



THE DOVER FEDERATION FOR THE ARTS
MULTI ACADEMY TRUST

***Financial Procedures, Administration
and Control Policy***

2019 - 2020

CONTENTS

Page

1.	Organisation	3
2.	Roles and Responsibilities	4
2.1	The Role of the Chief Executive Officer	4
2.2	The Role of the Chief Financial Officer	5
2.3	The Role of Finance Officers and Budget Holders	6
3.	Delegated Authority to the MAT	6
4.	Register of Interests	8
5.	Process for Independent Checking	9
5.1	Investigation of Fraud or Irregularity	9
5.2	Appointment of External Auditors	10
6.	Accounting System	10
6.1	System Access	10
6.2	Back Up Procedures	10
6.3	Transaction Processing	11
6.4	Transaction Reports	11
6.5	Reconciliations	11
7.	Financial Planning	11
7.1	School Development Plan	12
7.2	Annual Budgets	12
7.3	Monitoring and Reviews	13
8.	Payroll	13
8.1	Staff Appointments	14
8.2	Payroll Administration	14
8.3	Payroll Payments	14
9.	Procurement	15
9.1	Routine Purchasing	15
9.2	Business Chargecards	17
10.	Other Matters	17
10.1	Financial Deviance	18
10.2	Levels of Autonomy	19

Part Two - APPENDICES

A	Scheme of Delegation – Authorisation Limits	20
B	Tendering Policy	21
C	Fraud Policy and Procedures	24
D	Best Value Statement	27
E	Travel and Subsistence Policy	30
F	Reserves Policy	32
G	Fixed Asset Policy	35
H	Gifts and Hospitality Policy	39
I	Gifts and Hospitality Register	44
J	Fundraising Strategy	45
K	Risk Management & Awareness	

Part One

DOVER FEDERATION FOR THE ARTS MULTI - ACADEMY TRUST

Introduction

The purpose of this document is to ensure that Dover Federation for the Arts Academy Trust (DFAMAT) maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreements with the Education and Skills Funding Agency (ESFA).

Each academy within DFAMAT must comply with the principles of financial control outlined in the academies guidance published by the ESFA in the Academy Funding Agreement and the Academies Financial Handbook. This manual expands on those and provides detailed information on the accounting procedures and these financial regulations must be read by all staff involved with financial systems and copies made available as necessary. It also provides a standardised approach to all finance related tasks within the Trust and its academies.

Compliance with the Policy is mandatory, and any contravention of procedures must be brought to the attention, in the first instance, of the Accounting Officer. For DFAMAT this office resides in the Chief Executive Officer.

All staff, including the Accounting Officer, the Chief Financial Officer, Principals, Heads of School, Finance Officers and the Finance Assistants, who deal with financial matters, are trained in the appropriate procedures. All the duties of the Accounting Officer, the Chief Financial Officer, Principals, Heads of School, Finance Officers and the Finance Assistants, are recorded and a note kept of who can carry out the various duties in the absence of the Accounting Officer, the Chief Financial Officer, Principals, Heads of School, Finance Officers and the Finance Assistants.

All staff are aware of the Academy Trust's whistleblowing policy and to whom they should report any concerns regarding malpractice and wrongdoing. Any suspected financial irregularity will be reported to the DfE (see Appendix G).

The Academy Trust's Audit and Finance Committee will be responsible for reviewing all controls and procedures of financial systems operating within the trust.

1. ORGANISATION

The DFAMAT Trust is a company limited by guarantee with charitable status and all academies within the Trust are governed by one trust (the members), a board of trustees and local academy boards. In this document the term trustees and directors have been used interchangeably. These are the same body of people as each other. The trustees have a different status to the members of an academy trust.

The trustees have established separate committees; the Finance and Audit Committee and the Personnel Committee.

2. ROLES AND RESPONSIBILITIES

The main responsibilities of the MAT are prescribed in the Funding Agreements with the ESFA. The key responsibilities include:

- ensuring that grants from the ESFA are used only for the purposes intended
- approval of the annual budget
- balancing its budget from year to year
- production of an Annual Report and Accounts
- appointment of auditors
- appointment of a Chief Executive Officer (as Accounting Officer)
- appointment of the Chief Financial Officer in conjunction with the Chief Executive Officer
- ensure regularity, propriety and value-for-money in relation to the management of public funds.

Subject to provisions of the Companies Act 2006, the Articles and to any directions given by special resolution, the business of the Company will be managed by the trustees who may exercise all the powers of the Company.

The Multi Academy Trust has defined the responsibilities of key committees and staff involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for trustees, governors and staff. The Committees that have responsibilities relating to the Academy finances are as follows:

- Board of Trustees
- Finance and Audit Committee

The main responsibilities of these Committees are set out in the Schemes of Delegation. The following sections summarise the responsibilities of those individuals with key roles in the administration and accountability of the trust's finances.

2.1 ROLE OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer has overall responsibility for the trust's activities including financial activities. As the Accounting Officer for the trust, the Chief Executive Officer is personally responsible for:

- propriety and regularity of the public finances for which they are answerable. This covers standards of conduct, behaviour and corporate governance
- keeping of proper accounts
- prudent and economical administration
- avoidance of waste and extravagance
- ensuring value for money
- efficient and effective use of all available resources
- management of opportunities and risks
- ensuring that measures are in place to prevent loss and misuse of the trust's property and assets

The essence of the role is a personal responsibility for:

Regularity - dealing with all items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement and this policy and compliance with internal trust procedures. This includes spending public money for the purposes intended by Parliament;

Propriety – the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary control. This covers standards of conduct, behaviour and corporate governance;

Value for money – this is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the trust's charge, the avoidance of waste and extravagance, and prudent and economical administration. A key objective is to achieve value for money not only for the Multi Academy Trust but for taxpayers more generally.

The trust's accounting officer must complete and sign a statement on regularity, propriety and compliance each year and submit this to the ESFA with the audited accounts. The accounting officer must also demonstrate how the trust has secured value for money via the governance statement in the audited accounts.

In practice, much of the financial responsibility is delegated to the Chief Financial Officer but the Chief Executive Officer still retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the trustees have agreed should be approved by them
- authorising orders, contracts and signing cheques / releasing payments in conjunction with other authorised signatory in accordance with the agreed Scheme of Delegated Financial Authority
- preparing budget plans in conjunction with the Chief Financial Officer
- implementing expenditure in line with each of the Academies budgets
- seeking trustee's approval for purchase orders or contracts in excess of delegated thresholds
- submitting reports to the trustees giving details of income, expenditure and commitments to date
- ensuring any actions resulting from the annual audit are implemented

2.2 ROLE OF THE CHIEF FINANCIAL OFFICER

The Chief Financial Officer works in close collaboration with the Chief Executive Officer through whom they are responsible to the trustees. The main responsibilities of the Chief Financial Officer are:

- day to day management of financial issues including the establishment and operation of a suitable accounting system for the Multi Academy Trust's central budget and individual academies

- management of each of the Academies financial position at a strategic and operational level within the framework for financial control determined by the members and trustees
- preparation of budget plans in conjunction with the Chief Executive Officer and Executive Leadership Team
- the maintenance of effective systems of internal control
- maintenance of adequate fixed asset registers
- liaising with auditors to ensure that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust
- the preparation of monthly management accounts, including income and expenditure reports and a cash flow forecast
- ensuring forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance
- undertaking internal risk reviews for each of the academies in the trust, focusing upon the systems of internal control at each.
- additional roles, some of which are not directly finance related, as outlined in the Chief Financial Officer's job description.

2.3 THE ROLE OF FINANCE OFFICERS AND BUDGET HOLDERS

Other members of staff, primarily the Finance Officers, Finance Assistants and departmental budget holders, will have some financial responsibilities and these are detailed in the following sections of this policy.

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

3. DELEGATED AUTHORITY TO THE TRUST

The delegated authority over different categories of financial transactions is set out below from the ESFA:

Liabilities and write-offs

Academy Trusts may write off debts and losses, including any uncollected fines up to the following delegated limits, subject to a maximum of £250,000 as follows:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction
- cumulatively, 2.5% of total annual income in any one financial year per category of transaction for any academy trusts that have not submitted timely, unqualified

financial returns for the previous two financial years. This category includes new academies that have not had the opportunity to produce two years of financial statements

- cumulatively, 5% of total annual income in any one financial year per category of transaction for any academy trusts that have submitted timely, unqualified financial returns for the previous two financial years

The trust should always pursue recovery of amounts owed to it, overpayments, or payments made in error, irrespective of how they came to be made. The trust should only consider writing-off losses after careful appraisal of the facts. However, there will be both practical and legal limits to how cases should be handled.

The amounts for write-offs are before any successful claims from an insurer.

Beyond these limits the Trust must seek and obtain explicit and prior approval of the Secretary of State (through the ESFA) to the transaction.

Severance Payments

If the trust is considering making a staff severance payment above the contractual entitlement, it must consider the following issues:

- that trustees reasonably consider the proposed payment to be in the interests of the trust.
- whether such a payment is justified, based on a legal assessment of the chances of the trustees successfully defending the case at an employment tribunal. If the legal assessment suggests a better than even chance of winning, there is no rationale for settling the case. But where the case will be lost, there is a justifiable rationale for the settlement.
- if the settlement is justified, the trustees would then need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an Employment Tribunal) is likely to award in the circumstances.

Special severance payments should not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance. The only acceptable rationale in the case of gross misconduct would be where legal advice is that the claimant is likely to be successful in an employment tribunal claim because of employment law procedural errors. In the case of poor performance, an acceptable comparison would be the time and cost of taking someone through performance management and capability procedures.

If the trust is considering making a compensation payment it must consider whether the proposed payment is based on a careful appraisal of the facts, including legal advice and that value for money will be achieved. It is also good practice to consider routinely whether particular cases reveal concerns about the soundness of the control systems; and whether they have been respected as expected. It is also important to take any necessary steps to put failings right.

