



HODGSON ACADEMY

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INTERNAL FINANCIAL REGULATIONS and POLICIES September 2016

1. Introduction

The purpose of this manual is to ensure that the academy maintains and develops systems of financial control which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education.

The academy must comply with the principles of financial control outlined in the academies guidance published by the DfE. This guidance provides detailed information on academy's accounting procedures and systems and should be read by all staff involved with financial systems.

2. Organisation

The academy has defined the responsibilities of each person 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. The financial reporting structure is illustrated below:

The Governing Body

The governing body has overall responsibility for the administration of the academy's finances. The main responsibilities of the governing body are prescribed in the Funding Agreement between the academy and the DfE and in the academy's scheme of government. The main responsibilities include:

- ensuring that grant from the DfE is used only for the purposes intended;
- approval of the annual budget;
- appointment of the Principal and
- appointment of the Finance Director, in conjunction with the Principal.

Further responsibilities include:

- the initial review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE / EFA guidance issued to academies;
- authorising the award of contracts over £10,000
- authorising changes to the academy staffing establishment and
- reviewing the reports of the Responsible Officer, Audit and Risk Management Committee and external Auditors on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body.

The Principal

Within the framework of the academy plan as approved by the governing body the Principal has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the Finance Director but the Principal still retains responsibility for:

- New staff appointments in line with the Academy's Recruitment and Selection Policies
- The Principal / Finance Director shall have delegated authority to incur expenditure on any goods and services or enter into any contracts related to the objectives of the academy up to a value of £10,000 provided that the expenditure can be met from within the appropriate approved budget heading and that no liability in excess of £10,000 is incurred in any future year.
- All orders for goods or service contracts of a value of £10,000 and above or with an annual

commitment of more than that amount shall be subject to the prior approval of the Governing Body (delegated to the Governing Body).

- Authorising payments (eg. signing cheques) in conjunction with the Finance Director or other authorised signatory.

The Finance Director

The Finance Director works in close collaboration with the Principal through whom he or she is responsible to the governors. The Finance Director also has direct access to the governors via the Governing Body. The main responsibilities of the Finance Director are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the academy financial position at a strategic and operational level within the framework for financial control determined by the governing body;
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- the preparation of monthly management accounts or such financial monitoring information as requested by governors;
- authorising orders in respect of Cost Centres in accordance with due authorisation given by the Principal
- signing cheques in conjunction with the Principal or other authorised signatory and
- ensuring forms and returns are sent to the DfE or other recognised bodies in accordance with agreed timescales

The Responsible Officer

The Responsible Officer (RO) is appointed by the governing body and provides governors with an independent oversight of the academy's financial affairs. The main duties of the RO are to provide the governing body with independent assurance that:

- the financial responsibilities of the governing body are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained and
- financial considerations are fully taken into account in reaching decisions.

The Responsible Officer will undertake an agreed programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the governing body. A report of the findings from each visit will be presented to the Audit and Risk Management Committee

Other Staff

Other members of staff, primarily the Academy Finance Officer and budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all academy governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services. The register is open to public inspection.

The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the academy. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.

The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the governing body or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

3. Accounting system

All the financial transactions of the academy must be recorded within the accounting systems of the Academy.

System Access

Entry to the accounting system is password restricted. The Finance Director will be responsible for implementing a system which ensures that passwords are changed at least every 3 months.

Access to the component parts of the accounting system will be restricted and the Finance Director is responsible for arranging access levels for all members of staff using the system

(via the SIMS Finance Module)

Back-up Procedures

The Finance Director is responsible for ensuring that there are effective back up procedures for the system. Data should be copied onto appropriate removable medium and the copies stored in a secure place preferably in a fireproof container. Back up copies should be taken on at least a weekly basis.

The back-ups should not be recorded on the same removable media each time as this will result in only one copy being available. In order to provide more protection from the loss of data at least three different removable media devices should be used in rotation and stored in different locations. At least one copy should be stored off-site.

A hard copy of the nominal ledger and audit trail should be printed each month and should be stored separately from the accounting system in a fireproof container.

The Finance Director should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by governors of the major risks to which the academy is exposed and the systems that have been put in place to mitigate those risks.

Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this guidance. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the guidance. All journal entries must be documented on the appropriate journal form, recorded in the journal book and authorised by the Finance Director prior to being input to the accounting system. Bank transactions should be input by the Academy Finance Officer and the input should be checked, and signed to evidence this check, by the Finance Director

Detailed information on the operation of the accounting system can be found via the software providers on line systems.

Transaction Reports

The Finance Director will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include:

- the weekly audit trail reports;
- Masterfile amendment reports for the payroll, purchase ledger and sales ledger;
- management accounts summarising expenditure and income against budget at budget holder level.

Reconciliations

The Finance Officer is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- sales ledger control account;
- purchase ledger control account;
- payroll control account;
- all suspense accounts and
- bank balance per the nominal ledger to the bank statement.

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

4. Financial planning

The academy will prepare both medium term and short-term financial plans.

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

The academy plan helps to provide a 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.

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

Academy Plan

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

The form and content of the academy plan are matters for the academy to decide but due regard should be given to the matters included within the guidance to academies and any annual guidance issued by the DfE.

Each year the Principal will propose a planning cycle and timetable to the governing body which allows for:

- a review of past activities, aims and objectives - "did we get it right?"
- definition or redefinition of aims and objectives – "are the aims still relevant?"
- development of the plan and associated budgets – "how do we go forward?"
- implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and
- feedback into the next planning cycle – "what worked successfully and how can we improve?"

The timetable will where necessary specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Principal.

The completed academy plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan should, where appropriate, also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to a member of the strategic leadership team. The responsible manager should monitor performance against the defined milestones and success criteria throughout the year and report to the strategic leadership team on an agreed basis but not less than half termly. The strategic leadership team will report to the governing body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

The Finance Director is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Principal and the governing body.

The approved budget must be submitted to the EFA by the notified time each year (dependent upon the timing of the release of the budget information) and the Finance Director is responsible for establishing a timetable which allows sufficient time for the approval process and then ensures that the submission date is met.

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

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of students to estimate the amount of DfE grant receivable;
- review of other income sources available to the academy to assess likely level of receipts;
- review of past performance against budgets to promote an understanding of the academy cost base;
- identification of potential efficiency savings and
- review of the main expenditure headings in light of the academy plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

Balancing the Budget

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

Finalising the Budget

Once the different options and scenarios have been considered, a draft budget should be prepared by the Finance Director for approval by the Principal and the governing body. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

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

Monitoring and Review

Reports will be prepared by the Finance Director in accordance with the wishes of the governing body. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Principal and the governing body.

Any potential overspend against the budget must in the first instance be discussed with the Finance Director and / or the Principal. The academy will not allow payments to be made against an overspent budget without the approval of the Finance Director and / or the Principal.

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. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency

The Principal / Finance Director shall be empowered to exercise virement between budget headings approved by the Governors of up to £3,000 (or 10% of the budget heading from which resources are being transferred, whichever is the lower) in total for any heading during the year. Any virement exercised shall be reported to the Governors at their next meeting. Virement in excess of this figure requires the prior approval of the Governing Body.

5. Payroll

The main elements of the payroll system are:

- staff appointments;
- payroll administration and
- payments.

Staff Appointments

The governing body has approved a staffing establishment for the academy. Changes can only be made to this establishment with the express approval of the governing body who must ensure that adequate budgetary provision exists for any establishment changes.

A Recruitment and Selection Policy is in place with regards to the appointment of staff. The Principal maintains personnel files for all members of staff, which includes contracts of employment and approved variations to such contracts. All personnel changes must be notified to the Academy Finance Director immediately.

Payroll Administration

The academy payroll is administered by Strictly Education on behalf of the academy. Full details of the Service Level Agreement in place with Strictly Education are available from the Finance Director.

All staff are paid monthly. Details of staff have been provided to our payroll administrators.

