6 Charge Card Purchases

- 6.1 The Trust has a charge card facility with its bank, Natwest trading as the Royal Bank of Scotland. There are two cards authorised for use, held by the Chief Financial Officer and HR Lead, for each school. Each card has an operational limit of £5,000, resulting in a total monthly expenditure limit of £5,000 for each school. The outstanding balance is cleared by direct debit each month.
- 6.2 The card should only be used where best value can be demonstrated and it is not possible to use the Trusts' normal purchasing arrangements, e.g. for online purchases where savings can be made. Use of the card follows the same approval process as all other expenditure. In order to ensure all purchases are correctly approved and commitments recorded, a requisition form must be completed and approved prior to making a purchase using the card, or the equivalent information and approval evidence provided by email.
- 6.2 Staff using the card will provide the finance department with an appropriate VAT invoice as soon as practicable following the purchase. This will be stamped with the authorisation stamp in the usual way, along with confirmation of delivery of goods.
- 6.3 The Chief Financial Officer is responsible for ensuring all expenditure is correctly authorised, all receipts are provided, and for reconciling the monthly card statement.
- 6.4 In accordance with the terms and conditions of issue, individuals are personally responsible for the safety and security of their card, which should be retained in the safe when not in use. Under no circumstances should the PIN be divulged or the card used by anyone other than the cardholder.

Section 7 Banking Arrangements

- 7.1 The Trust operates a bank account with the Royal Bank of Scotland.
- 7.2 The opening and closing of bank accounts is authorised by the Board of Trustees.
- 7.3 Each bank account is reconciled to the bank statements on at least a monthly basis by the Chief Financial Officer on the ACCESS accounting system, and any adjustments arising are dealt with promptly.
- 7.4 The bank reconciliations are reviewed monthly by the Executive Headteacher and Head of School and the bank statements and reconciliations signed to evidence this review.
- 7.5 Standing Order and Direct Debit mandates are authorised by the Executive Headteacher and Heads of School.
- 7.6 Particulars of deposits must be entered on a copy paying-in slip or counterfoil. The details include:
- The amount and date of the deposit.
 - A reference, such as the name of the debtor and brief details. As much information is written on the back of the paying in slip as is possible.
- 7.7 The Trust is not permitted to borrow so bank accounts may not be permitted to overdraw.
- 7.8 Banking arrangements should be reviewed annually to ensure that they represent good value for money. A competitive tender should be undertaken when there is a material change in the Trust's banking requirements.
- 7.9 The Finance and administration team will reconcile payments received via the Parentpay income management system and make the appropriate entries into the accounting system. The Finance and administration team will chase debtors for money owed on parent pay accounts and report any issues to the Chief Financial Officer.

Section 8 Borrowing Policy and other ESFA Requirements

The Trust is not permitted to borrow without prior permission of the Secretary of State. The Trust does not currently envisage the need to borrow or operate an overdraft. Should this situation change the overdraft/borrowing will only be undertaken after approval of both the Board of Trustees and Secretary of State.

The Trust is aware that approval from the ESFA is required in a number of circumstances.

Section 9 Income and Cash Management

9.1 Grant Income

- 9.1.1 The Board of Trustees is responsible for ensuring that all income due to the Trust is properly accounted for.
- 9.1.2 Each year the Executive Headteacher/Chief Financial Officer is responsible for determining the level of grant income due to the Trust from the DfE/ESFA and reporting the amount to the Board.
- 9.1.3 As part of the financial month end procedures, the Chief Financial Officer ensures that the monthly grant payments receivable from the DfE are in agreement with the general annual grant (GAG) statement, and any grants or other income due from the Local Authority have been received and posted into the accounting system.