Where the trust is considering making a special staff severance payment or compensation payment above the contractual entitlement of £50,000 or more, prior approval will need to be sought from the ESFA, before any such payment can be made. The trust in this situation should speak to their ESFA contact at the earliest opportunity to discuss.

For the avoidance of doubt, the following examples illustrate where ESFA approval would be required:

- statutory/contractual payment of £40k + non statutory/non contractual payment £49,999 = ESFA approval not required
- statutory/contractual payment of £80k + non statutory/non contractual payment £49,999 = ESFA approval not required
- statutory/contractual payment of £40k + non statutory/non contractual payment enhancement of £50k = ESFA approval required for the £50k enhancement only
- statutory/contractual payment of £80k + non statutory/non contractual payment £50,001 = ESFA approval required for £50,001 enhancement only

Asset sales, leases and tenancy agreements

There are two types of lease, as defined under relevant financial reporting standards. There are finance leases (which are a form of borrowing) and there are operating leases (which do not involve borrowing). Trusts that are in any doubt as to whether or not any particular lease does or does not involve an element of borrowing should resolve the issue by contacting their professional financial adviser and/or external auditor.

Academy trusts must seek and obtain prior written approval from the ESFA, for the following leasing transactions:

- taking up a finance lease on any class of asset for any duration from another party, as this would represent borrowing
- taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of seven or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land or buildings to another party

Academy trusts may take out and grant other types of lease (i.e. other than finance leases, leaseholds and tenancy agreements as described above), without ESFA approval. For the avoidance of doubt this means that operating leases on assets that are not land and buildings do not require ESFA approval. Leases should be disclosed in trusts' annual accounts in accordance with the Academies Accounts Direction.

If an academy trust does wish to enter into a lease that requires ESFA consent, then the trust will need to contact the ESFA in the first instance. Trusts must ensure that any lease arrangement maintains the principles of regularity, propriety and value for money, whether or not the approval of the ESFA is required.

4. 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 members, trustees, governors and staff who can influence financial decisions, or spending powers, are required to declare any financial interests they have in companies or individuals from whom the Trust may purchase goods or services.

The register is open to public inspections and should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the Trust and trusteeships and governorships at other educational institutions and charities. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a member, trustee, governor or a member of staff by that person. Relationships with connected parties will require high standards of accountability and transparency.

All relevant business and pecuniary interests of members, trustees, local governors of academies within DFAMAT and senior employees must be published on the trust's websites.

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

5. PROCESS FOR INDEPENDENT CHECKING

Every academy trust must have in place a process for independent checking of financial controls, systems, transactions and risks.

An Audit Committee (Part of the Finance Committee) for the trust will undertake the process for independent checking of financial controls, systems, transactions and risks.

The committee will review the risks to internal financial control at the trust and agree an annual programme of work that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors.

This programme will be managed through one or both of the following options:

- the work of an internal audit service (This will be an external agent, for the year 2019/20 it will continue to be Williams Giles, chartered accountants)
- the performance of a supplementary programme of work by the Trusts external auditors

5.1 INVESTIGATION OF FRAUD AND IRREGULARITY

The personal responsibilities of the accounting officer responsibilities extend to the prevention of loss through fraud and irregularity. However, in addition to the accounting officer's responsibilities, the members and trustees are also responsible for preventing such losses of public funds, and this means that members, trustees and governors must be aware of the risk of fraud and irregularity to occur within their organisations and they must, as far as possible, address this risk in their internal control and assurance arrangements by putting in place proportionate controls. The trust is also responsible for ensuring appropriate action is taken where fraud and irregularity is suspected or identified. The Fraud Policy in Appendix C outlines the procedures to be adopted in such an event.

All instances of fraud or theft committed against the trust, whether by employees, trustees, advisors or third parties, exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year must be reported by the Trust to the ESFA. Any unusual or systematic fraud, regardless of value, must also be reported.

The ESFA reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any academy either as the result of a formal notification from the Trust itself or as the result of other information received.

5.2 APPOINTMENT OF EXTERNAL AUDITORS

The trust is required to submit the accounts for an annual audit. This means that external auditors need to be appointed by the Members at each AGM. The appointment should be for a one-year period renewable at the discretion of the trust.

The auditors are required to give an opinion on whether:

- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the ESFA
- proper accounting records have been kept by the Academy throughout the financial year
- grants made by the DFE have been applied for the purposes intended

The trust should arrange for on-going monitoring of the performance of the auditors to be undertaken by the Audit Committee.

6. ACCOUNTING SYSTEM

The Trust is registered annually under the 1988 Data Protection Act. The registration will require a single data Controller to be named and the named Data Controller in the Trust will be the Accounting Officer.

All the financial transactions of the trust must be recorded on the accounting system operated by the Finance Departments in the Trust.

Financial records are required to be kept for at least six years. This is a requirement laid down by Her Majesty's Revenue and Customs (HMRC).

6.1 SYSTEM ACCESS

The Trust's accounting system is protected by access permissions to authorised staff. Access permissions should be strictly controlled and individual log-ins and passwords should not be compromised. Access to the system should be restricted and the Chief Executive Officer and Chief Financial Officer are jointly responsible for determining the access levels for all members of staff using the system.

All leavers with previous access to the financial system must have their access permissions formally removed. This will be undertaken by the Network Manager on the day that the staff member leaves.

6.2 BACK-UP PROCEDURES

The Chief Financial Officer and Network Manager are responsible for ensuring that there are effective back up procedures for the system. The accounting system is operated through a Cloud service and is overseen by the Network Manager for security and functionality purposes.

The Chief Financial Officer 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

trustees of the major risks to which the trust is exposed and the systems that have been put in place to mitigate those risks.

6.3 TRANSACTION PROCESSING

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this document. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in following sections of the document. All journal entries must be documented. Bank transactions should be input by the Finance Officer and the input should be checked, and signed to evidence this check, by the Chief Financial Officer.

6.4 TRANSACTIONS REPORTS

The Chief Financial Officer will obtain, and review system reports to ensure that only regular transactions are posted to the accounting system. The reports obtained and reviewed will include:

- monthly payroll reports
- weekly bank statement reconciliations
- monthly procurement card statements
- monthly VAT returns
- monthly aged debtor and creditor reports
- management accounts summarising expenditure and income against budget at budget holder level

6.5 RECONCILIATIONS

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

- payroll
- bank balance per the nominal ledger to the bank statement
- VAT
- trial balance
- local expenditure account reconciliations
- procurement card statements
- individual salary payments

Any unusual or long outstanding reconciling items must be brought to the attention of the Chief Financial Officer. The Chief Financial Officer will review and sign all reconciliations as evidence of his review.

7. FINANCIAL PLANNING

The Trust prepares both medium-term and short-term financial plans.

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

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

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

7.1 THE STRATEGIC PLANNING PROCESS (School Development Plans)

The strategic planning process is concerned with the future aims and objectives of the trust and how they are to be achieved; that includes matching the trust'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 strategic SDP are matters for each 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 Chief Executive Officer will propose a planning cycle and timetable 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"
- feedback into the next planning cycle – "what worked successfully and how can we improve?"

The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Chief Executive Officer.

7.2 ANNUAL BUDGETS

Annual budgets will reflect the best estimate of the resources available to each academy for the forthcoming year and how those resources are to be utilised by each academy. There should be a clear link between the strategic objectives of the Trust and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of ESFA grant receivable
- review of other income sources available to the individual academies within the trust to assess likely level of receipts
- review of past individual performance against budgets to promote an understanding of the trust cost base
- identification of potential efficiency savings
- review of the main expenditure headings in light of the strategic plan objectives and the expected variations in cost, e.g. pay increases, inflation and other anticipated changes
- liaising with external agencies including major suppliers to ensure that the trust's best financial interests are met

Individual academy plans and budgets will need to be revised until income and expenditure are in balance. 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.

If a potential surplus is identified at an individual academy within the trust, this may be held back as a contingency or alternatively carried forward to invest in future years' priorities for the students that the academy serves.

It will be the responsibility of the Finance Committee to recommend an annual budget for submission to the trustees. Such approval should be clearly minuted in sufficient time to allow prompt submission of aggregated plans to the ESFA and should be accompanied by a statement of assumptions and explanations behind the plan so that if circumstances change, it is easier for all concerned to take remedial action.

The Chief Financial Officer, in conjunction with the Chief Executive Officer, is responsible for preparing and obtaining approval for the trust's annual budget, which aggregates the budgets of each academy in the trust. The budget must be approved by the members.

The approved aggregated budget must be submitted to the Education and Skills Funding Agency (ESFA) by 31 July each year or at a date specified by the ESFA and the Chief Financial Officer is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

Budgets should be seen as a working document which may need revising throughout the year as circumstances change.

7.3 MONITORING AND REVIEW

Monthly reports will be prepared by each school in the trust. The reports will detail actual income and expenditure against budget for the period of reporting, the year to date and a forecast of projected year end balances. These reports will be shared with the Chief Executive Officer and the Chair of the Board of Trustees.

The Chief Financial Officer will produce and provide an aggregated report for the Chief Executive Officer and the trustees.

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. Any potential overspend against budget must, in the first instance, be discussed with the Chief Financial Officer.

8. PAYROLL

The main elements of the payroll system are:

- staff appointments
- payroll administration
- payments

8.1 STAFF APPOINTMENTS

Trustees have the authority to appoint the Chief Executive Officer.

Trustees have the authority to appoint the Principal or Head of School at each academy.

The appointment of a Chief Financial Officer must be approved by the trustees.

The Trust maintains personnel files for all members of staff which include signed contracts of employment. **All personnel changes must be notified to the Finance Officer and HR Officer immediately.**

The Chief Executive Officer is responsible for ensuring that the trust's pay policy is implemented.

The Chief Executive Officer is responsible for ensuring that the statutory obligations around the safer recruitment policy and procedures are administered.

The Human Resources Officer will be responsible for maintaining accurate records of all staff employed at their academy in a single central record. Principals and Heads of School are accountable for regular checks on each school's SCR.