- salary;
- bank account details;
- taxation status;
- personal details and
- any deductions or allowances payable.

Strictly Education will only accept payment details for new and existing staff following the receipt of appropriate documentation duly authorised by agreed signatories within the academy's internal financial regulations.

Details of staff absences are forwarded to the Academy Finance Officer by the Academy HR / Daily Operations Manager. The staff absence return is completed by the Academy HR / Daily Operations Manager and forwarded to the payroll administrator for action in accordance with agreed deadlines.

Payments

After the payroll has been processed but before payments are dispatched a print of salary payments by individual and showing the amount payable in total is sent to the academy by the payroll administrators. The print must be reviewed and authorised together with authority to release payment by two of the Finance Director, Finance Officer and the Principal.

All salary payments are made by BACS.

The payroll administrator forwards a report highlighting variations between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc. This reconciliation should be reviewed and signed by the Finance Director.

The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised by the payroll administrator and they ensure that appropriate payments are made to the relevant authorities. This is done through direct debit and the transactions are reconciled to the original calculations.

The Finance Director should select one employee at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly.

The Academy Finance Officer will review the payroll transactions each month to ensure the correct amount has been posted from the system, individual cost centres have been correctly updated and to identify any outstanding amounts for action. Such amounts must be reported to the Finance Director and/or the Principal.

On an annual basis the Finance Director must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file in the Principal's / Finance Directors office.

6. Purchasing

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

Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy;

Accountability, the academy is publicly accountable for its expenditure and the conduct of its affairs;

Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis.

Routine Purchasing

Budget holders will, subject to the information being available, be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder a week after the end of each month and budget holders are encouraged to keep their own records of orders placed but not paid for.

Routine purchases up to £1,000 can be ordered by budget holders in accordance with academy regulations (a second signatory will be required as agreed within these regulations). A quote or price must always be obtained before any order is placed. If a new supplier is to be used then checks should be made to ensure their integrity.

Purchases from £1,000 to £10,000 must be referred to the Principal and/or Finance Director for authorisation.

All orders must be made, or confirmed, in writing using an official order form, stocks of which are held in the Finance Office. Orders must bear the signature of the budget holder and any necessary counter signature and must be forwarded to the Finance Office where the Academy Finance Officer will check to ensure adequate budgetary provision exists before processing the order.

The Academy Finance Officer will process the order through the Academy accounting systems.

The budget holder in conjunction with the Academy Finance Officer must make appropriate arrangements for the delivery of goods to the academy. On receipt the budget holder must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Office should be notified. The Academy Finance Officer will keep an appropriate record of all goods returned to suppliers.

All invoices should be sent to the Finance Office.

The Academy Finance Officer will undertake to ensure that the

- invoice is arithmetically correct;
- goods/ services received;
- goods/services as ordered;
- prices correct;
- invoice is duly authorised for payment;
- payment authorised;
- VAT treated correctly and
- payment made.

The invoice will be sent to the budget holder to confirm items B, C, D & E above. Before confirming the said items the budget holder must make a detailed check against the order and the Goods Received Note / Delivery Note and these documents must be attached to the invoice before it is sent back to the Finance Office. Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt.

If a budget holder is pursuing a query with a supplier the Finance Office must be informed of the query and periodically kept up to date with progress.

The Academy Finance Officer will enter the invoices into the accounting system as per F. The invoices will be authorised within the system in accordance with the academy's internal financial regulations.

The Academy Finance Officer will generate the cheques required or the BACS payment to be sent to the supplier. The cheques or BACS payment and associated paperwork must be authorised by two of the nominated cheque signatories.

Cheques / BACS payments will be dispatched to suppliers by the Academy Finance Officer who will ensure that all paperwork is duly filed.

Orders over £5,000 and up to £25,000

At least three written quotations should be obtained for all orders between £5,000 and up to £25,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes have been received before a purchase decision is made.

Where the Governors have established an approved list of suppliers or contractors any order shall be placed with an appropriate supplier from that list.

Building maintenance orders shall only be placed with contractors who have adequate insurance.

Orders over £25,000

All goods/services ordered with a value over £25,000 or for a series of contracts which in total exceed £25,000 must be subject to formal tendering procedures.

Purchases over a specific threshold may fall under EU procurement rules which require advertising in the Official Journal of the European Union.

The requirement for tenders or written quotations may be waived when a purchase is made under a contract arranged by Central Government or other agreed purchasing agency where arrangements have already been made for securing competition for such contracts.

Forms of Tenders

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

Open Tender: This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Finance Director how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

Restricted Tender: This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- there is a need to maintain a balance between the contract value and administrative costs,
- a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements,
- the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

Negotiated Tender: The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- the above methods have resulted in either no or unacceptable tenders,
- only one or very few suppliers are available,
- extreme urgency exists,
- additional deliveries by the existing supplier are justified.

Preparation for Tender

Full consideration should be given to:

- objective of project
- overall requirements
- technical skills required
- after sales service requirements

- form of contract.

It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

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

An invitation to tender should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project;
- terms and conditions of tender and
- form of response.

Aspects to Consider

Financial

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

Technical/Suitability

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

Other Considerations

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

Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the academy. Tenders should be submitted in plain envelopes clearly marked to indicate

they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:

- either the Finance Director or the Principal plus a member of the Governing Body

A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

Tendering Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

For a contract where a payment is to be received by the academy, the highest tender should be accepted, but where a payment is to be made by the academy, the lowest tender should be accepted. Departure from these requirements may occur only with the prior approval of the Governing Body and the reasons for not complying with this condition must be recorded in the minutes of the meeting. The receipt of sponsorship must not be regarded as a valid reason for not complying with this condition.

Full records should be kept of all criteria used for evaluation and for contracts over £25,000 a report should be prepared for the Governing Body highlighting the relevant issues and recommending a decision. For contracts up to £25,000 the decision and criteria should be reported to the Governing Body.

Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.

The accepted tender should be the one that is economically most advantageous to the academy. All parties should then be informed of the decision.

Procurement - Best Practice Checklist

1. ***Policies and procedures for procurement should be documented and adhered to, to ensure that the process is being carried out on a fair, open and best value basis. The documentation should describe:***
 - ***roles and responsibilities*** of those involved in procurement (eg governing body, the Executive Principal, the Principal, the Finance Director, other senior managers and the central finance office);
 - ***delegated authority levels***, in particular setting out the procedures to be followed for purchases above specified values, to ensure sufficient levels of oversight by the governing body;
 - ***arrangements to ensure segregation of duties***;
 - ***how purchases are recorded*** (papers records and computer records (eg accounting system

arrangements)).

In all cases it is important to ensure that the procedures that are set out are followed, both for routine day to day procurement, and for periodic high value items.

2. *Where appropriate, **individuals with relevant experience including the end-users (eg ICT managers, teachers) should be involved** when putting together invitations to tender, or making key decisions. This will not only aid selection of the best solutions for the academy, but may also help achieve buy-in by the end-users.*
3. *An officer should be nominated for coordinating the initial procurement of assets, and stocks of teaching and learning materials, during the academy's start up period. This person should provide an assessment of the completeness and reasonableness of items procured, to ensure that all essential purchases are made prior to opening, and that they non-essential purchases are challenged.*
4. ***Procurement decisions should be clearly recorded** to ensure that the decision has been reached fairly and to provide a clear audit trail:*
 - *minutes should be taken of all relevant meetings;*
 - *the options available should be recorded;*
 - *the basis for scoring/ranking should be set out;*
 - *the individuals responsible for scoring/ranking should be identified;*
 - *the outcome of the scoring and the final decision should be recorded;*
 - *the reasons on which the decision was reached should be clearly documented.*
5. ***All key documents should be retained together by the Academy.** This includes:*
 - *invitations to tender;*
 - *tenders received from bidders;*
 - *quotes obtained for smaller purchases;*
 - *papers/minutes documenting the procurement decision;*
 - *signed copies of the contracts awarded;*
 - *invoices.*

Where procurement is carried out with the assistance of an external project management company (for example the initial procurement of ICT, furniture and equipment prior to moving into a new building) key documents should be transferred to, and retained by, the academy prior to cessation of the contract with the project management company.