9.2 Other Income

- 9.2.1 The Chief Financial Officer is responsible for ensuring the prompt collection or recovery of monies due to the Trust, although this may be delegated to the administrative staff. Where payments are not made directly via Parentpay or SchoolsBuddy, invoices must be raised on the accounting system (via accounts receivable) in respect of income due to the schools.
- 9.2.2 Other than charity collections, schools are cashless, with no petty cash system in place. Receipt of cash or cheques should be in exceptional circumstances or when the school is acting as an intermediary (for example with school photographs). Parental payments should always be made through Parentpay or SchoolsBuddy. In exceptional circumstances, cash may be accepted and a receipt must always be provided (see 9.3 below).
- 9.2.5 Access to invoices and debtors records is restricted to the Finance Office. As far as possible, segregation of duties has been established between those invoicing and receiving income, and recording and banking receipts.

Non segregation of duties would be acceptable under exceptional circumstances, such as where a matter of confidentiality would be breached or during school holidays where there is no other staff member with the specified role available.

9.2.6 Any lettings are invoiced and payments duly banked.

9.2.7 The Finance and Administration team is responsible for ensuring debts owed by parents are chased and paid. The process for this will depend on the service provided. Wherever possible, parents should be required to pay in advance.

For write-off of debts owed to the school, please see the Financial Delegation limits in Appendix I.

9.3 Cash Management

Deposits

Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

- the amount of the deposit and
- a reference, such as the number of the receipt or the name of the debtor.

Payments and withdrawals

All cheques and other instruments authorising withdrawal from Trustbank accounts must bear the signatures of two authorised signatories.

Administration

The Chief Financial Officer must ensure bank statements are received regularly and that reconciliations are performed on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the Trust schools' cash book;
- reconciliations are prepared by the Chief Financial Officer;
- reconciliation are subject to a monthly review carried out by the Head of School; and
- adjustments arising are dealt with promptly.

Section 10 School Trips

10.1 Approval for the organisation of all school trips must be obtained in advance from the Head of School and must be planned according to the Educational Trips Policy.

10.2 Once approved, details of the trip are sent to the parent/guardian or carers of each child, together with a consent form.

10.3 The teacher organising the trip is responsible for its management. Details of all expenditure, with supporting documentation must be recorded and monitored against the budgeted costs.

- 10.4 Trip details must be passed to the administration office to raise payment for parents via Parentpay or SchoolsBuddy. Teachers can access Parentpay or SchoolsBuddy to review the status of payments by parents/carers for their child's trip. Office staff may be asked to assist in the chasing of debtors as appropriate.
- 10.5 Reconciliations of trip income and expenditure are undertaken by the Finance Office.

Section 11 Travel and Expenses

- 11.1 The costs of staff travel to meetings and courses will be refunded by reference to the cheapest travel option possible, including using an oyster card. Car travel must be approved in advance following evidence that it is the most cost effective method of travel. Car mileage will be reimbursed at the current HMRC rates.
- 11.2 All expenses, including travel, must be claimed using an expenses claim form and authorised by the Head of School.
- 11.3 The Executive Headteacher's expenses over £100 must be authorised by the Chair of the Board of Trustees.
- 11.4 Full details can be found in the Trust's Staff Benefits and Expenses policy.
- 11.5 In line with the Roles, Procedures and Allowances Regulations 2013 and the Trust's Articles of Association, it is the policy of DHET that Trustees and LGB Governors can claim the reimbursement of reasonable out of pocket expenses incurred in attending meetings and other Trust/school events.

Any reimbursement is made at the discretion of the Board of the Trusts and the Accounting Officer.

Claims for expenses should be made, retrospectively, via the Chair of the relevant Body (Trust Board or Committee etc.) to the Trust's Chief Finance Officer. A suitable budget will be identified for the payment of these costs. Receipts must be provided.

In assessing claims, regard will be given to the reasonableness of costs claimed, their consistency with other trust policies, and that steps were taken to keep costs to the minimum necessary for duties to be undertaken.

Section 12 Control of Assets

Asset register

All items purchased with a value over the Trust's capitalisation limit (currently £2,000) must be entered in an Asset Register. Responsibility for maintenance of the Asset Register lies with the Chief Financial Officer. The Register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DfE/ESFA grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset.