Personnel information is held in manual files under the guidance of the Chief Executive Officer with access strictly limited to authorised officials only and separately on the SIMS or RM Integris computer systems, for which relevant registration under the 1998 Data Protection Act is held.

8.2 PAYROLL ADMINISTRATION

The trust's payroll is centrally administered.

Amendments to payroll data, e.g. appointments, resignations, pay changes and overtime, are made on the SAGE system. **All new appointments, replacement appointments, variations of contracts and salary adjustments are discussed at Executive Leadership Meetings and must have explicit authorisation from the CEO.**

All supply teacher, casual working and overtime claims must be pre-authorised, checked and confirmed by a budget holder and must be forwarded promptly to the Trust's central payroll and Human Resources Department. The Chief Financial Officer will check supply teacher, overtime, casual and expenses as part of the internal independent checking procedures to ensure that the payroll system is operating correctly. Overtime claims are subject to deadlines for processing in time for each payroll.

8.3 PAYROLL PAYMENTS

All staff are paid monthly by bank credit transfer to their bank accounts.

The Chief Financial Officer will obtain a monthly simulation payroll report. The report will be de-aggregated, and the Chief Financial Officer will undertake a reconciliation of each individual payment against the latest staffing budget.

The Chief Financial Officer will obtain the monthly live payroll report. The Chief Financial Officer will undertake a further reconciliation of each individual payment against the latest staffing budget.

The trust has a responsibility for ensuring that all payments to individuals are subject to tax and national insurance deductions where appropriate. In order to achieve this, the following guidelines should be followed:

- an assessment must be made as to whether the individual is providing a contract of service (i.e. employed) or a contract for services (i.e. self-employed),
- if considered to be a contract of service, the individual shall be set up as an employee of the school before receiving payment through the payroll
- where an individual seeks payment from the school for a contract for services, this must be in the form of an invoice

Careful attention should be paid to repetitive payments to individuals.

Business expenses claims may be processed and paid directly by BACS by the Academy unless it relates to a benefit in kind payment. Valid receipts must be held and retained in support of any reimbursements. Mileage claims must be processed via the trust's payroll provider. Valid receipts to support the mileage claimed should be obtained. The Academy may determine their own rates of reimbursement for mileage claims but if they exceed the HMRC Approved Rate they will render the claimant liable to income tax and N.I. on the excess amount. The DFAMAT therefore maintains its rate of reimbursement for mileage claims at or below the current HMRC Approved Rates.

9. PROCUREMENT

The trust wants to achieve the best value for money from all our purchases. This means we want to get what we 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 we need to maintain the integrity of these funds by following the general principles of:

- **Probity:** it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Academy or Trust
- **Accountability:** The Academy or Trust is publicly accountable for its expenditure and the conduct of its affairs
- **Fairness:** that all those dealt with by the Academy or Trust are dealt with on a fair and equitable basis.

9.1 ROUTINE PURCHASING

Budget holders will be informed of the budget available to them as soon as the budget is formally ratified and approved by the Trustees. It is the responsibility of the budget holder to manage their element of 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 whenever it is requested.

It is essential that all of the following controls are adhered to:

- orders should not be entered into verbally and unless a Purchasing Card has been used.
- the use of 'Official Orders' (the preferred option for ordering) through the accounting system automatically updates the financial records and enables committed expenditure to be included in management information for governors.
- in exceptional circumstances (e.g. emergency repairs) orders may be placed by telephone. In such circumstances a confirmation order should be generated. Orders should be faxed/emailed to suppliers, in order to reduce timelines.
- orders should only be approved in accordance with the authorised limits within the scheme of delegation listed in Appendix A of this document
- orders may only be used for goods and services provided to the trust. Private individuals and other organisations may not use 'Official Orders' to obtain work, goods, materials and services net of VAT
- **orders under £5,000** - can be ordered by budget holders, who will be responsible for ensuring that reasonable steps have been taken to achieve Best Value. Best Value could be achieved by:
 - supplier chosen from the list of approved suppliers maintained by the Finance Office
 - bulk purchasing of common consumables
 - negotiating discounts
 - taking advantage of sale seasons
 - obtaining alternative quotations wherever possible
- **orders over £5,000 but less than £25,000** - at least three written quotations should be obtained for all orders between £5,000 and £25,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and attached to the purchase order for audit purposes. Telephone quotes are acceptable if these are evidenced, and faxed/emailed confirmation of quotes has been received, before a purchase decision is made
- **orders over £25,000 but less than £75,000** - 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 three written quotations and must be referred to the respective Finance Committee for formal approval
- **orders over £75,000** – will be subject to a tendering policy (Appendix B)

The academy budget holder or the academy Finance Office must make appropriate arrangements for the delivery of goods and services to the academy. On receipt of goods and services there must be a detailed check of the goods and services received against the purchase order (or equivalent in exceptional circumstances). Where delivery notes are not produced,

then the receipt of goods and services should be recorded on the order form. All discrepancies should be discussed with the supplier of the goods and services 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 academy's finance office should be notified. The academy's Finance Officer will keep a central record of all goods returned to suppliers.

All invoices should be sent to the academy's finance office to be checked against the purchase order (or equivalent in exceptional circumstances) and the delivery note to evidence the following:

- invoice arithmetically correct
- goods/services received
- goods/services as ordered
- prices correct.

Invoices will be authorised for payment by the relevant cost centre holder and then passed to the academy's finance office for recording and payment through PS Financials.

9.2 BUSINESS CHARGECARDS

Business Chargecards are held by named cardholders in each academy.

Each cardholder is personally responsible for the safe custody of their card. The card should be held securely at all times and any loss of cards should be reported immediately. Both the cardholder and the cost centre manager are jointly liable for the integrity of all transactions and proper and controlled use of the procurement card. All receipts must be produced and reconciled monthly to the monthly statement by the finance team and reviewed and signed off by the Chief Finance Officer.

Monthly statements will be received by the Chief Finance Officer and distributed to each academy.

The Chief Financial Officer will check a sample of each academy's monthly reconciliations as part of the internal independent checking procedures to ensure that the business charge card system is operating correctly.

10. OTHER MATTERS

Irregular or improper transactions

Situations may arise where it may appear to the trust to make sense to enter into a transaction which is irregular, improper or does not provide value for money. In these circumstances the trust must seek prior, written permission from the ESFA. Such transactions may additionally require HM Treasury approval dependent on the nature of the transaction involved.

Managing surplus General Annual Grant (GAG)

It is important that grant is spent as needed to avoid excess calls on Exchequer funding and public borrowing. The ESFA previously set limits on the amount of GAG that could be carried forward from one year to the next. These limits have now been removed so that academy trusts have the freedom to keep money aside for when it is needed most and to build up reserves, for example for long-term capital projects.

The DfE expects academy trusts to use their allocated funding for the full benefit of their current pupils. Therefore, it is important that if any academy in the trust has a substantial surplus, they have a clear plan for how it will be used to benefit their pupils.

The ESFA will also verify the sums of unspent funds when it checks the trust's accounts and highlight and report, to the relevant DfE Boards, any cases where it has serious concerns about a long-term substantial surplus with no clear plans for use.

Pooling of GAG by Multi-Academy Trusts

The trustees have the freedom to amalgamate a proportion of GAG funding for all its academies to form one central fund. This fund can then be used to meet the normal running costs at any of the academies within the multi-academy trust in accordance with the guidelines that govern the use of GAG funding.

The trustees must have due regard to the funding needs and allocations of each individual academy, and they must have an appeals mechanism in place. If an individual academy's Principal/Head of School feels that the academy has been unfairly treated in relation to pooling arrangements, they should first appeal to the trust. If the Principal/Head of Schools grievance is not resolved, they may then appeal to the Secretary of State for Education via the ESFA, whose decision will be final and who may dis-apply the provisions for pooling in this policy in relation to the trust.

10.1 Financial Deviance

The protocol is for all academies to have the maximum level of autonomy in all aspects of its functioning. However, the trustees recognise that the areas of financial autonomy and standards autonomy are those of highest risk to the overall efficient and effective functioning as a whole. Therefore, these are the areas that need to be addressed immediately in terms of effective monitoring and evaluation of each academy in order that accurate assessment of each academy's position in relation to these two areas is made, identification of any issues to be addressed is timely and accurate and plans for remedial action are structured and likely to be successful.

Different academies will be more or less successful in managing their financial systems and procedures as well as in reacting to adversity caused by sudden changes and/or unexpected difficulties. It is the role of the Chief Financial Officer, the Chief Executive Officer and the Finance and Audit Committee to identify what is happening, whether there are remediable issues or not, and what would most effectively improve upon them. Reductions in autonomy will be situation dependent and decided on the basis of the financial deviance protocol by the Chief Executive Officer and the Finance and Audit Committee utilising the advice of the Chief Financial Officer.

The table below identifies general levels of autonomy and the kind of identification and notifications that are needed. All reductions in autonomy will be detailed for the Principal, Head of School and Local Boards having its autonomy restricted along with detailed recommendations for actions necessary to facilitate improvement and to move the academy back to a higher level of autonomy. It will include timescales for the improvement, performance criteria for the improvement to be deemed successful and how the return to a higher level of autonomy would be affected.