6. ***An asset register of all capital items should be established in an appropriate format and should be updated on a continual basis as assets are purchased.** The register should include:*
 - *asset description*
 - *asset number*
 - *serial number*
 - *date of acquisition*
 - *asset cost*
 - *source of funding (% of original cost funded from DfES grant and % funded from other sources)*
 - *expected useful economic life*
 - *depreciation*
 - *current book value*

- *location*
- *name of member of staff responsible for the asset*

Updating of the register as assets are procured should ensure that it is always current and should ease the task of end of year asset verification. It should also simplify the setting of insurance levels and the handling of any claims.

A similar register should also be maintained of “attractive items” (ie items with a cost below the Academy’s capitalisation threshold) such as minor office equipment. See Control of Assets Policy.

7. ***Fitness for purpose should be a key consideration in any procurement decision*** (eg ICT should be of the correct specification; fixtures and fittings should be of adequate durability).
8. *Opportunities should be taken for **bulk purchase discounts**, for example by combining similar orders.*
9. *When ordering goods an assessment of likely **delivery timeframes** should be made, to ensure that appropriate staff are available on site to receive them (particularly during school holidays), and that adequate space is available to locate or store the delivery.*

7. Income

The main sources of income for the academy are the grants from the DfE. The receipt of these sums is monitored directly by the Academy Finance Director who is responsible for ensuring that all grants due to the academy are collected.

The academy also obtains income from:

- students, mainly for trips and music tuition and
- the public, mainly for lettings.

Trips

A lead teacher must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Academy Finance Officer.

Students should make payments at the Finance Office. Records must be maintained by the Academy Finance Officer for all payments made to ensure there is no dispute.

The Academy Finance Officer should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on an appropriate basis and the lead teacher is responsible for chasing the outstanding amounts.

Lettings of Academy Premises

The Finance Director / Community Co-ordinator is responsible for maintaining records of bookings of academy facilities and for identifying the sums due from each organisation. Payments must be made in accordance with the Lettings Policy for the use of facilities.

Details of organisations using the academy premises should be sent by the Community Co-ordinator to the Academy Finance Officer who will produce a sales invoice from the accounting system as necessary.

Details of payments made and outstanding accounts will be forwarded to the Community Co-ordinator on a regular basis and the Community Co-ordinator is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment terms are being met.

No debts should be written off without the express approval of the governing body (the DfE's prior approval is also required if debts to be written off are above the value set out in the Academies Financial Handbook).

Organisations using the academy premises should be instructed to send all payments to the Finance Office.

Custody

Official, pre-numbered academy receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the Finance Office safe prior to banking. Banking should take place every week or more frequently if the sums collected exceed the insurance in place (£5,000 cash, £250,000 non negotiable instruments).

Monies collected must be banked in their entirety in the appropriate bank account. The Academy Finance Officer is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the Finance Director.

8. Cash Management

Bank Accounts

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

Deposits

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 academy bank accounts must bear the signatures of two of the following authorised signatories:

- Executive Principal;
- Principal;
- Finance Director;
- Deputy Principal
- Senior Assistant Principal, Data

This provision applies to all accounts, public or private, operated by or on behalf of the governing body of the academy. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

Administration

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

- all bank accounts are reconciled to the academy's cash book;
- reconciliations are prepared by the Academy Finance Officer;
- reconciliations are subject to an independent monthly review carried out by the Finance Director or in his absence the Responsible Officer (RO) and
- adjustments arising are dealt with promptly.

Petty Cash Accounts

The academy maintains a maximum cash balance of £300

The cash is administered by the Academy Finance Officer and is kept in the Finance office safe.

Deposits

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

Payments and Withdrawals

In the interests of security, petty cash payments will usually be limited to £10.

Higher value payments should be made by cheque directly from the main bank account as a cash book payment unless authorised by the Finance Director.

Administration

The Academy Finance Officer is responsible for entering all transactions into the petty cash records on a regular basis and regular as well as unannounced cash counts should be undertaken by the Academy Finance Director to ensure that the cash balance reconciles to supporting documentation.

Physical Security

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

Cash Flow Forecasts

The Finance Director is responsible for preparing cash flow forecasts as necessary to ensure that the academy has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer

funds from another bank account to cover potential cash shortages.

Investments

Investments must be made only in accordance with written procedures approved 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. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

9. Fixed assets

Asset register

All items purchased with a value over the academy's capitalisation limit must be entered in an asset register. The capitalisation limit is £1,000 excepting ICT equipment where the limit is £200

The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DfES 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 wherever possible by means of physical and other security devices. Only authorised staff may access defined stores.

All the items in the register should be security marked (Smartwater) and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the governing body. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be

noted.

Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Finance Director and, where significant, should be sold following competitive tender. The academy must seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

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

The academy 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.

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

Loan of Assets

Items of academy property must not be removed from academy premises without the authority of the Academy Finance Director and / or the Principal. A record of the loan must be recorded in a loan book and booked back in academy 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 academy's auditors.

Where reference is made within these arrangements to the Principal, this can be taken to mean either the Executive Principal or the Principal.

INTERNAL FINANCIAL ARRANGEMENTS

Access to Financial Systems

This relates to the separation of duties within School

If you can :	Then you can :	But you can't	Named Officers
Authorise Orders	Order Cheques Sign Cheques	Authorise Invoices Hold Stock of Cheques Prepare Cheques re Signature Reconcile Bank Account	M Pickles A Nicholson D Yarwood I Siddall P Lamoury
Authorise Invoices	Hold Stock of Cheques Prepare Cheques re Signature Reconcile Bank Account	Order Cheques Sign Cheques	G Russan C Grey
Sign Cheques	Order Cheques Sign Cheques	Authorise Invoices Hold Stock of Cheques Prepare Cheques re Signature Reconcile Bank Account	M Pickles A Nicholson D Yarwood I Siddall P Lamoury
System Manager	F James (sims finance module)		

Cheque signatories	(Two to sign)	Bank Account	Lloyds TSB
M Pickles A Nicholson	D Yarwood I Siddall	P Lamoury	

Transfer of Funds between accounts (re Money Market Facilities - Lloyds TSB)

M Pickles
G Russan

SEE INVESTMENT POLICY FOR AUTHORISATION IN RESPECT OF DEPOSITS

Payment Card Transactions

SEE PAYMENT CARD POLICY

Payment Card transactions must be countersigned by two signatories in accordance with cheque signatories above

Payment of Invoices by BACS	Following authorisation of orders / invoices as above
Lloyds Link Service Administrators	G Russan M Pickles
Preparation and Authorisation of Invoices in preparation for approval	G Russan C Grey
Payment Approval	M Pickles

Two 'authorisers' as per cheque signatories

A Nicholson
D Yarwood
I Siddall
P Lamoury

Submission of BACS Payments
Following two authorisations as above

M Pickles
A Nicholson
G Russan

Authorisation of Documentation in relation to :-

(Payroll Service Provider -
Strictly Education)

**Personnel - New, Amended Terms of Employment, Termination of Employment
Personnel - Financial Claims**

one of

M Pickles
A Nicholson D Yarwood

* excepting Contract terms / conditions re Principal (requires signature of Chair of Governors)