The Asset Register helps:

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

Security of assets

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

All the items in the Register should be permanently and visibly marked as the Trust's property and there should be a regular (at least annual) review by someone other than the person maintaining the Register. Discrepancies between the physical count and the amount recorded in the Register should be investigated promptly and, where significant, reported to the Trust Board. Inventories of Trust property should be kept up to date and reviewed regularly. Where items are used by the schools but do not belong to them, this should be noted.

Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Executive Headteacher, Business sub-committee or by the Board, in accordance with the Trust's Financial Delegations. Where significant, assets should be sold following competitive tender.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Trust would need to ensure licences for software programmes have been legally transferred to a new owner.

The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other school assets. If the sale proceeds are not reinvested then the Trust must repay to the DfE/ESFA a proportion of the sale proceeds.

All disposals of land must be agreed in advance with the Secretary of State.

Loan of Assets

Valuable items of school property must not be removed from the premises without the authority of the Head of School. A record of the loan must be recorded in a loan book and an agreement signed and booked back into the school when it is returned.

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Trust's auditors.

Section 13 Insurance

- 13.1 Under the terms of DfE Financial Regulations for Academies, the Board of Trustees must ensure that there are adequate insurance arrangements. The Trust currently participates in the ESFA Risk Protection Arrangements for provision of this cover.
- 13.2 Any person discovering loss or damage which may give rise to an insurance claim must inform the Chief Financial Officer without delay (See Section 17 – Reporting of Losses).
- 13.3 The Chief Financial Officer is responsible for notifying the insurers of a possible claim and for completing all documentation relating to the claim.

Section 14 Payroll and Personnel

Appointment of Staff

- 14.1 The Head of School or Executive Headteacher authorises the appointment of staff within the approved establishment under the terms of the Scheme of Delegation.

Payroll Service

- 14.2 A payroll service is undertaken on behalf of the Trust by EPM. A written contract specifying the terms of the service is in place.

14.3 Changes to Data

All matters pertaining to pay shall be in accordance with the current pay policy, approved terms and conditions and statutory requirements.

- 14.3.1 Notifications of new approved appointments and promotions or other changes are undertaken by the HR Lead to EPM for the necessary changes to be implemented in the payroll.
- 14.3.2 All adjustments to normal payroll payments, e.g. overtime, must be authorised by the Head of School or Executive Headteacher

14.4 Checking of Data

- 14.4.1 A summary of total salary payments and associated employer's costs is provided monthly by the payroll bureau and reconciled by the HR Lead and Chief Financial Officer.
- 14.4.2 Detailed listings of individual payments to staff are also provided on a monthly basis and these are checked against the summary and the schools' records by the HR Lead to ensure that only bona fide members of staff have been paid, and that all changes are correct and appropriately authorised. The HR Lead and the Head of School initial and date the payroll summary and detailed listings as evidence of the review.
- 14.4.3 Payroll reports are reconciled to the bank and posted into by the Chief Financial Officer.

Section 15 Retention and Security of Financial Records

15.1 Retention and Security of Accounting Records

- 15.1.1 All financial records are held securely in the Finance Office which is kept locked when unoccupied.
- 15.1.2 All paper records, including documents relating to the tendering of goods and services (both successful and unsuccessful) must be kept for a period of six years after the end of the financial period to which they relate.
- 15.1.3 The Accounting system, ACCESS, meets requirements for the security and safety of data.
- 15.1.4 The Chief Financial Officer is responsible for supervising the filing, retrieval and back-up of all financial records.

15.2 Data Protection Act

- 15.2.2 The Chief Financial Officer is responsible for ensuring that the Trust is registered with the Information Commissioners Office and that the registration is kept up to date, both to reflect changes in the Trust's data use and on the expiry of the registration.
- 15.2.2 The Chief Financial Officer is responsible for ensuring that the Trust's use of its computerised information complies with the General Data Protection Regulation (2018). Further information is contained in the Trust's Data Protection policy.