10.2 Levels of Autonomy

Level of Financial Autonomy	Control Over	Identification	Notification of move reducing autonomy to next level down
4 - Complete	All aspects of financial and budgetary management, staff employment, resource procurement, capital programmes, capitation, et al under the full control of the Principal/HoS/LGB	CFO: Through regular financial and budgetary monitoring and evaluation done by CFO	Verbal highlighting of issues by CFO to Principal/HoS/LGB to enable remedial actions before next LGB meetings
3 - Largely	Largely full autonomy with most aspects of financial and budgetary management, resource procurement, capitation, et al under the full control of the Principal/HoS and LGB but with wider controls/some restrictions on some high-level staff employment, capital programmes and larger expenditures or virements of the budget	CFO: Through regular financial and budgetary monitoring and evaluation done by CFO and then: Through follow up reporting by CFO.	Written reports of CFO of detailed recommendations of CFO to remedy any issues identified. Followed by a recorded letter of extent of reduction in autonomy from CEO to LGB
2 - Reduced	Reduced autonomy in many areas of financial and budgetary management as well as most large financial expenditures including most high-level staff employment, larger resource procurement, capital programmes and any larger expenditures or virements of the budget	CFO/CEO: Through regular financial and budgetary monitoring and evaluation done by CFO/CEO identifying remedial actions	Letter from CEO to LGB outlining issues and detailed recommendations of CFO to remedy issues identified in order to regain greater autonomy
1 - Minimal	Significant reductions in all areas of financial and budgetary management as well as most large financial expenditures including all staff employment, larger resource procurement, capital programmes and all larger expenditures or virements of the budget	CEO: following extensive monitoring and evaluation by CFO/CEO they make all necessary recommendations for reductions in autonomy	Letter from Chair of DB FRMC to LGB outlining issues and detailed recommendations of CFO and the CEO that must be immediately implemented in order to address serious weaknesses identified
0 - None	Zero autonomy with all aspects of financial management, staff employment, resource procurement, capital programmes, capitation, et al under the full control of the CEO	Following extensive monitoring and evaluation by CFO and CEO they remove all financial autonomy to prevent further financial risk/damage	

Appendix A

Scheme of Delegation – Authorisation Limits Financial Regulations - Authorisation Limits

Expenditure Limits	
Chief Executive Officer	£25,000
Chief Financial Officer	£25,001 and above
Principals and Heads of School (Primary Schools)	£25,000

Virement Limits	
Chief Executive Officer	£25,000
Chief Financial Officer	£25,000
Principals	£25,000

Ordering Process	
Three Quotes	£5,000
Tendering	£75,000

Appendix B

Tendering Policy

All goods/services ordered with a value over £75,000 must be subject to formal tendering procedures. Purchases over 207,000 Euros for goods and services and 5,186,000 Euros for the procurement of works (EU threshold effective from 01/01/2014) will require advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in the Academies Financial Handbook.

Ordering goods which may potentially be over £70,000 must be discussed with the Chief Executive Officer and the Chief Finance Officer prior to any communication with suppliers. This is to ensure correct procedures are followed from the outset.

Forms of Tenders

There are three forms of tender procedure: open, restricted and negotiated. 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 of the nature of the goods are such that only specific suppliers can be expected to supply the school'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.

If a restricted tender is to be used, then an invitation to tender must be issued. If an open tender is to be 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
- 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.

Tendering 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:

- for contracts up to £75,000: The Chief Finance Officer and the Chief Executive Officer
- for contracts for goods and services over £75,000 either the Chief Finance Officer, the Chief Executive Officer Accounting Officer plus a member of the Finance and Audit Committee

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 including the Chief Executive Officer and the Chief Finance Officer. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest, then that person must withdraw from the tendering process.

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

Full records should be kept of all criteria used for evaluation. For contracts over £75,000 a report should be prepared for the Finance Committee, highlighting the relevant issues and recommending a decision. For contracts for goods and services over 207,000 Euros or the procurement of works over 5,186,000 Euros (EU threshold effective 01/01/2014) the decision and criteria should be reported by the Finance Committee to the Trustees for approval.

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

Appendix C

Fraud Policy and Procedures

Introduction

The Trust aims to be an honest and ethical institution. As such, it is opposed to fraud and seeks to eliminate fraud by the way it conducts business. This document sets out the Trust's policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, the Trust's objectives are, firstly, to create a culture which deters fraudulent activity, encourages its prevention and promotes its detection and reporting and, secondly, to identify and document its response to cases of fraud and corrupt practices.

In order to achieve these objectives, the trust has taken the following steps:

1. The development and publication of a formal statement of its expectations on standards of personal conduct, propriety and accountability;
2. The establishment of adequate and effective systems of internal financial and management control (and a clear requirement to comply with them), and an independent Per Review function with an ongoing responsibility to review and report on these systems;
3. The development and publication of a formal statement of the procedures to be followed by employees who have a suspicion of, or concern about, possible or actual malpractice within the Academy and a fraud response plan which sets out the Academy's policies and procedures to be invoked following the reporting of possible fraud or the discovery of actual fraud.

These three steps are described in greater detail in the following sections

Personal Conduct

The Trust aims to promote an organisational culture which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct. To help ensure that all employees are fully aware of the trust's expectations regarding standards of personal conduct, appropriate guidance is provided by the following key statements:

- these regulations are binding on all governors, members of staff, students and constituent parts of the trust. Refusal to observe them will be grounds for disciplinary action
- in disbursing and accounting for all funds, the trust must demonstrate that it is adopting high standards of financial probity. Implicit within this regime is the requirement that trustees, governors and employees of the trust must at all times conduct financial affairs in an ethical manner
- all members of staff, members, trustees and governors of the trust are responsible for disclosing any personal, financial or beneficial interest in any transaction with respect to the Academy or its related companies, minority interest companies and trading areas

- any person who is responsible for placing an order with a supplier (whether a contractor or not) with whom he has a personal interest must disclose this to the Chief Executive Officer, the Chief Financial Officer or Principal / Head of School
- trustees, governors or employees of the trust shall never use their office or employment for personal gain and must at all times act in good faith with regard to the trust's interests
- Heads of Department/Budget Holders are expected to adhere to the Financial Regulations at all times and to use their best efforts to prevent misuse or misappropriation of funds and other trust property

Systems of Internal Control

The next line of defence against fraud is the establishment of operational systems which incorporate adequate and effective internal controls designed to minimise the incidence of fraud, limit its impact and ensure its prompt detection. These controls include high level management controls such as budgetary control (designed to identify fraud which results in shortfalls in income or overspendings against expenditure) and organisational controls such as separation of duties, internal check and staff supervision. Personnel policies are also a key part of setting the culture and deterring fraud. This includes seeking to reduce the risk of employing dishonest staff by checking information supplied by employees and references obtained during the course of the recruitment process, including DBS checks.

The general framework of responsibilities for financial management and the policies relating to the broad control and management of the trust are documented in the Financial Procedures Policy. The Financial Procedures are issued and updated periodically by the Chief Financial Officer. They are binding on all trustees, governors, members of staff, students and constituent parts of the trust and are distributed to the Chief Executive Officer, The Executive Leadership Team, Heads of Department and staff in the finance offices (including those not based centrally.)

The trust has also established an Audit Committee and an independent internal review function which provides advice to management in respect of control matters and which conducts a cyclical programme of reviews of the adequacy and effectiveness of the systems which have been put in place (including those intended to minimise the potential exposure to fraud and corruption).

Fraud Response

This document sets out the trust's policies and procedures for ensuring 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
- makes a clear statement to employees and others that it is not a soft target for attempted fraud

The plan includes both statements of general policy and specific steps to be taken when circumstances dictate and is necessary in order to reduce the following risks:

- inadequate communication so that action is late or inappropriate

- lack of leadership and control so that investigators are not properly directed and waste time and effort
- failure to react fast enough so that further losses are incurred, or the evidence required for successful recovery or prosecution is lost
- adverse publicity which could affect confidence in the trust; and
- creation of an environment which, because it is perceived as being ill-prepared, increases the risk of fraud

The main elements of the trust's policy are in line with the Whistleblowing Policy and are outlined below:

1. All Members, Trustees, members of staff, students and constituent parts of the trust are required to notify immediately the Principals/Heads of School and/or the Chief Financial Officer of any financial irregularity, or any circumstance suggesting the possibility of irregularity, affecting the financial procedures, cash, stores or other property of the trust. The Principal/Head of School and/or Chief Financial Officer should bring this to the attention of the Chief Executive Officer immediately
2. The Principal/Head of School/Chief Financial Officer will ascertain whether or not the suspicions aroused have substance. They will if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required. The findings, conclusions and any recommendations arising from the preliminary investigation will be reported to the Chair of Finance Committee, the Chair of Trustees and the Chair of the Finance and Audit Committee.
3. The Principal/Head of School will have the initial responsibility for coordinating the individual Academy's response. In doing this they will consult with the Trust's Human Resources Officer regarding potential employment issues. The Principal/Head of School will also seek expert legal advice from the Academy's Legal Advisor on both employment and litigation issues before taking any further action.
4. The Principal/Head of School is required to notify the Chief Executive Officer and Local 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, the Chief Executive Officer, the Chair of Finance Committee, the Chair of Trustees and the Chair of the Finance and Audit Committee fully informed between committee meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.
5. 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.

Appendix D

Best Value Statement 2018-2019

Organisation name: The Dover Federation for the Arts Multi Academy Trust
Company number: 8039629
Year ended 31 August 2019

I accept that as Accounting Officer of The Dover Federation for the Arts Multi Academy Trust I am responsible and accountable for ensuring that the trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Skills Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the trust's use of its resources has provided good value for money during the academic year.

Improving Educational Results

The Trust has ensured that resources have been directed where they were most needed and most effective in meeting educational requirements, for example:

- Flexible support staff movement across schools to meet demands of unfunded high needs provision
- Specialist staff supporting identified needs across the trust
- Shared initiatives to accelerate the progress of identified groups of pupils
- Professional development and performance management focused to wider needs of the trust through development plans
- Raised awareness of mental health and wellbeing through whole staff training, qualified in-house trainer, qualified mental health support staff and training for parents.
- Further development of internal behaviour strategies to promote inclusion and engagement

The effectiveness of these strategies can be seen in improved pupil outcomes, staff observations and preparations for delivering the curriculum and meeting the new requirements for the Ofsted framework.

Financial Governance and Oversight

The trust's Governance arrangements includes regular monitoring by the Board of Trustees, the Finance and Audit Committee, the Personnel Committee and the Local Academy Boards of each Academy. The Chairman of the Board of Trustees carries out monthly monitoring of all budgets prior to sending to the ESFA. The Trustees receive regular financial reports and provide challenge to ensure financial efficiencies. The Board of Trustees, together with the Finance and Audit Committee hold no fewer than 8 meetings per academic year.