ASSET MANAGEMENT AND DEPRECIATION POLICY

Capitalisation of Expenditure

- 1.1 The Academy's treatment of expenditure on fixed assets varies according to the category of the assets and their expected useful economic lives.
- 1.2 Assets inherited on establishment of the Academy are assumed to be fully depreciated and are not included in the accounts.
- 1.3 Tangible fixed assets acquired since the Academy was established are included in the accounts at cost.
- 1.4 Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic lives. The related grants are credited to the restricted fixed asset fund (in the Statement of Financial Activities and carried forward in the balance sheet) and the depreciation on the appropriate assets is charged to this fund such that the remaining carrying value of the grants at each year-end is represented by the net book value of the funded assets.
- 1.5 Assets under construction are accounted for at cost based on architects' certificates and other direct costs, incurred to 31 August. They are not depreciated until they are brought into use.
- 1.6 The asset register will include the source of funds for all assets.
- 1.7 All fixed assets given to the Academy are recorded in the accounts as income in the period in which the fixed asset was given to the Academy. The value placed on gifts in kind should be either a reasonable estimate of their gross value to the Academy or the amount actually realized. The key test is what the Academy would have been prepared to pay to purchase the asset
- 1.8 A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.
- 1.9 Individual items costing less than £1,000 are not capitalised with the exception of ICT equipment costing in excess of £200.
- 1.10 The asset register will include the following information:
 - asset description
 - asset number
 - serial number
 - 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
 - location
 - name of member of staff responsible for the asset

The Asset Register will:

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

Depreciation

- 2.1 Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used are:
 - 2.1.1 Land and Buildings No Depreciation
 - 2.1.2 Long Leasehold Property Over the remaining lease term
 - 2.1.3 Buildings refurbishments 10 Years
 - 2.1.4 Furniture and equipment 8 Years
 - 2.1.5 Motor Vehicles 4 Years
 - 2.1.6 Computer Equipment and software 3 Years

Security of Assets

- 3.1 Stores and equipment must be secured wherever possible.
- 3.2 All the items in the register should be permanently marked (the Academy utilize Smartwater) and there should be a regular (at least annual) count by someone other than the person maintaining the Register. Discrepancies between the physical count and the amount recorded in the Register should be investigated promptly and, where significant, reported to the Governing Body.
- 3.3 Where items are used by the academy but do not belong to it this should be noted.

Disposals

- 4.1 Items which are to be disposed of by sale or destruction must be authorised for disposal by one of the Principal or the Finance Director and, where the residual value of the asset is greater than £1000, should be sold following competitive tender.
- 4.2 Assets inherited on establishment of the academy are assumed to be fully depreciated and are not included in the accounts.
- 4.3 The academy must seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.
- 4.4 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the academy would need to ensure licences for software programmes have been legally transferred to a new owner.
- 4.5 The academy 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.
- 4.6 All disposals of land must be agreed in advance with the Secretary of State.

Loan of Assets

- 5.1 Items of academy property must not be removed from academy premises without the authority of one of the Principal and / or Finance Director. A record of the loan must be recorded and booked back in to the academy when it is returned. Records of Long Term Loans which may include Laptop and / or Mobile Phone will be retained by the Finance Director.
- 5.2 If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the academy's auditors

Where reference is made within this policy to the Principal, this can be taken to mean either the Executive Principal or the Principal.

CONTROL OF ASSETS POLICY

1. A permanent record is maintained in school of all 'stock' items

These will include computer equipment, audio/visual equipment, musical instruments, cleaning or handicrafts equipment or any other 'desirable' items which the school may possess. As a guideline, all items valued in excess of £200 should be recorded.

There is no need for the school to record furniture, although it may do so if it wishes. *A photographic record will be maintained and updated on an annual basis*

The school stock record may be manual or computer-based using for example the SIMS Equipment module.

2. The stock report is updated regularly

Items should be entered into the stock record as soon as possible after their receipt or disposal by the school, or their loss through theft or damage. To facilitate this, it is useful to nominate a person to be responsible for the custody and control of stock items. In a larger school there may be a number of staff responsible for items held in each faculty area. The date of additions or disposals should be recorded in the stock record.

3. Items are clearly identified in the stock record

There should be sufficient detail in the stock record to allow individual items to be identified. In order to assist this process, serial numbers, in addition to make and model numbers, should be recorded. Schools may wish to enhance control by the marking of reference numbers on each item, which could then be recorded in the stock record.

4. Regular stock checks are undertaken

Physical checks of equipment and stores against relevant records should be undertaken at least annually by a person not responsible for their custody and control.

The number of items in stock should be verified and the stock record signed and dated by the checking officer. Larger schools may wish to stagger the stock checking process to prevent all faculties being checked at the same time.

5. Discrepancies are reported to the Governors

Governors should be informed of discrepancies between the actual and recorded stock where the value exceeds (£100).

6. There is a clear policy for the disposal of assets

Governors should ensure that assets purchased by the school are disposed of in an appropriate manner. A policy should be drafted setting out who has authority to declare items to be obsolete, surplus or damaged beyond repair, and the means of disposal. Where items are to be sold, Governors should be aware of their responsibility to follow guidance in the Academies Financial Handbook in relation to asset sales and should seek to achieve the best price for the items being sold. Where Governors choose not to accept the highest offer, their reasons for not doing so should be recorded and retained at the school.

7. There is separation of duties in the control of assets and disposal of assets

The same person should not be responsible for the custody and control of assets and the disposal and receipt of income for assets. Where payment is received at the school, an official receipt showing the VAT element, if appropriate, should be issued to the purchaser, and the income banked to the school budget. The school will receive the net income in their delegated budget.

8. Delegation to school staff of Governors responsibilities is clearly recorded and approved

Where Governors choose to delegate their responsibilities for controlling assets to school staff, the extent of delegation should be clearly shown in the approved Internal Financial Regulations of the school. Further delegation to teaching or administrative staff should be recorded and staff made aware of their responsibilities.

Where reference is made within this policy to the Principal, this can be taken to mean either the Executive Principal or the Principal.

DEBT MANAGEMENT POLICY

1.0 INTRODUCTION

- 1.1 The Governing Body is responsible for ensuring that procedures are in place for the recovery of any outstanding debt.
- 1.2 This policy sets out procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.

2.0 POLICY

- 2.1 Payment should be obtained as and when goods and services are provided wherever possible; in particular where the value of the goods and services is relatively small, i.e. less than £100.
- 2.2 Where payment is not received at the time when the goods or services are delivered an invoice must be raised as soon as possible but normally within 10 days after a debt becomes due.
- 2.3 Invoices should require payment within 30 days from the date of issue.
- 2.4 Final reminders should be issued if no payment is received within 35 days. The final reminder should make it clear that legal action will be taken if payment is not received within a further 14 days.
- 2.5 At each Governing Body/Governing Body meeting, the Principal is required to inform the governors of any debt which is still outstanding after the 14 day period following the final reminder together with any proposed action. This may be a referral to a debt collection agency, to solicitors for legal action or to write-off the debt if there is no realistic prospect of debt recovery being successful or if further action is not cost-effective.
- 2.6 Outstanding debt of up to £50 may be written-off by the Principal provided that the appropriate follow-up action outlined above has been taken and the details of the debtor, amount of write-off and reason for no further action being taken is reported to the Governing Body for information at their next meeting.

Write-off of outstanding debt in excess of £50 must be approved by the Business and Resource Committee following submission of details of the debt by the Principal together with reasons for no further action being taken.

Reference must also be made to the requirements laid down within the Funding Agreement:-

Clause 82

The Academy Trust shall not, in relation to assets or property funded (whether in whole or in part) by the Secretary of State, without the prior written consent of the Secretary of State which shall not be unreasonably withheld or delayed:

- a) except such as are given in normal contractual relations, give any guarantees, indemnities or letters of comfort;
- b) **write off any debts or liabilities owed to it above a value to be set out in the annual letter of funding, nor offer to make any ex gratia payments;**
- c) make any sale or purchase of freehold property; or
- d) grant or take up any leasehold or tenancy agreement for a term exceeding three years.

Clause 83

The Academy Trust shall provide 30 days notice to the Secretary of State, whether or not the circumstances require the Secretary of State's approval, of its intention to:

- a) give any guarantees, indemnities or letters of comfort;
- b) **write off any debts owed to it or offer to make any ex gratia payments;**
- c) make any sale or purchase of freehold property; or
- d) grant or take up any leasehold or tenancy agreement for a term exceeding three years.