Section 16 Conflicts of Interest, Gifts and Hospitality and Register of Business Interests

The Trust has a policy and procedures in place so that any potential, actual or perceived conflict of interest is identified and managed effectively.

- 16.1 There is a policy on the acceptance of gifts and hospitality so that the Trust can demonstrate that no undue influence has been applied or could be said to have been applied.
- 16.2 A register of business interests is maintained and reviewed annually for all trustees, governors and senior staff.
 - 16.2.1 The Register is kept in the Finance Office and is available for inspection when requested.

It is the responsibility of each trustee, governor and member of staff to ensure that all subsequent changes to their business interests are notified in writing to the Clerk to the Board or LGB, so that the Register and web site can be updated.

Section 17 Reporting of Losses

- 17.1 All cases of suspected losses must be reported to the Head of School or Executive Headteacher or Chief Financial Officer or HR Lead immediately.
- 17.2 Where the loss is of cash or an item of equipment, the Chief Financial Officer or HR Lead will inform the police and insurance company as appropriate.
- 17.3 The HR Lead or Chief Financial Officer will arrange appropriate investigations to be made where the loss appears to be the result of internal actions.
- 17.4 The Head of School or Executive Headteacher or HR Lead or Chief Financial Officer will arrange for appropriate and immediate action to be taken to minimise the risk of further loss.
- 17.5 A record will be maintained of all losses, details of investigations and compensation received in respect of insured losses.
- 17.6 The Board of Trustees is to be kept informed of all losses and action taken.

Section 18 Audit Arrangements

- 18.1 Audit checks are carried out as outlined in the Academies Financial Handbook. These checks include:-
- Sampling of purchase orders, delivery notes, invoices and payments
 - Payroll
 - Income and Banking
 - Bank Reconciliations
 - Balance sheet including control accounts.
- 18.2 Annual audits are to be carried out by a firm of Chartered Accountants as outlined in the Academies Financial Handbook and as approved by the Board.
- 18.3 The appointed auditors for the Trust are currently Baxter & Co.
- 18.4 The Board of Trustees has considered the need for a specific internal audit function for the Trust and has appointed the external auditor. Baxter & Co. to conduct a programme of regular checks and to carry out a role similar to that of a Responsible Officer. These checks are carried out on a bi-annual basis.

Section 19 Management of Reserves

- 19.1 The Trust has a duty to ensure long-term financial sustainability. Holding a level of reserves is essential to ensure the Trust retains its capacity to:
- overcome short-term cash flow challenges
 - manage changes in funding levels without being forced into expenditure cuts that may be detrimental to the Trust's strategy

- build reserves to support long-term capital investment

19.2 The Board of Trustees review the reserves levels annually in the context of the key risks identified in the Risk Register and with consideration to the Trust's Strategic objectives.

Appendices

Appendix 1	Financial Delegations
Appendix 2	Governance Summary
Appendix 3	Requisition Request
Appendix 4	Expenses Claims Form/s

Related policies

- Whistleblowing policy
- Staff Benefits and Expenses policy
- Data Protection Policy
- Staff Handbook (including gifts and hospitality)

Financial Delegations in DHET

These delegation levels are updated from those approved by the Board in 2018 and incorporate the latest guidance in the Academies Financial Handbook as well as building on experience. The over-riding objectives of these delegations are to ensure openness, accountability, clarity and control of public money.

The general principle in revising the delegations has been to reduce the number of levels and simplify procedures where possible.

Limits on authorising expenditure on any individual project/contract

Budget Holders	Up to £500
Site Manager (<u>emergency</u> minor building repairs)	Up to £500
Chief Financial Officer /HR Lead & School Business Manager	Up to £5,000
Executive Head and Heads of School	From £5,000 to £30,000
LGB (or delegated Committee)	From £30,000 to £75,000
Board of Trustees	Over £75,000

Each project/transaction should be documented and a paper/electronic record of decisions taken available for subsequent audit inspection.

For the purpose of Business Continuity, the Executive Head, Heads of Schools, Chief Financial Officer and HR Lead & School Business Manager can authorise expenditure across the Trust with limits set above.