Governance carried out an internal review this academic year, including a self-evaluation for each Trustee. Governance utilised training and support resources such as Entrust and Optimus. A phased recruitment plan was actioned to first address any skills required and then to focus

on succession planning. Trustees and Advisors have focused recently on training and development of Risk Management and Awareness skills with in-depth training and engagement with the internal auditors.

Effective governance and management is further informed by three annual reports on internal controls. The trust's Responsible Officer remit is carried out by Williams Giles Auditors.

The trust accountants for 2018-2019 are Kreston Reeves who carry out audit and produce the end of year trust accounts.

Each Academy is provided with central services which includes: leadership, finance, payroll, human resources, legal, governance and IT support. Central services will develop further going forward with additional business, resource and school improvement provision. The trust will utilise a charge of 7.5% from each school's GAG funding to provide these services.

Cost Effective Purchasing

Examples of steps taken to ensure value for money when purchasing include:

- Comparative analysis of purchasing options to find the best value.
- The Director of Operations has focused on trust wide supply of services and resources in order to drive down costs and/or negotiate favourable rates (eg Energy costs, Insurance, Catering, MFPs, Cleaning, Training and Governor Services)
- Tender process for significant purchases and/or contracts.
- Contracts are reviewed on an annual basis to ensure they are fit for purpose and best value.

Income Generation includes:

- The trust invested in training for a mental health course provider – the course is often over-subscribed by external applications to attend. All trust staff have the training delivered free of charge.
- Fundraising by students and parents provides specific academy based extra-curricular projects and initiatives. Clear procedures are provided for fundraising
- Performing arts resources are hire out to theatre companies and other schools. Whole sets are available.
- Sports Hall refurbishment at Astor College has funding confirmed which will hopefully lead to further lettings.
- ?
- Lettings continue to benefit the local communities via each Academy. However, academy's facilities are in urgent need of improvements to continue. Funding streams for various refurbishment, extensions and rebuild programmes are in progress.

Trustees and Leadership are aware of the need for increased capacity and expertise in accessing funding streams and building on the initiative for trust wide savings. Therefore, a Director of Business and Resources is currently being recruited and hopefully appointed by the new year.

Reviewing Controls and Managing Risks

- Monthly monitoring meetings – Chairman, CEO and CFO
- Monthly monitoring reports sent to ESFA
- Weekly budget reviews – CEO, Principals, Heads of Schools, CFO
- Full monitoring and budget reviews at each Board of Trustees meeting or Finance and Audit meeting no less than 8 meetings per year.
- Budget impact reviewed 3 times/year (4 at Astor College) by the local Academy Boards.
- Weekly Leadership Team meeting incorporating analysis of budget reports and including future recommendations on spending and staffing. This ensured that all Trust spending was within budget and plans were agreed and implemented when there were any variances.
- Weekly staffing discussions with all leadership – re-deployment considered first before replacing staff.
- Actions taken to manage risk included purchasing an appropriate level of insurance cover and where required professional advice was sought from Human Resources and Legal Services.
- Independent Financial Consultant appointed for additional probity

Future Objectives

- To maintain healthy surpluses in each school
- To return the trust budget to a surplus position
- Risk management and awareness to continue to lead decision making and ensure the trust objects are met.
- To strengthen and develop the trust central service team in the area of business and school improvement.
- Ensure standards develop and improve across all schools in the trust.
- To continue to develop supportive relationships with other schools in order to grow the trust.
- The Trust recognises the need to continue working closely with the ESFA.
- To review staffing at Astor College alongside curriculum provision and the SRMA report.

Mr David Meades
Accounting Officer
Date: 31 August 2019

Appendix E

Travel and Subsistence Policy

Introduction

If an employee is not sure whether they will be able to make a claim in a particular situation, they should ask before they incur any expenses, as this may not be reimbursed. Clarity should be sought before claim is submitted.

It is very important that claims are not made outside the terms of this policy and guidance unless permission has been given specifically to deal with a particular situation.

Accommodation

All overnight stays must be approved in advance by the appropriate authorised officer.

In some situations, particularly certain training courses, accommodation is provided as part of the package, in which case employees do not need to make any claim. In other cases, the employee will be reimbursed the actual cost of bed and breakfast incurred.

Travel

General Principles

Employees should only make business journeys when they are absolutely necessary. Other options should always be considered before travel is undertaken which are more efficient and cost effective for example email, telephone, video or telephone conferencing.

Where a business journey is necessary, employees are expected to organise it in the shortest and most effective way.

Employees whose post requires them to undertake business travel are responsible for their own travel arrangements and these must be carried out in the most effective and efficient way to perform the job. The Trust will support necessary business travel, including reimbursement of costs arising from the use of employees' own vehicles.

Environmentally friendly travel should be encouraged. Mileage payments will be made within Her Majesty's Revenue and Customs guidelines.

Mileage Payments

Employees who use their own car, van, motorcycle or cycle for official DFAMAT work purposes are entitled to be reimbursed in accordance with Her Majesty's Customs and Revenue (HMRC) approved mileage rates.

Where a number of employees undertake the same or a similar journey, they should always travel together.

The basic criteria for claiming official mileage is that this should be calculated from the employee's workplace and back again. Normal everyday home to office mileage is the employee's responsibility.

Where it is more beneficial for employees to travel direct from home to an outside appointment or vice versa, rather than call in to the workplace first, they are only entitled to claim the number of miles over and above their normal home to work mileage. On this basis, all travel

claims in any one day should always exclude the employee's normal home to office miles regardless of the reason e.g. training course etc.

The only circumstance in which normal home to office mileage is payable is where a second journey from home to a place of work is made on the same day in order to carry out official duties. Where an employee agrees to work on a day they would not normally work, it is still their responsibility to get to and from work (including training courses). Therefore, no home to office mileage is payable.

Other conditions

Where an employee is required to travel from their normal workplace to carry out their day to day role, travelling time is included within their normal working day. However, employees who are expected to travel to training courses can claim no more hours than their normal working day including travelling time. Where there are excessive demands placed on an employee, for example very long distances travelled which extend significantly over the working day and where such occurrences happen repeatedly over a short period of time, then management will have discretion, as a gesture of goodwill, to allow some time in lieu as recompense.

Rail Travel

If an employee requires a rail ticket for business purposes, they must contact the Finance Assistant 7 days in advance for them to organise this for them.

Employees are expected to travel standard class effective from the 1st October 2019 and take advantage of off peak or other reduced rates if the circumstances allow.

Parking Expenses

Bus fares and car-parking charges incurred on Academy business may be reclaimed in full.

The trust will not reimburse in respect of parking and similar fines.

Authorisation

The formal responsibility for authorising business journeys rests with the CEO, Principal and Head of School. Employees are advised to seek approval in advance for any unusual journeys where there is likely to be any doubt about the legitimacy of the journey or of the amount of mileage that can be claimed.

Methods of Claiming

Employees should complete the Travel, Subsistence and Expenses Claim, attaching the relevant VAT receipts. Claims should be made on such dates specified by an individual department and submitted immediately to departmental administrators in order that processing by the Payroll Department may take place in time for the following month's payroll. Claims must be made on a monthly basis; if an employee delays and then submits forms covering a substantial period, they must expect a delay in processing and payment.

Employees should note the terms of the declaration on the claim form. No one should make or approve a claim if the conditions explained in this policy have not been met. The trust will take a very serious view of fraudulent or negligent claiming or certification.

Insurance

Employees who use their own vehicle for work should ensure they have the appropriate insurance to cover business travel. This is normally referred to as 'Business, Social and Domestic' cover by Insurance companies. It is the employee's responsibility that they are insured.

The trustees agreed the following rates for employees who are required to travel on the trust business from 1st October 2019:

Pence per mile

Car or Van Users

First 10,000 miles 45p

After 10,000 miles 25p

Appendix F

Financial Reserves and Investment Policy

Introduction

The Trustees need to consider the level of reserves the Trust should hold. Levels of reserves which are too high tie up money which should be spent on current school activities. Levels of reserves which are too low may put the future activities of the school at risk.

The reserves policy:

- assists in strategic planning by considering how new projects or activities will be funded
- informs the budget process by considering whether reserves need to be used during the financial year or built up for future projects
- informs the budget and risk management process by identifying any uncertainty in future income streams

During the financial year

The Trustees identify:

- when reserves are drawn on, so that they understand the reasons for this and can consider what corrective action, if any, needs to be taken
- when reserve levels rise significantly above target so that they understand the reasons and can consider the corrective action, if any that needs to be taken
- where the reserves level is below target and consider whether this is due to short-term circumstance or longer-term reasons which might trigger a broader review of finances and reserves.

Development of the academy's reserves policy

When considering an appropriate level of reserves, the trustees consider:

- the risk of unforeseen emergency or other unexpected need for funds
- covering unforeseen day-to-day operational costs, for example employing temporary staff to cover a long-term sick absence
- a fall in a source of income, such as lettings
- planned commitments, or designations, that cannot be met by future income alone, for example plans for a major capital project
- the need to fund potential deficits in a cash budget, for example money may need to be spent before a funding grant is received

The financial risks identified determine the amount of reserves the academy targets to hold.

Increased levels of reserves may be held in the event of large building or expansion projects to facilitate any lapse in funding and other unforeseen costs.

Academies are expected to create reserves from their annual capital funding. However, as there is now minimal funding in the way of devolved formula capital grant from the ESFA, this creates little opportunity to achieve a surplus. The Trust will therefore continue to bid for any Priority Building or Condition Improvement grants available, based on capital projects identified in the School/College Improvement Plans. Trustees consider the best use for any reserves is for re-investment into the trust at the current time.