Where reference is made within this policy to the Principal, this can be taken to mean either the Executive Principal or the Principal.

FRAUD POLICY

Introduction

The Academy is committed to an effective anti-fraud and corruption strategy designed to encourage prevention, promote detection and clarify responses through a defined plan which incorporates investigatory action. The main responsibility for preventing and detecting fraud lies with management. The strategy set out in this paper is designed to cover fraud which is attempted from within the Academy or from outside and is based on policies covering culture, prevention, detection and investigation and also training which is designed to frustrate any attempted fraudulent or corrupt act.

The strategy has been formulated in advance of any fraud risk assessments which may subsequently be undertaken. If such an exercise were to be undertaken then the outcome may give rise to amendments to the strategy.

Definition of Fraud

This Fraud Policy covers trustees, governors, staff, students and activities of the Academy. For the purposes of the Academy's policy, fraud is defined as the use of deception with the intention of:

- Gaining an advantage, personally and for family or friends; or
- Causing financial loss to the Academy.

The main types of irregularity are:

- Theft -This may include the removal or misuse of funds, assets or cash
- False accounting - dishonestly destroying, defacing, concealing or falsifying any account, record or document required for any accounting purpose, with a view to personal gain or gain for another, or with the intent to cause loss to the Academy or furnishing information which is or may be misleading, false or deceptive
- Abuse of position - abusing authorities and misusing Academy resources or information for personal gain or causing loss to the Academy.

Examples of fraud, which are neither exclusive or exhaustive, include:

- Misappropriation of cash e.g. theft of cash from cash boxes, cash registers, and takings from trading outlets, vending machines, or from social fund;
- Theft of stock;
- Fraudulent encashment of payable orders or cheques;
- Misappropriation of other assets including information and intellectual property. This would also include theft of stationery for private use, unauthorised use of Academy property e.g. vehicles, computers, other equipment;
- Purchasing or purchase ledger fraud (e.g. approving/paying for goods not received, approving/paying bogus suppliers, approving/paying inflated prices for goods and services, accepting any bribe);
- Travel and subsistence claims overstated or falsely claimed. This may include advances not recovered or forging of counter-signatories;
- Accepting pay for time not worked (e.g. false claim for hours worked, failing to work full contracted hours by any member of staff, false overtime claims, or falsification of sickness self-certification);
- Computer Fraud (eg altering or substituting records, duplicating or creating spurious records, or destroying or suppressing records).

Whilst by no means being proof on their own, the circumstances below (warning signs) may indicate fraud, and should therefore put managers, staff and students on the alert:

- Altered documents (correcting fluid, different pen or handwriting)
- Claim form details not readily checkable
- Changes in normal patterns of cash takings or travel claim details (for example)
- Text erratic or difficult to read or with details missing
- Delay in completion or submission of claim forms
- Lack of vouchers or receipts in support of expense claims, etc.
- Staff seemingly living beyond their means
- Staff under constant financial or other stress
- Staff choosing not to take annual leave (and so preventing others becoming involved in their work), especially if solely responsible for a 'risk' area
- Complaints from public or staff
- Always working late
- Refusal of promotion
- Insistence on dealing with a particular individual.

In addition to the warning signs outlined above, staff and students are advised to take notice of the following "Do's and Don'ts" in respect of possible fraud-related instances or actions:

- If you are suspicious or have concerns DO tell someone - confidentiality will be respected
- DO keep a record of conversations or actions, including times, dates, locations etc.
- DO keep or copy any document that arouses your suspicions
- DO be discreet with the information, only discuss it with the nominated individual or people they refer you to
- DO be responsive to staff concerns
- DO deal with the matter promptly
- DO NOT keep quiet and hope the problem will go away
- DO NOT confront the individual with your suspicions
- DO NOT try to investigate yourself
- DO NOT discuss with other staff or colleagues
- DO NOT collect evidence (especially computerised information) without specialist advice
- DO NOT contact the police directly.

Culture

The Academy's expectation on propriety and accountability is that students and members of staff at all levels act with integrity and lead by example in ensuring adherence to rules and that all procedures and practices are above reproach. The Academy also expects that individuals and organisations that it comes into a contact with will act towards the Academy with integrity and without thought or actions involving fraud or corruption.

The Academy is conscious of the high degree of external awareness of its affairs by a variety of bodies and the need to act in all matters with probity and propriety. The Academy is determined that the culture and tone of the organisation is one of honesty and opposition to fraud and corruption.

The staff and students of the Academy are an important element in its stance on fraud and corruption and they are positively encouraged to raise any concerns that they may have on these issues where they are associated with Academy business or activity; this includes concerns related to the provisions of the Public Interest Disclosure Act 1998. Such concerns can be raised in the knowledge that they will be treated in confidence and properly investigated. Concerns can be raised with line managers, senior management, the Chair of Governors, the Chair of the Audit and Risk Management Committee. Where incidents are reported the Director of Finance will be advised in order that action can be taken in line with the provisions set out in the Academy's Fraud Response Planning. Any

member of staff therefore has a route to raise concerns to someone outside their direct line management where necessary. This will include instances where a senior member of Academy staff is suspected of fraud.

In addition to concerns raised by staff, students, members of the public and others coming into contact with the Academy are encouraged to report concerns through the above channels. (Where concerns or allegations are made by staff and are subsequently proved to be malicious and unfounded then such abuses will be viewed as a serious disciplinary matter.)

The Academy will deal swiftly and thoroughly with all cases of fraud and corruption.

Prevention

The Academy recognises the importance of prevention in its anti-fraud strategy and has in place various measures including denial of opportunity, effective leadership, auditing and employee screening.

Fraud is minimised through usefully designed and consistently operated management procedures which deny opportunities for fraud. In particular financial systems and procedures take into account the need for internal check and internal control and staff are required to receive training in the operation of all systems. Additionally the possible misuse of information technology is prevented through the management of physical access to terminals and protecting systems with electronic access restrictions.

Whilst access control is the first line of defence against the misuse of IT for fraud it is supplemented by intruder detection and access/activity review measures.

The Academy takes steps to ensure that the behaviour of the Governing Body, its Committees and senior managers is always demonstrably selfless and that clear policies exist in respect of commercial ethics, registration and declaration of interests, accepting of hospitality and gifts and prosecution of offenders – the Governors Code of Conduct.

Employees are expected to follow the Staff Professional Code of Practice related to their professional qualification and employment at the Academy and this is to be emphasised at staff induction sessions.

The Academy's Audit and Risk Management Committee provides an independent and objective view of internal controls by overseeing Internal and External Audit Services (including the Responsible Officer), reviewing reports and systems and procedures and ensuring compliance with the Academy's Financial Regulations and the requirements of the EFA.

Where new systems are being introduced or existing systems modified, the Responsible Officer / Auditors are involved in the development and advise management on ways of preventing or detecting fraud or ensuring internal control.

The review of the Academy's systems by the Responsible Officer and/or Internal Auditors is designed to deter attempted fraud and should result in continuous improvements in control. The risk of fraud is a factor in all audit plans and in particular the frequency of audits. The External Auditors reviews of financial checks and balances, along with validation testing provides a further deterrent to fraud and advice about system development/good practice.

Staff recruitment is required to be in accordance with approved Academy procedures laid down by the Governing Body. References are routinely taken up and candidates are required to provide evidence of their qualifications.

Potential recruits are also required to declare any connections with existing Academy Officers or members of staff. (Members of recruitment panels are also required to declare such connections).

Employees and students are expected to familiarise themselves with the Academy's policies on email and Internet use (details can be found in the Staff Handbook)

Detection

Whilst it is accepted that no systems of preventative measures can guarantee that frauds will not occur the Academy has in place detection measures to highlight irregular transactions.