Repeat Business:

Where a contractor is used repeatedly by the Trust for relatively lower value jobs the delegations above will apply for cumulative expenditure. For example: if expenditure with the same provider on projects costing £3,000, £9,000, £2,500 has been incurred, a further project costing £6,000 will require Business Committee sign-off. The cumulative limit applies to a 3 year period.

BACs Payment Authorisation

Two designated signatories across the Trust (Head of School or Executive Head, Chief Financial Officer and HR Lead / School Business Manager).

If the payment is over £20,000 is not a transfer between schools and is not in line with previously approved budgets/project budget (capital), approval from the Board of Trustees should be sought.

Virement Limits

A virement involves moving resources from one approved budget category/heading to another. All virements should be reported to the Business Committee at their subsequent monitoring meeting. The authority to make the decisions to switch funds is as follows:

Executive Head and Heads of School	Up to £15,000
Business Committee (for LGB)	From £15,000 to £30,000
Board of Trustees (notifying ESFA if significant)	Over £30,000

Writing off bad debts

Executive Head and Heads of School	Up to £5000
LGB (or delegated committee)	From £5000 to £10,000
Board of Trustees	From £10,000 to £25,000
Approval from ESFA	Over £25,000*

*See Academies Financial Handbook section 1.19 (Currently anything over 1% of annual grant income per single transaction, or 5% cumulatively per financial year)

Novel or contentious payments or investments*/Borrowing

ESFA prior approval required.

* See the Academies Financial Handbook for definitions.

Special payments

Special payments are transactions that are non-statutory or non-contractual, and which are therefore subject to greater control than other payments. They include severance, compensation and ex-gratia payments:

- Severance payments up to the equivalent of three month's pay (and on advice of the Trust's approved HR consultants) may be approved by the Executive Head. Non-contractual payments of £50k or more require ESFA approval.
- Compensation payments must have approval from the Board of Trustees and be in line with the guidance given in the Academies Financial Handbook, Section 3.7. Payments of £50k or more require ESFA approval.
- Ex-gratia payments are those that go beyond statutory or contractual cover, or administrative rules. Payments that fall within wider Trust policies are not ex-gratia (for example, decisions related to additional paid leave fall under the discretion of the Head of School and Executive Head, and do not require further approval). Ex-gratia payments must have approval from the Board of Trustees and be in line with the guidance given in the Academies Financial Handbook, Section 3.7. All ex-gratia payments require prior authorisation from ESFA, regardless of the amount.

Trading with connected parties

All payments above £2500 per annum (cumulative) to a connected party must be "at cost".
All transactions with a connected party must have Board approval.

Disposal of Surplus Stock, Stores & Assets (not land or buildings*)

Executive Head and Heads of School	Up to £1000
Business Committee (on behalf of LGB)	From £1000 to £5,000
Board of Trustees	Over £5,000
ESFA	see below

*Disposal of freehold land & buildings/heritage assets and the granting of leases require ESFA approval as set out in the Academies Financial Handbook and Trust Funding Agreement.

Leases

i) Operating leases

Business committee	Up to £1000 (annual cost)
Board of Trustees	Over £1000 (annual cost)

ii) Finance leases

Finance leases are a form of borrowing and require ESFA prior approval.

Ordering Procedures: goods/services to the value of:

Under £2,500	Bench-marking and periodic value for money check.
£2,500 - £10,000	Competitive quotes where possible and if alternative suppliers are available. Documented decision.
£10,000 - £50,000	At least 3 written quotes overseen by a named project manager. Documented decision.
Over £50,000	Full tendering procedure with tender panel, interviews and an external project manager may be involved

Tendering procedure + OJEU	€221,000+ (Euros) for supplies and services
Tendering procedure + OJEU	€5,548,000+ (Euros) for works

Asset Register

An asset is anything that can be owned or controlled to produce value. It can be revenue or capital

Capitalisation threshold	Over £2,000
Attractive portable items	Over £500 (per item)

Each school in the Trust should maintain an asset register and asset management plan – see the DHET Financial Procedures Manual.