In-year reports to the trustees and the Local Governing Bodies

In-year reports:

- compare the amount of reserves held with the target amount or target range set for reserves
- explain any shortfall or excess in reserves against target set
- explain any action being taken or planned to bring reserves into line with target

Annual financial statements

The reserves policy disclosed in the trust report will include the following information:

- why reserves are held
- what amount/range of reserves is considered appropriate for the academy trust
- what the level of reserves is at the year end
- how the academy trust is going to achieve the desired level or range of reserves
- how often the reserves policy is reviewed

Target range of reserves for the financial year

The level of reserve will be reviewed and set on an annual basis as part of the budget setting plan.

Monitoring and evaluation of the policy

This policy will be monitored regularly for any changes in legislation or directions from the DFE which may have an effect and evaluated in the light of any comments made by the DFE, ESFA, auditors and any other interested parties.

Reviewing

The Chief Financial Officer, the Chief Executive Officer and Trustees will carry out a review of this policy on a regular basis to ensure that any new or changed legislation is adhered to.

Appendix G

Fixed Asset Policy

Introduction

The purpose of this policy is:

- to provide guidance when dealing with capital expenditure and the purchase and disposal of fixed assets (as defined below); and
- to provide guidance on other aspects of fixed asset accounting such as depreciation and revaluation

Definitions

Accumulated Depreciation

The total accumulated amount charged to the income and expenditure account to reflect the use of the asset by the business, over its useful economic life. The value of the fixed asset on the balance sheet will be reduced over the useful life of the asset.

Capitalisation

The addition to the balance sheet of an amount in respect of an asset which has come into the possession of the Academy, whether through purchase or donation or gift in kind.

Carrying amount/net book value

The purchase cost (or valuation) of a fixed asset less the accumulated depreciation on that fixed asset.

Depreciation

The charge made to the income and expenditure account each month to reflect the use of the asset by the business during the period.

Fixed Assets

A fixed asset is an asset that has a useful life greater than one year. This includes land, buildings, office furniture and equipment (e.g. air conditioning, heating systems), vehicles, IT equipment and other classroom equipment. These are included in the Academies balance sheet. Consumables which are used on a daily basis are not fixed assets.

Fixed Asset Register

An inventory of all fixed assets which must include date purchased the depreciation rate, net book values and the depreciation.

Grant

Funds given to the Academies by a third party, subject to complying with any terms and conditions attached to the grant, to purchase unspecified fixed assets.

Recoverable Amount

The cash proceeds when an asset is disposed.

Categories of Fixed Assets

This list describes the categories of fixed assets most commonly used by Academies. It is not exhaustive and other categories may be added but only with the approval of the Chief Finance Officer.

Freehold and Long Leasehold Buildings

The cost of acquiring freehold and long leasehold land and buildings. It includes all external costs incurred as part of the acquisition such as legal and professional fees as well as other costs such as building costs which are necessary in order to bring the asset into use.

The trust must seek and obtain prior written approval from the ESFA when acquiring a freehold on land or buildings.

Fixtures and Fittings

Items such as shelving, fixed or free standing, soft furnishings and general furniture such as chairs, desks which will last a number of years but not as long as the building in which they reside.

Plant and Equipment

Items such as air conditioning, lifts, heating system, diesel generators and classroom equipment which will be used for several years.

Computer Equipment and Software

Cost of the computer hardware used throughout the academies along with 'significant' software.

Criteria for Capitalisation of Assets

Expenditure Eligible for Capitalisation

Authorised and approved expenditure for an item which meets the definition of a fixed asset, and exceeds £2,000, should be identified and flagged as a fixed asset. The asset should be recognised on the Academies balance sheet.

The cost of the fixed asset should include the cost of the asset and any other costs directly attributable in bringing the asset into a condition where Academy employees can use it. Such costs include, but should not be limited to:

- costs of enhancements (not repairs and renewals), which significantly extend the life of the asset and would not be carried out on a regular basis (e.g. building improvements)
- costs of external consultants whose work is directly attributable to the implementation of the asset

Expenditure Not Eligible for Capitalisation

- individual items costing less than £2,000, unless purchased in bulk as part of a capital project
- costs of staff training as part of normal business activities
- administration and general overheads for running day to day activities

- planning costs relating to initial activities such as option appraisals, feasibility studies, identifying appropriate hardware and applications and selecting suppliers and consultants
- cost of abortive work
- post implementation support and maintenance costs related to software installation

Accounting Treatment (valuation in balance sheet)

Only costs eligible for capitalisation should be entered into the accounts.

Costs must be allocated against individual fixed assets.

The cost of the asset includes the purchase price (including import duties and non-refundable taxes) and any other direct attributable costs of bringing the asset to working condition. Discounts received should be deducted from the total cost.

Expenditure on enhancing a fixed asset already recognised on the balance sheet should be added to the carrying amount where the expenditure meets the definition above.

Fixed assets purchased with grant money must be clearly identified in the fixed asset register.

Revaluation of Fixed Assets

Gains on revaluation of fixed assets must be credited to the relevant reserve as follows:

- land and building revaluations should be transferred to a designated revaluation reserve
- losses on revaluation must be debited to the relevant reserve (revaluation, fixed assets revaluation reserve) to the extent that gains have previously been recognised and recorded

Depreciation

Depreciation is charged against fixed assets over the expected useful life of the asset to reflect the usage of the asset over time.

The trust uses the straight-line method of depreciation where the asset cost is written down in equal annual amounts over its expected useful life.

The period over which the asset is depreciated varies according to the category of the asset.

All tangible fixed assets, other than assets in progress must be depreciated as follows:

- Leasehold land: 0%
- Leasehold buildings: 4%
- Furniture & equipment: 20%
- Computer equipment & software: 33.3%
- Motor vehicles: 20%

Depreciation will be charged from the month in which a newly purchased asset comes into use.

Depreciation ceases to be charged in the month the asset is disposed.

Disposal of Fixed Assets

When a fixed asset is sold or otherwise disposed, a profit or loss may arise. This is the difference between the total sale proceeds, less the cost of disposing of the asset, and the net carrying amount of the asset.

The profit or loss arising on disposal should be recognised as follows:

- profits on disposal of fixed assets must be included in the income and expenditure account under 'profit or loss on sale of assets'
- losses on disposal of fixed assets must be treated as additional depreciation and included in the relevant account within the income and expenditure account

Any asset that is lost or destroyed, and subsequently replaced through insurance proceeds should be removed from the balance sheet. The profit or loss arising (the difference between carrying amount and insurance proceeds) must be recognised in the income and expenditure account under profit and loss on sale of fixed assets. The replacement asset is capitalised at cost in the normal way.

The trust must seek and obtain prior written approval from the ESFA, for the following transactions:

- disposing of a freehold on land or buildings; and
- disposing of heritage assets beyond any limits set out in the trust's funding agreement in respect of the disposal of assets generally. Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, as defined in applicable financial reporting standards.

The trust may dispose of any other fixed asset (i.e. other than land, buildings and heritage assets as described above) without the approval of the Secretary of State.

The trust must ensure that any disposal achieves the best price that can reasonably be obtained, and maintains the principles of regularity, propriety and value for money. This can involve public sale where the assets have a residual value.

Custodial Review

The fixed asset register must be formally checked to the assets held at least once a year by the Chief Financial Officer.

APPENDIX H

GIFTS AND HOSPITALITY POLICY

1. AIMS

- The trust's funds are used only in accordance with the law, its articles of association, its funding agreement and the latest Academies Financial Handbook
- The trust and those associated with it operate in a way that commands broad public support
- The trust has due regard to propriety and regularity, and ensures value for money, in the use of public funds
- Trustees fulfil their fiduciary duties and wider responsibilities as charitable trustees and company directors
- Members, trustees and staff are aware of what constitutes acceptable gifts and hospitality, and the process that must be followed if they are presented with any of the same

2. LEGISLATION AND GUIDANCE

Based on the [Academies Financial Handbook](#), the trustees' policy and register is set out on the acceptance of gifts, hospitality, awards, prizes or any other benefit which might be seen to compromise the personal judgement or integrity of members, trustees, staff and/or any other representative of the trust.

It also complies with our funding agreement and articles of association.

3. DEFINITIONS

- **Gifts** are any items, cash, awards, prizes, goods or services, offered without expectation of payment or benefit. Gifts also include goods or services offered at a discounted rate, or on terms not available to the general public.
- **Hospitality** is defined as food, drink, accommodation or entertainment (such as cultural or sporting events) provided free of charge, heavily discounted or on terms not generally available to the general public.

4. ROLES AND RESPONSIBILITIES

4.1 Members, trustees and staff

Members, trustees and staff:

- Must not give or accept gifts or hospitality to or from a third party where it might be perceived that their personal integrity has the potential to be compromised, or that the trust might be placed under any obligation as a result of acceptance
- Must not use their official position to further their private interests or the interests of others
- Must not solicit gifts or hospitality

- Must record any gifts or hospitality offered to them or the trust with a value of £30 on the gifts and hospitality register (see appendix 1) within 7 working days, even if declined
- Must consult the CFO, CEO, Principal or Head of School before accepting or offering any gifts or hospitality with a value of £30

4.2 Academy trustees

Academy trustees will ensure that the trust's funds are used in a way that commands broad public support, pays due regard to propriety and regularity, and provides value for money.

4.3 The Principal and Heads of School

- The Principal and Heads of School is responsible for ensuring that staff are aware of and understand this policy, and that it is being implemented consistently.
- The Principal and Heads of School will act with the utmost integrity on all matters relating to gifts and hospitality, ensuring that they set a good example to the rest of the school and trust and to those outside the organisation.
- They will also ensure, alongside the CEO and CFO that decisions on whether individuals or the trust can accept or offer gifts or hospitality with a value of £30 are in line with this policy.

4.4 The Chief Financial Officer

The CFO will ensure that:

- The trust maintains a gifts and hospitality register
- Figures for transactions relating to gifts made by the trust are disclosed in the trust's audited accounts, in accordance with the Academies Financial Handbook
- The academy trustees and CEO are provided with information on gifts and hospitality received and given, as appropriate
- They will also ensure, alongside the Principals and Heads of Schools that decisions on whether individuals or the trust can accept or offer gifts or hospitality with a value of over £30 are in line with this policy.

4.5 The [job title]

The Company Secretary is responsible for maintaining the gifts and hospitality register on a day-to-day basis.

4.6 Parents

- The trust does not wish to discourage all gift-giving, and that small tokens of gratitude are always appreciated

- The appropriate value of gifts and circumstances when they may be offered should be proportionate to a traditional token of gratitude, and the trust prevents teachers and other staff from accepting gifts worth over £30.

5. ACCEPTABLE GIFTS AND HOSPITALITY

5.1 Offers of gifts and hospitality received

- Members, trustees and staff can accept gifts and hospitality that have a value of £30.
- These do not have to be pre-approved or recorded on the gifts and hospitality register.
- Generally, gifts of nominal value, such as small tokens of appreciation, may be accepted. If in any doubt, members, trustees and staff must consult the CFO, CEO, Principal or Head of School.
- Similarly, hospitality such as working lunches may be accepted in order to maintain good relationships with key contacts, provided the hospitality is reasonable in the circumstances. If in doubt, guidance must be sought from the CFO, CEO, Principal or Head of School.
- Any gifts or hospitality offered with a value of over £30 must be recorded on the gifts and hospitality register within 7 working days, even if declined. Any member, trustee or member of staff who is offered such gifts or hospitality must consult the CFO, CEO, Principal or Head of School before accepting.
- If the CFO, CEO, Principal or Head of School is the recipient, or intended recipient, of **any** offer of gifts or hospitality, they must inform the Company Secretary and record the offer on the gifts and hospitality register. The disclosure along with the register will be declared at the Finance and Audit Committee.
- Failure to declare any offer of gifts or hospitality on the register in line with this policy will be treated as a staff disciplinary matter.

5.2 Offers of gifts and hospitality given

- Circumstances when using the school budget to offer particular hospitality to staff or visitors is acceptable only when authorised by the CEO/CFO/Principal/Head of School.
- The cost of gifts bought for staff by the Trust should be in line with this policy and authorization sought from the CEO should the cost exceed £30.
- Provide more detail about the types of expenses that staff can and cannot claim when working off-site (such as when on residential training courses)
- Set out more information on your process for claiming expenses
- Any hospitality provided by the trust, for visitors, must not be extravagant. A maximum value of £15 per head for a working lunch and £25 for dinner should be used as a guideline.
- Alcohol must not be purchased out of the school budget.
- Expense claims should be made to the Finance Department and receipts must always be enclosed.
- The CFO, CEO, Principal or Head of School must be consulted about any proposal to provide gifts or hospitality.

6. UNACCEPTABLE GIFTS AND HOSPITALITY

The following must never be offered or accepted:

- Monetary gifts
- Gifts or hospitality offered to family members, partners or close friends of members, trustees or staff
- Gifts or hospitality from a potential supplier or tenderer in the immediate period before tenders are invited or during the tendering process
- Lavish or extravagant gifts or hospitality, even if they relate to activities the recipient undertakes in their own time

This list is not exhaustive.

7. DECLINING GIFTS AND HOSPITALITY

Any members, trustee or staff member who is offered any of the unacceptable gifts or hospitality outlined in section 6 above should politely decline the offer.

If they feel it would not be appropriate for them to decline, they should refer the matter to the CFO, CEO, Principal or Head of School.

The CFO, CEO, Principal or Head of School may decline the offer, or donate the gift or hospitality to a worthy cause and must also record the offer on the gifts and hospitality register.

Disciplinary action will be taken against anyone who fails to decline gifts or hospitality the trust has deemed unacceptable.

Failure to declare any gifts or hospitality offered on the gifts and hospitality register, in line with this policy, will be dealt with as a staff disciplinary matter.

8. MONITORING ARRANGEMENTS

The gifts and hospitality register is monitored regularly by the CFO, Accounting Officer and the Finance and Audit Committee.

This procedure will be reviewed by the Finance and Audit Committee and as part of the annual audit and audit of internal controls by the appointed auditors.

9. LINKS WITH OTHER POLICIES

This gifts and hospitality procedure is linked to the:

- Staff code of conduct
- Staff disciplinary procedures
- Financial Procedures, Administration and Control

APPENDIX I: GIFTS AND HOSPITALITY REGISTER

Date	Name	Description of gift/hospitality and approximate value	Party gift/hospitality offering	Accepted/rejected	Approved by

APPENDIX J

FUNDRAISING STRATEGY

Aims and Vision

We aim to create an enriched and inclusive educational experience and improve learning outcomes for pupils in line with each school/college development plan through:

- providing students with extraordinary life changing experiences;
- encouraging students with targeted incentives and rewards;
- encouraging students to participate in and contribute to the wider social community;
- ensuring no student is disadvantaged by providing full access to all activities on offer;
- and to raise and maintain the quality of the learning/teaching environment

Objectives

To develop:

- excellent partnerships between home and school/college;
- positive relationships and networks within a multi-agency setting;
- student well-being and value their achievements;
- student experiences of the wider global community;
- a happy, safe and secure environment which supports high expectations for all individuals to grow in confidence and self-esteem and fulfil their potential.

Fundraising Guidelines

- We will not accept funding from organisations or businesses that go against the Trust's core values including but not restricted to: alcohol or tobacco companies, pay day loan companies or from companies using child labour, modern day slavery or who do not promote healthy eating or living.
- All decisions based on ethical protocols will be made by the Principal and the Academy Boards for each individual school/college.
- We will accept donations from individual donors, if the donations do not come with conditions or expectations, we are not happy to uphold
- Any fundraising initiatives must be authorised by the Principal at the school/college prior to commencing organisation.
- Fundraising teams, whether staff, students or parents must liaise with the Finance Department and adhere to the strict protocol for handling, recording and storage of funds.

Complaints

Any complaints related to fundraising issues should be sent to the Principal in the first instance. Any complaint will be dealt with under the DFAMAT existing Complaints Procedure, which can be found on the DFAMAT website. Also, the guidance set out by the Fundraising Regulator can be found at:

<https://www.fundraisingregulator.org.uk/sites/default/files/2018-07/Complaints-handling-guidance.pdf>

Prioritising Needs

- Which are most urgent?
- What deadlines are to be met?
- Are the needs short-term or long-term?
- Are the funds or resources already available to carry out specific projects or activities?
- Is there expertise or resources available within other Trust schools/colleges which will fulfil the need?

Needs Criteria:

- Is the project justified?
- Evidence of justification available?
- What will project achieve?
- How will success/impact be measured?

Accounting Arrangements

Funds raised will be kept in a separately from the main school/college funds. Spending will be monitored separately for each project, and income and expenditure for each will be reported to the Principal and Accounting Officer. An annual account of all trust fundraising will be presented to the Board of Trustees as part of the Accounting Officer's report. A breakdown of how the funds have been used will be provided to the organisations that provided them, on request.

Current Financial and Funding Situation

- Central funding allocation
- Government capital funding
- Pupil premium and sports premium funding
- Lettings income
- Budget surplus

Potential Sources of Funding / Savings

- Grants from other organisations e.g. Sport England, Ogden Trust and Arts Council
- Donations from local businesses
- Putting on events
- Cost cutting
- Joint procurement

SWOT Analysis

A SWOT analysis of any project may reveal the following challenges:

- Decrease in central funding due to drop in pupil numbers. Risk to be mitigated through effective marketing of places via e.g. open days;
- unforeseen large costs unconnected with the project. Risk to be mitigated by determining a sufficient contingency budget, separate from project funding;
- failure to obtain enough grants from other organisations. Risk to be mitigated by looking at whether support/cover by existing staff can be implemented to ensure protected time can be put aside for bid writing and submission;
- competition from other local schools for additional funding from local sources. Risk to be mitigated by ensuring high-quality and timely bid submissions, as well as taking advantage of existing relationships with and contacts in local businesses
- Inexperience of school/college management in handling large projects. Risk to be mitigated by full engagement of the Trust Leadership and resources.

Appendix A – Roles and Responsibilities

School/College: _____

Fundraising Roles	Lead Person	Roles and Responsibilities
Academy Board Members		Monitoring progress and impact through AB Meetings
Senior Leadership Team		Communication with key stakeholders (Trustees, parents, staff and students)
CFO	Mr M Willis	Management of funds and records.
Accounting Officer	Mr D Meades	Reporting to Board of Trustees, Auditors and monitoring compliance.
Individual project lead – may be staff/student/parent		Point of contact for the operational side of individual projects to be determined on an individual basis dependent on requirements of the project.
Parent/Teacher Association (PTA)		Organising fundraising events and liaising with Principal and CFO

Appendix B - Progress summary

School/College: _____

Project	Objective	Priority	Owner	Deadline	Cost	Progress
<p><i>For example:</i></p> <p>Refurbishment of sports hall</p>	<p>Improve sports provision</p>	<p>Medium</p>	<p>Jane Biggs and Joe Bloggs</p>	<p>Sep 2016</p>	<p>£70,000</p>	<p><i>Completed:</i></p> <ul style="list-style-type: none"> • £50,000 grant obtained from Sport England • £15,000 government capital funding • £5,000 raised through lettings of school hall
<p><i>For example:</i></p> <p>Replacement of ICT equipment</p>	<p>Encourage more use of ICT throughout the curriculum</p>	<p>Low</p>	<p>Jane Biggs</p>	<p>Jan 2015</p>	<p>£10,000</p>	<p><i>Ongoing:</i></p> <ul style="list-style-type: none"> • £2,000 obtained from local business • Grant application in progress for £3,000 from the Foyle Foundation • £5,000 to be found through cutting costs elsewhere • Jane Biggs to discuss joint procurement with other local schools to see if predicted cost can be lowered via economy of scale • ...

Appendix C - Grant Tracker

School/College _____

Organisation	Purpose / Who Can Apply	Grant / Income Amount	School/College Project	Progress
<i>For Example: Sport England</i>	<i>Sport England invests in organisations and projects that will encourage people to play more sport. Its 'Inspired Facilities' scheme funds the renovation and modernisation of local sports facilities.</i>	<i>£20,000 - £150,000</i>	<i>Refurbishment of sports hall</i>	<i>Bid submitted and accepted. Grant of £50,000 awarded.</i>
<i>For Example: Foyle Foundation</i>	<i>The Foyle Foundation provides funding for school library projects. Although priority is given to funding library reading books, the Trust will consider contributions towards library software, necessary IT equipment and furniture to create a suitable library space.</i>	<i>£3,000 - £10,000</i>	<i>Replacement of ICT equipment</i>	<i>Bid submitted</i>

Appendix D – Rolling Action Plan

(Can be used for reporting to Academy Boards, Accounting Officer or Board of Trustees or use the Progress Summary (Appendix B))

School/College _____

Current action points and deadlines

Set out the current to-do list. This should be frequently updated to reflect tasks completed and new tasks. For example:

For Example:

- *Jane Biggs to identify areas of the budget where costs can be cut and update senior leadership team in meeting next week*
- *Jane Biggs to report back on project management meeting with Joe Bloggs*
- *Tom Smith to identify cost-effective CPD opportunities for autumn term 2016*
-
-
-
-

Appendix E – Revisions and Published Version Records

School/College _____

Date	Author	Version	Detail and Status
1 Nov 2018	Principal	V1	Draft App. A, B, C D & E for Academy Board – to be approved <date of meeting>

Guidance references and useful information:

<https://stateofed.thekeysupport.com/>

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/731228/CC20.pdf

<https://schoolleaders.thekeysupport.com/administration-and-management/financial-management/fundraising-and-grants/fundraising-applying-for-grants/?marker=content-body>

<https://schoolleaders.thekeysupport.com/administration-and-management/financial-management/fundraising-and-grants/school-fundraising-strategies/?marker=content-body>

APPENDIX K

RISK MANAGEMENT AND AWARENESS

1. INTRODUCTION & PURPOSE

The Dover Federation for the Arts Multi Academy Trust's aim is to provide the highest possible quality of education for all children, in order to ensure pupils from all backgrounds are able to succeed.

This mission statement informs our approach to our structures and governance.

- a. The Dover Federation for the Arts Multi Academy Trust (DFAMAT) is committed to minimising risk through a framework of integrated governance supported by a proactive risk management culture.
- b. Risk can be defined as the combination of the potential likelihood of an event and its impact. In managing our academies there is the potential for events and consequences that constitute opportunities for benefit (upside) or threats to success (downside). Risk Management is concerned with both positive and negative aspects of risk.
- c. In the safety field, it is recognised that consequences are only negative and therefore the management of safety risk is focused on prevention of harm and business continuity.

2. Policy forms the approach to Risk Management in the Dover Federation for the Arts Multi Academy Trust.

- a. Risk management is a central part of our strategic management and culture. It is the process whereby we methodically address the risks attached to our activities with the goal of achieving sustained benefit within each activity and across the portfolio of all activities.
- b. The focus of good risk management is the effective identification and treatment of risks. Its objective is to add the maximum sustainable value to all our activities. It focuses on understanding the potential upside and downside of all those factors, which can affect our organisation.
- c. Employees at all levels throughout the Trust should include risk management and awareness of risk as a key element of their job description. This supports accountability, performance measurement and reward, thus promoting proactivity.
- d. Key performance indicators for risk management shall be developed, implemented and reviewed to measure the effectiveness of the risk management process.

RISK MANAGEMENT CYCLE



IDENTIFYING RISKS

Risk identification cannot be centralised to a core team or function, it must be a fluid part of the day-to-day operation of the organisation and across all sites. Risk identification for all staff is a core competency and must be developed through leadership example and the performance management process.

The DFAMAT works to a framework of four key areas to identify and classify risks. This allows the organisation to take into consideration both internal and external factors that can positively or negatively affect the Trust in achieving its 'object'.

A list of risks will be identified using a variety of techniques including data analysis, risk identification, communication between leadership and governance, monitoring, external assessments, appraisals and incident investigation among others.

Risks will be categorised into the following framework on the Trust risk register.

Factor	Examples
Strategic	e.g. local, national and international political factors that can affect the organisation. social and cultural dynamics affecting the education system.
Operational	e.g. Management information and systems, HR and human capital, Income risks.
Compliance	e.g. legislative, regulatory and compliance matters
Financial	e.g. internal or external economic factors, leadership, governance and central government.

Figure 2: Risk framework

Assess (Estimate) risk

Risks will be assessed on two core criteria:

- **Likelihood:** the probability of the risk occurring
- **Impact:** the positive or negative ramifications of the risk coming to fruition.



Figure 3: Risk profile

Both criteria will be scored on the risk register, between 1 (the lowest) and 5 (the highest). When multiplied together, the total provides a quantifiable risk profile. The risk profile will then determine the severity of the risk through a simple Red, Amber, Green framework (severity).

Risk profile score (severity)	RAG rating (Red, Amber, Green)
1-5	Green
6-12	Amber
15-25	Red

Figure 4: Risk profile and RAG

5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5
Impact / Likelihood	1	2	3	4	5

Figure 5: Risk severity table

In each Risk Register, Trustees will record net risk and residual risk.

Likelihood	
*Likelihood scores are based on an event taking place within one academic year or less	
1	<i>Under 1% chance of occurring.</i>
2	<i>1% - 25% chance of occurring.</i>
3	<i>25% - 50% chance of occurring.</i>
4	<i>50% - 75% chance of occurring.</i>
5	<i>Over 75% chance of occurring. Almost certain.</i>

Figure 6: Likelihood definitions table

Impact		
1	Very Low	<i>Insignificant. Nothing to worry about.</i>
2	Low	<i>Fairly serious. Possibly important but can be managed although it would take up some time and resources.</i>
3	Medium	<i>Serious. A threat, which could cause us reasonable problems and would definitely take up time and resources.</i>
4	High	<i>Very serious. Would hinder the achievement of our strategic objectives and/or would take up considerable time and resources.</i>
5	Very High	<i>Major disaster. Could seriously undermine the standing and position of the organisation.</i>

Figure 7: Impact definitions table

Risk management strategy (Mitigation)

The risk management strategy determines the way in which the organisation will respond to a risk. The Trust has adopted four categories of risk response type:

- **Transfer** (Share Risk) – Through conventional insurance or by supporting a third party to take the risk in another way.
- **Tolerate** (Accept) – The Trusts ability to do anything about some risks may be limited, or the cost of taking any action maybe disproportionate to the potential benefit gained. Common for large external risks. In these cases, the response may be to tolerate but the risk should be tracked so the Trust is ready to reconsider, and act should the risk escalate. Tolerance levels are set to determine the level of risk and inform the decision-making process. The subjective nature of external risk factors may change tolerance with the stability and climate the Trust finds itself in at any one time.
- **Treat** (Mitigate) - Most risks will fall within this category. The purpose of taking action to reduce the chance of risk occurring is not necessarily to obviate the risk, but to contain it to an acceptable level. Risk will be dealt with at an appropriate level where the responsibility to decide on action will rest. Other risks may translate into activities designed to mitigate them. As is the case with any change in course of action, new risks may be encountered which subsequently require management.
- **Terminate** (Avoid) – Do things differently thus removing the risk wherever it is feasible to do so.

RISK OWNER

Once a risk type is identified, the risk register will outline and state who will be the risk owner. This may be an individual post holder such as the CEO, CFO, Principal, Site Manager or a group of staff, for example the leadership team or the Academy Boards.

In the risk register, the risk owner will identify stakeholders with an interest in or affected by the risk. Stakeholders must be consulted to establish their relationship with the risk and what influence this might have on the risk management process. To ensure a holistic approach to risk management, the monitoring and reviewing of the risk must be ongoing. The Trustees may delegate the monitoring and review of risk.

RISK REPORTING

The risk owner/s will coordinate all activities to ensure the successful implementation of the strategy as agreed in the risk register and will remain responsible for effective communication.

Trustees set out the delegated duties of monitoring and reporting risks at all levels across the Trust.

Delegated Reporting Duties may be allocated to:

- Principal to AB
- CEO/CFO to Trustee
- Chairman to stakeholders (Annual Report)
- Chairman to Members (if risk of Impact 5)

DEBRIEF/MONITORING (REVIEW)

The risk management cycle involves a review of the risk register to assess its effectiveness and to establish whether the risk tolerance/appetite should be reviewed in line with current climate of internal and external factors affecting the Trust.

4. Escalation

Risk should be understood and reported at all levels within the Trust.

Trustees must:

- know about the most significant risks facing the organisation;
- ensure appropriate levels of awareness throughout the organisation;
- know how the organisation will manage a crisis;
- know the importance of government and stakeholder confidence in the company;
- be assured that the risk management process is working effectively; and
- publish a clear risk management policy covering risk management philosophy and responsibilities.

Local Governing Bodies (Academy Boards) must:

- know about the most significant risks facing the schools within the Academy via its risk register;
- ensure appropriate levels of awareness throughout the Academy;
- know how each Academy will manage a crisis;
- know the importance of government, parents and local community confidence in the Academy;
- be assured that the risk management process is working effectively.

Executive Leadership, Principals, and Heads of School must:

- be aware of risks which fall into their area of responsibility, the possible impacts these may have on other areas and the consequences other areas may have on them;
- have performance indicators which allow them to monitor the key business and financial activities, progress towards objectives and identify developments which require intervention;
- have systems which communicate variances in budgets and forecasts at appropriate frequency to allow action to be taken; and
- report systematically and promptly to the Finance and Audit Committee any perceived new risks or failures of existing control measures highlighted within the Trust and Academy's risk registers.

Individuals must:

- understand their accountability for individual risks;
- understand how they can enable continuous improvement of risk management response;
- understand that risk management and risk awareness are a key part of our culture; and
- report systematically and promptly to senior leadership any perceived new risks or failures of existing control measures.