All internal management systems are designed with detective checks and balances in mind and this approach is applied consistently utilising wherever possible the expertise and advice of the Academy's Auditors. The approach includes the need for segregation of duties, reconciliation procedures, the random checking of transactions and the review of management accounting information including exception reports.

Concerns expressed by staff, students etc. which are expressed in good faith will, as a matter of course, be looked into by the Academy without adverse consequences for the complainant in line with the Academy Whistle-blowing policy.

The Academy views its preventative measures by management, coupled with sound detective checks and balances (as set out in 3 above), as its first line of defence against fraud. Audit activity is however an important defence mechanism also and Auditors may be required to use special techniques on occasions to identify fraudulent transactions.

Investigations

The Academy recognises the unpredictability of fraud or irregularity and the disruption which it may cause once identified. It recognises also the need to safeguard its assets, recover losses and secure evidence for legal and disciplinary processes.

In order to meet these objectives and to clarify its approach when fraud is suspected, the Academy will instigate a fraud Response which will address:

- a. prevention of further loss
- b. establishing and securing evidence necessary for criminal, civil and disciplinary action
- c. notifying the EFA/Secretary of State where necessary
- d. recovery of losses
- e. sanctions against staff and students, including prosecution
- f. policy on references for employees disciplined or prosecuted for fraud
- g. reporting within the Academy and follow-up action
- h. reporting lines
- i. responsibility for timing and informing the police
- j. responsibility for investigation
- k. arrangements for the use of external specialists
- l. establishing lines of communication with the police

Policy Review

The Academy has in place a clear network of systems and procedures to assist it in avoiding opportunities for fraud and corruption and for dealing with such cases if they arise. It is determined that these arrangements will be regularly reviewed to keep pace with future developments in both

preventative and detection techniques and with developments related to the introduction of new systems within the Academy. A continuous overview of the arrangements and developments will be maintained by the Director of Finance, the Governing Body and the Audit and Risk Management Committee.

Additionally this strategy and associated procedures will be kept under regular review.

Fraud Response

The Academy's Fraud Response will ensure that all allegations and reports of fraud or dishonesty are properly followed-up, are considered in a consistent and fair manner and that prompt and effective action is taken to:

- minimise the risk of any subsequent losses;
- reduce any adverse operational effects;
- improve the likelihood and scale of recoveries;
- demonstrate that the Academy retains control of its affairs in a crisis; and
- make a clear statement to employees and others that it is not a soft target for attempted fraud.

The Response will make certain that risks are managed to ensure that:

- there is no inadequate communication so that action is late or inappropriate;
- there is no lack of leadership and control so that investigators are not properly directed and waste time and effort;
- there is no failure to react fast enough so that further losses are incurred or the evidence required for successful recovery or prosecution is lost;
- there is no adverse publicity which could affect confidence in the Academy; and
- there is no creation of an environment which, because it is perceived as being ill-prepared, increases the risk of fraud.

The main elements of the Academy's Response will be as follows.

1. The Finance Director will ascertain whether or not the suspicions aroused have substance. He / She will if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required. Appropriate guidance will be sought from HR Consultants / Legal Consultants as necessary to inform the manner in which the investigation should be carried out. The findings, conclusions and any recommendations arising from the preliminary investigation will be reported to the Principal.
2. The Principal will have the initial responsibility for co-ordinating the Academy's response. In doing this he/she will consult with HR Consultants regarding employment matters and the process for further investigation.
3. The Principal is required to notify the Governing Body of any serious financial irregularity. This action will be taken at the first opportunity following the completion of the initial investigations and will involve, inter alia, keeping the Responsible Officer and Chair of Governors fully informed between committee meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.
4. If evidence of a fraud is forthcoming then the Governing Body will inform the DfE as required by the Funding Agreement and will consider whether or not to refer the matter to the police.

Where reference is made within this policy to the Principal, this can be taken to mean either the Executive Principal or the Principal.

GIFTS, HOSPITALITY & ANTI-BRIBERY POLICY

Statement of Intent

Hodgson Academy is committed to the highest ethical standards and acting with integrity in all business activities. This policy details the Academy's position on preventing and prohibiting bribery.

Bribery by, or of, employees, agents or consultants, or any person acting on behalf of the Academy will not be tolerated. The senior leadership team is committed to implementing effective measures to prevent, monitor and eliminate bribery.

Bribery and corruption by individuals is punishable by up to ten years' imprisonment and the Academy could face an unlimited fine and serious damage to its reputation. Therefore, the Academy takes its legal responsibilities very seriously.

The purpose of this policy is to:

- Establish the responsibilities of the Academy in observing and upholding our position on bribery and corruption.
- Provide information and guidance to Academy staff on how to recognise and deal with bribery and corruption concerns.

This policy covers all individuals working for Hodgson academy at all levels (whether permanent, fixed-term or temporary), and includes governors, volunteers, agents and any other person associated with the Academy (known throughout the policy as employees).

1. The Bribery Act 2010

1.1. The Bribery Act 2010 came into force on 1 July 2011. It covers bribery and corruption in business activities in the UK and overseas. Under the Bribery Act 2010, a bribe is a financial or other type of advantage offered with the intention of inducing or rewarding improper performance of a function or activity, or knowledge or belief that accepting such a reward would constitute the improper performance of such a function or activity.

1.2. A criminal offence will be committed under the Act if:

1.2.1. An employee or associated person acting for, or on behalf of the Academy offers, promises, gives, requests, receives or agrees to receive bribes.

1.2.2. An employee or associated person acting for, or on behalf of the Academy offers, promises or gives a bribe to a public official with the intention of influencing that official in the performance of his/her duties.

1.2.3. And, in either case, the Academy does not have the defence that it has adequate procedures in place to prevent bribery.

2. Unacceptable practice

2.1. It is not acceptable for employees to:

- 2.1.1. Give, promise or offer a payment, gift or hospitality, with the expectation or hope that an advantage for Hodgson Academy will be received or to reward an advantage already received.
- 2.1.2. Give, promise or offer a payment, gift or hospitality to a government official, agent or representative to facilitate or expedite a routine procedure.
- 2.1.3. Accept payment from a third party if they know or suspect that it is offered with an expectation of a business advantage in return.
- 2.1.4. Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy.
- 2.1.5. Engage in any activity that may lead to a breach of this policy.

3. Acceptable practice

- 3.1. This policy does not prohibit normal and appropriate hospitality (both given or received), if the following requirements are met:
 - 3.1.1. It is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in exchange for favours or benefits.
 - 3.1.2. It is given in Hodgson Academy's name, not in the individual's.
 - 3.1.3. It complies with local law.
 - 3.1.4. It does not include cash or a cash equivalent i.e. vouchers, gift certificates.
 - 3.1.5. It is appropriate in the circumstances i.e. the giving of small gifts at Christmas time.
 - 3.1.6. The type and value of the gift is reasonable given the reason the gift is offered.
 - 3.1.7. It is given openly, not secretly.
 - 3.1.8. Gifts should not be offered to, or accepted from, government officials or representatives without the prior approval of the Principal.
- 3.2. The advice of the Academy is to, in all circumstances, consider whether the gift or hospitality is reasonable and justified and to consider the intention behind the gift.

4. Charitable donations

- 4.1. Charitable donations are considered to be part of the Academy's wider purpose. The Academy supports a number of carefully selected charities. The Academy may also support fundraising events involving employees. The Academy only makes charitable donations that are legal and ethical. No donation must be offered or made in the Academy's name without the prior approval of the Principal.

5. Reporting suspected bribery

- 5.1. Employees are encouraged to raise concerns about any suspicion of bribery or corruption at the earliest possible opportunity. Issues that should be reported include:
 - 5.1.1. Any suspected or actual attempts at bribery.
 - 5.1.2. Any concerns that an employee may be in receipt of bribes.
 - 5.1.3. Any concerns that an employee may be offering or delivering bribes.
- 5.2. All concerns should be reported following the procedure set out in the Academy's Whistleblowing Policy.
- 5.3. All reports of bribery will be investigated thoroughly and in a timely manner by the appropriate member of the senior leadership team and in the strictest confidence. Employees are required to assist in any investigation into possible or suspected bribery.
- 5.4. Employees who raise concerns in good faith will be supported by the Academy and the Academy will ensure that they are not subjected to any detrimental treatment as a consequence of their report. Any instances of detrimental treatment against an employee for reporting a suspicion will be treated as a disciplinary offence.

6. Following investigation

- 6.1. The Academy will invoke disciplinary procedures where any employee is found guilty of bribery and this may result in a finding of gross misconduct and immediate dismissal. The Academy may terminate the contracts of any associated persons, including consultants or other workers acting for, or on behalf of the Academy, who are found to have breached this policy.

7. Record keeping

- 7.1. Hodgson Academy keeps financial records and has appropriate internal controls to provide evidence for the business reasons for making payments to third parties. Employees must make the Principal and Finance Director aware of all hospitality or gifts received or offered over the value of £25; these will be subject to managerial review.
- 7.2. Employees' expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with the Academy's procedures for re-imburement of expenses.
- 7.3. All invoices, accounts and related documents should be prepared and maintained with the highest accuracy and completeness. No accounts may be kept "off-book".

8. Monitoring and review

- 8.1. Hodgson Academy has delegated the monitoring of this policy to the Finance Director.

INVESTMENT POLICY

Principles

The academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no tangible risk to the loss of these cash funds.

Purposes

- To ensure adequate cash balances are maintained in the current account to cover day to-day working capital requirements
- To ensure there is no tangible risk of loss in the capital value of any cash funds invested
- To protect as far as it is reasonable to do so the capital value of any invested funds against inflation
- To optse returns on invested funds

Guidelines

Cash flows are to be monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment.

Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested only in Interest bearing deposit accounts with any major UK regulated bank. All such accounts must be in the name of the academy and the ability to access the deposits must be on at least the same terms as those in place for the main academy bank accounts.

Periodically the Finance Director will review the interest rates being achieved and will compare with other investment opportunities that comply with the parameters of this policy. The Director of Finance will provide a statement on monies invested to the Governing Body at their regular half termly meetings.

Decisions in relation to these investments will be jointly made by the Finance Director and the Chair of the Governing Body for investments up to six months

Independent Financial Advice

The Governing Body shall take independent financial advice for any fixed term investment for a period longer than six months in line with the Articles of Association 5 (m) and (n) – see below- and observe any guidance in the Academies Financial Handbook. In addition these investments shall be restricted to ones that guaranteed return of capital rather than any equity based investment. The Governing Body shall approve any such investment.

The Governing Body will review this policy on an annual basis and should they deem that other types of investment be considered then the policy will be amended to this effect and independent financial advice sought.

Articles of Association 5 (m) and (n)

- (m) to deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Object (but to invest only after obtaining such advice from a financial expert as the Governors consider necessary and having regard to the suitability of investments and the need for diversification);
- (n) to delegate the management of investments to a financial expert, but only on terms that:
 - (i) the investment policy is set down in writing for the financial expert by the Governors;
 - (ii) every transaction is reported promptly to the Governors and the performance of the investments is reviewed regularly with the Governors;
 - (iii) the Governors are entitled to cancel the delegation arrangement at any time;
 - (iv) the investment policy and the delegation arrangement are reviewed at least once a year;
 - (v) all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Governors on receipt; and
 - (vi) the financial expert must not do anything outside the powers of the Governors.

Where reference is made within this policy to the Principal, this can be taken to mean either the Executive Principal or the Principal

LETTINGS POLICY

1. The Governing Body actively encourages community use of the Academy buildings. However, it reserves the right to refuse any lettings it may choose. The Principal will act on behalf of the Governing Body in this respect. Any such refusals will be reported to the Governing Body.
2. The hirer must be willing to meet with Academy officials and provide details of their aims and objectives.
3. The Governing Body will ensure that the Academy budget does not subsidise non Academy activities and that all costs are recovered. The Principal will determine charges for lettings in line with the agreed tariff. Instances where hirer's are charged at a different rate will be reported to the Governing Body. The tariff of charges will be reviewed annually by the Governing Body or as otherwise determined.
4. Each hirer using the Academy will be required to nominate a contact person. Such a person is deemed to be in charge and able to investigate any difficulties which may arise.
5. A Letting Application / Indemnity Form must be completed by ALL applicants. A signed copy of the application form, if approved by the Academy, will be returned to the hirer.
6. All hirers must comply with Health and Safety Legislation
7. The hirer is responsible for ensuring that CRB checks have been undertaken where appropriate.
8. Arrangements for the payment of each letting will be made in advance with the hirer concerned in accordance the lettings application / indemnity form
9. Smoking is not allowed on the premises in line with the Academy policy.
10. Alcoholic drinks: An occasional licence must be obtained where appropriate. The Licensee is responsible for conduct of bar sales etc. No alcohol is to be stored or retained on the premises when pupils are in Academy.

Where reference is made within this policy to the Principal, this can be taken to mean either the Executive Principal or the Principal.

PAYMENT CARD POLICY

1. Payment Card Security

- 1.1 The Payment Card will be stored in the Academy safe.
- 1.2 The Payment Card will not be removed from the Academy premises.
- 1.3 Two signatories will be required for all transactions, in accordance with the Bank Account Mandate.

2. Use of Company Payment Card

- 2.1 Use of the Payment Card will be limited to circumstances
 - where no other method of paying for the goods or services is available
 - where the best value can be obtained by ordering/paying for services on line.
- 2.2 The purchase must be completed by the Finance Officer / Finance Assistant and authorised by two signatories in accordance with the Bank Account Mandate.
- 2.3 When the expenditure is to be debited against the Academy Budget, a confirmation order will be raised in the appropriate cost centre and authorised in accordance with the Academy's financial regulations.
- 2.4 When purchasing items via the Internet, strict controls will apply (see Appendix A). All transactions must be done on Academy computer systems.
- 2.6 The Payment card must not be used for obtaining cash.
- 2.7 The Payment card must not be used for personal use.

3. Payment for Payment Card Purchases

- 3.1 The Academy Finance Director and the Academy Finance Officer are to be jointly responsible for reconciling Payment Card debits on the monthly bank statements.

APPENDIX A

Controls for Use of Payment Card for Internet Purchases

1. Take care of card details online.

Secure sites will start with https, not http. Secure sites have an added encrypted transaction layer. Other security systems include Secure Socket Layer (SSL), Secure Electronic Transaction (SET) and HyperText Protocol Secure (HTTPS). These should be used whenever possible.

- 2. **Check for a secure connection before entering Payment card details.** The browser is the piece of software that enables the computer to access the World Wide Web. A secure browser will show whether or not the web site that is being used is secure. Internet Explorer uses the padlock symbol while Netscape uses keys.

3. **Get to know a company before you buy**

If using a new supplier, contact them first and ask for some background information before purchasing. Check if the company's registered details are displayed on the home page or if there is some form or accreditation, which can be verified. If unsure as to the integrity of the supplier then the purchase should not proceed.

4. **Keep passwords secret**

If registering with a particular site requires the use of a user name and password, the password must remain secure within the Academy Safe.

5. **Read delivery and returns policy before buying**

Read the delivery and returns policy on the home page before completing on-line transactions. Check that any unsatisfactory items can be returned and refund can be obtained. Websites should ideally cover delivery methods, delivery costs, currency applied, taxes applied, returns and refund policy and a contact telephone number or e-mail address.

6. **Save a record of the transaction.**

Where reference is made within this policy to the Principal, this can be taken to mean either the Executive Principal or the Principal.

RESERVES POLICY

- 1.1 It is the Governor's objective to maintain a structure of prudent financial management. To this end the academy aims to carry forward an amount that is no more than the maximum allowable of the Academy's allocated GAG funding, so that the academy can best protect and plan its current and future operating activities.
- 1.2 Should the reserves level increase above the above levels then application will be made to the DfE to amend the Funding Agreement to allow higher levels. The Academy will ensure that spending plans are in place to ensure that expenditure plans are fully established to ensure that levels of reserves are reduced in future years to within the levels originally intended in paragraph 1.1
- 1.3 Reserves are intended to ensure the academy is equipped with enough high quality equipment to meet its aims and to ensure that a robust maintenance and renewal programme can be planned and carried out. The Trustees will keep the level of reserves under review.

Where reference is made within this policy to the Principal, this can be taken to mean either the Executive Principal or the Principal.

RISK MANAGEMENT POLICY

Introduction

Hodgson Academy will seek to identify risks and take action to reduce the probability of them materialising and/or to limit their impact. All organisations are at risk of suffering loss or damage to their personnel, property, reputation and ability to deliver services through the occurrence of unforeseen events. While the timing of such events is unpredictable, it is usually a feasible matter to identify the possibility and probability of them occurring.

Purpose

The purpose of this policy is to identify potential risks and ways of managing them.

Procedure

Risks to Property and Person

The Academy's property assets include the site, existing buildings, buildings under construction, plant, furniture, equipment and materials as well as Data such as staff, student and financial records. Major risks to Academy buildings and property are associated with fire and water damage, subsidence, explosion and theft. Major damage represents a low frequency/high severity risk. Petty theft and low-level vandalism or accidental damage to buildings represent a comparatively higher frequency/low severity.

The Academy will also register risks to staff, students and others who use the Academy premises. Structural failure and other threats to physical safety are obvious risks to health and safety, but accidents arising from circumstances such as wet floors and unattended equipment can also cause pain and suffering to those who experience them and can expose the Academy to liability.

Risks to Public Funds

The Academy's income will be protected to ensure that it is only used for its intended purpose.

The Academy will ensure that public funds are protected by:

- The appointment of External Auditors
- The appointment of a Responsible Officer and / or Internal Auditors
- Regular monitoring of Academy income and expenditure by the Governing Body.
- Ensuring that all Financial Policies and procedures are followed and that there is strict adherence to the Academies Financial Handbook.

Best Value

The Academy will endeavour to secure best value by adhering to the four C's principle

Compare Challenge Compete Consult

Managing Risks

Effective risk management involves four types of action:

Terminating the Risk

Ensuring that no risk applies and that no further actions are therefore needed..

Transferring the Risk

Insurance is a means of transferring those risks the Academy decides not to accept. It limits the Academy's exposure to risk but it is not a substitute for active risk management. To the extent that the Academy manages its risks effectively, its insurance premiums will be lower, providing better value for money.

Reducing the Probability of Risk - Treating the Risk

The Academy will seek to identify the risks to Academy funds, property and people using their premises, collect them in a Risk Register and assess the potential frequency and severity of each risk, where possible based on careful analysis or recent experience. Action will be taken to prevent or reduce the risk probability particularly of those risks identified as high frequency and/or high severity.

Tolerating the Risk

The Academy will manage the Risk Register as a formal record of problems that could occur in the future which will have impact on the day to day operations. For those risks where no further action can be taken and it is deemed to be at an acceptable level then such a risk will be tolerated. However it will be important to continue to manage such a risk and ensure that it is reviewed on an agreed basis to check that the risk / impact has not worsened.

The Academy will continue to develop its Critical Incident Procedures aimed at both protecting personal health and safety and minimising the disruption to normal operations that may be caused by an unforeseen emergency. Where necessary, the Academy will develop contingency plans for particular risks identified as high frequency and/or high severity.

The Academy Risk Register will highlight those risks pertinent to the Academy, determine the level of risk apparent and the consequences if the risk were to materialise. The Register will highlight the person(s) responsible for monitoring the risk and implementing the necessary action plans / control measures as well as determining the governing body committee for overseeing relevant risks.

Where reference is made within this policy to the Principal, this can be taken to mean either the Executive Principal or the Principal.

TRAVEL EXPENSES & SUBSISTENCE POLICY

Introduction

This policy covers the reimbursement of expenses necessarily incurred whilst a member of staff is travelling whilst on approved HODGSON ACADEMY business which covers such things as attending meetings, seminars or workshops on HODGSON ACADEMY's behalf or attending approved continuing professional development (CPD) events. It also covers car travel where journeys are made as a routine part of a member of staff's role.

2. Approval

- a) **CPD** - All staff must obtain prior approval for their attendance at a CPD event in line with HODGSON ACADEMY policy and any travel or subsistence expenses involved must be approved as part of this process.
- b) **HODGSON ACADEMY business** - All staff must obtain prior approval from the Principal for any travel or subsistence expenses involved with each separate journey on HODGSON ACADEMY business for meeting, seminars, workshops etc.
- c) **Routine travel** - All staff who claim car mileage routinely for HODGSON ACADEMY activities should have an agreement with the Principal covering the type of activities and distances. Prior approval must be obtained for all other non-routine journeys
- d) **Long courses** - When the application for a long course is agreed the amount and type of any travel expenses and subsistence costs to be supported by HODGSON ACADEMY will be agreed at the same time.

3. Travel Expenses

It is expected that public transport will be used unless this would be unreasonably inconvenient. Car mileage will not normally be paid unless it is adequately demonstrated that the venue is not easily and efficiently accessible using public transport. A car should be shared wherever possible if two or more members of staff are attending the same venue.

a) Public transport

- The cheapest tickets available should be purchased.
- The Student Services Officer will purchase tickets in advance. Occasionally staff may need to purchase their own ticket. The ticket should then be retained at the end of the journey, and/or a receipt should be obtained when purchasing the ticket, and be attached to the claim.
- Expenditure on seat reservations, bus and tube fares will also be reimbursed if adequately evidenced.
- Costs of taxis, minicabs, car hire etc will not normally be accepted where public transport is available. If a staff member does have occasion to claim for taxi, minicab or car hire etcetera, brief details of the circumstances which made this necessary, together with a receipt must be supplied.

- Where the major portion of the journey is made by train, car mileage may be claimed for one round trip from home to the nearest appropriate station less the amount of the staff member's normal daily mileage. Reasonable parking fees will also be reimbursed.

b) Mileage allowance

Mileage allowance will not be paid unless the member of staff has insurance cover for business use in place for their vehicle. Evidence of this cover should be taken to the Finance Director. The Academy will provide for an Occasional Business Use Insurance Policy to cover one off journeys.

Only mileage in excess of a staff member's normal daily mileage from home to office and back can be claimed

Where it is necessary to travel by car, reimbursement will be made at 45p per mile.

The mileage rate is deemed to cover the cost of petrol, diesel, oil and all other expenses incurred, including insurance, repairs and depreciation in connection with the use of the vehicle, which use will be at the user's own risk so that, except for the above allowance, no claim shall be made in respect of any liability arising directly, or indirectly, from such use.

This includes parking tickets and speeding fines where no liability will be accepted by HODGSON ACADEMY.

4. Subsistence

Reimbursement will be made for the actual amount of expenditure on meals and accommodation necessarily incurred, subject to the following maxima. Receipts must be attached to the Claim Form to support any purchases. Receipts are necessary to substantiate not only the claim but also the tax free status of a genuinely incurred expense.

The amounts quoted below represent upper limits only and not automatic concessions. Reimbursement will not be given for any alcoholic drinks.

Bed and breakfast within Greater London (up to)	£100
Bed and breakfast outside Greater London (up to)	£60
Evening meal	£20
Overnight allowance when staying with friends or relatives (plus evening meal if purchased)	£18
Breakfast (may be claimed only if your journey begins before 7.30am)	£4
Lunch	£4
Incidental refreshments/expenses	£2
Evening meal (may be claimed only if your journey would have finished after 7.30pm, before allowing for a meal stop)	£12