Gifts

The Trust's policy on gifts is set out in the Staff Handbook and reviewed regularly. It should be followed in all instances to ensure propriety and regularity in the use of public funds.

DHET

Revised March 2020

Appendix 2

Section 2 Governance Arrangements

Governance arrangements for the Trust are summarised below and described in detail in the document attached at **Appendix 2.**

Summary of the Dulwich Hamlet Educational Trust governance structure

<div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: 80%;"> <p style="text-align: center; color: blue;">Members</p> <p style="text-align: center;">Simon Burton Rebecca Tee Crispin Tuckley Rafael Marks</p> </div>	<ul style="list-style-type: none"> • Members can appoint up to five Trustees. • They receive reports on finances and strategy from the Trustees. • They meet once a year at the Annual General Meeting to approve the auditors and the annual accounts. • They can agree and amend the Articles of Association and call Extraordinary General Meetings. 		
<div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: 80%;"> <p style="text-align: center; color: blue;">Board of Trustees</p> <p>Chair: Crispin Tuckley Vice-Chair : Karen Robinson (Chair of Dulwich Hamlet LGB)</p> <p>Executive Headteacher/ Accounting Officer: Sonia Case</p> <p>Trustees: Christopher Parsons, Karen Robinson, Simon Latham, Rebecca Tee, , David Swordy, Maryah Tafri.</p> <p><i>In attendance at Board meetings</i></p> <p>External Clerk and Company Secretary: Kathleen Brmosa</p> </div>	<ul style="list-style-type: none"> • The Board enters into funding agreements with DfE. • The Board and is responsible for: strategy; educational performance; financial management, including the internal system of controls; operational management, including senior appointments and salaries; risk management; holding the Executive Headteacher to account; and compliance with charity and company law. • There are a range of standing and ad hoc Board committees 		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;"> <p style="text-align: center; color: blue;">Belham Local Governing Body</p> <p>Chair of Governors Vice Chair Heads of Business/ Education Committees</p> <p>Head of School Staff governors Parent governors Co-opted Governors</p> </td> <td style="width: 50%; padding: 5px;"> <p style="text-align: center; color: blue;">Dulwich Hamlet Local Governing Body</p> <p>Chair of Governors Vice Chair Heads of Business/ Education Committees</p> <p>Head of School Staff governors Parent governors Co-opted Governors</p> </td> </tr> </table>	<p style="text-align: center; color: blue;">Belham Local Governing Body</p> <p>Chair of Governors Vice Chair Heads of Business/ Education Committees</p> <p>Head of School Staff governors Parent governors Co-opted Governors</p>	<p style="text-align: center; color: blue;">Dulwich Hamlet Local Governing Body</p> <p>Chair of Governors Vice Chair Heads of Business/ Education Committees</p> <p>Head of School Staff governors Parent governors Co-opted Governors</p>	<ul style="list-style-type: none"> • The LGBs have delegated responsibility for the operation of their individual school within the overall strategic direction and framework of delegation set by the Trustees. • There are two standing Committees – Business (inc finance, premises and personnel) and Education..
<p style="text-align: center; color: blue;">Belham Local Governing Body</p> <p>Chair of Governors Vice Chair Heads of Business/ Education Committees</p> <p>Head of School Staff governors Parent governors Co-opted Governors</p>	<p style="text-align: center; color: blue;">Dulwich Hamlet Local Governing Body</p> <p>Chair of Governors Vice Chair Heads of Business/ Education Committees</p> <p>Head of School Staff governors Parent governors Co-opted Governors</p>		

Please attach Receipt ↓

Name:

1. Claim for:

Amount: £
Budget Area / Cost code

2. Claim for:

Amount: £
Budget Area / Cost code

3. Claim for:

Amount: £
Budget Area / Cost code

4. Claim for:

Amount: £
Budget Area / Cost code

Total Claim: £

Reimbursement by payroll:

Payment Authorised by: