The BRIT School
Financial Management Manual
2026-2027

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PART 1

1. ROLES AND RESPONSIBILITIES

1.1 INTRODUCTION

The BRIT School's management structure is intended to ensure clarity of roles and efficiency and consists of two levels: The Board and the Senior Leadership Team (SLT). The aim of the management structure is to devolve responsibility, encourage involvement in decision-making at all levels and maximise opportunities for succession planning.

The Board fulfils a strategic role and measures performance across the School. Responsibilities are devolved through a Scheme of Delegation. Committees fulfil a largely strategic role for the School. They adopt a School Improvement Plan (SIP), approve the annual budget, monitor the School's performance and, on advice, make decisions about the strategic direction of the School, its capital expenditure and senior staff appointments. The appointment of all members/directors/governors will be advised to the DfE through Get Information About Schools (GIAS).

The SLT controls the School at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff, other than specific senior staff appointments which are covered under the Scheme of Delegation.

The middle management team consists of the Heads of Departments, Directors, Managers or Key Stage Leaders or other designated postholders. All levels of leadership may have responsibilities as budget holders depending on the cost centre structure of the School.

All staff including the Accounting Officer are expected to adhere to the '7 principles of public life'.

The overall governance arrangements of the School are published on the School's website.

1.2 TRUST BOARD

- To ensure regularity and proprietary in the management of all funds
- To appoint a Principal/ Accounting Officer

- To appoint a Chief Operating Officer/Chief Financial Officer (COO/CFO)

- To appoint a Clerk who is not a Trustee or the Principal
- To ensure efficient, economical and effective management of the resources of all schools in the School against key performance indicators
- To consider delegation of decision making via the scheme of delegation
- To review from time to time with the Chief Operating Officer (COO), the financial regulations for the supervision and control of financial procedures, accounts, income and expenditure of the School included in this Financial Management Manual
- To approve a balanced or surplus budget for the financial year to 31st August and to minute the approval of the budget
- To be responsible for signing the statutory accounts and any other Trust level financial returns
- To set up an audit committee and agree its terms of reference.

1.3 MEMBERS

- To oversee the achievement of the objectives of the company to educate its young people
- To ensure that the Board is discharging its duties
- To attend the annual general meeting with the Trustees/directors
- To receive the company's financial accounts and annual report

To appoint/remove Trustees/directors

- To appoint other members
- To amend the Articles of the Company
- To wind up the School

1.4 PRINCIPAL/ACCOUNTING OFFICER

- To act as the Accounting Officer (AO) of the School and adhere to the 'seven principles of public life'
- In all these responsibilities the Principal is supported by the Chief Operating Officer and other SLT
- To advise the Board on the discharge of its responsibilities
- To ensure the efficient, economical and effective management of the Board's resources
- To ensure that financial considerations are taken fully into account in reaching decisions and in their execution
- To be responsible for reviewing approved budgets ensuring that they are in line with key performance indicators or variances are explained
- To ensure that all financial reports to the DfEDfE, are accurate and on time
- To review from time to time the financial regulations for the supervision and control of financial procedures, accounts, income and expenditure of the School and propose any variations to the Board
- To receive regular reports on the income and expenditure of the School
- To follow the agreed schemes of delegation in appointing new staff
- To ensure value for money to achieve the best possible educational outcomes through the economic, efficient and effective use of resources
- To ensure regularity when dealing with all items of income and expenditure in accordance with legislation, the terms of the School's funding agreement and compliance with the School's internal procedures
- To ensure propriety, the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of parliamentary control
- To complete and sign a statement on regularity, propriety and compliance each year and submit this to DfE with the audited accounts.
- Demonstrating how the School has secured value for money via the governance statement in the audited accounts
- To take personal responsibility for assuring the Board that there is compliance with the handbook and the funding agreement
- To advise the Board in writing if the Board appears to be failing to act where required to do so by the terms and conditions of the handbook or funding agreement. If the accounting officer considers that the action proposed by the Board is in breach of the articles, the funding agreement or this handbook, the Accounting Officer will notify

the DfE's accounting officer immediately, and in writing.

1.5 Chief Operating Officer/Chief Finance Officer (COO/CFO)

- To play both a technical and leadership role
- To ensure sound and appropriate financial governance and risk management arrangements are in place
- To prepare and monitor School's budgets including the three year plans
- To ensure the delivery of annual accounts
- To monitor the efficient, economical and effective management of the School's resources and expenditure (including funds, capital assets and equipment and staff) within the School's approved budget
- To ensure the internal framework of the School is followed that includes:
  - co-ordinating the planning and budgeting processes
  - applying discipline in financial management, including managing banking, debt and cash flow, with appropriate segregation of duties
  - preparation of monthly budget monitoring reports
  - ensuring that delegated financial authorities are respected
  - effective planning and oversight of any capital projects
  - the management and oversight of assets
  - the propriety and regularity of financial transactions
  - reducing the risk of fraud and theft
  - ensuring efficiency and value for money in the organisation's activities
  - a process for independent checking of financial controls, systems, transactions and risks
- To work with the Trustees to agree the annual budget
- To ensure records are maintained relating to the accounts
- To ensure that all financial reports to the DfE, Trustees, SLT and all other budget holders are accurate and on time
- To receive regular reports on the School's income and expenditure, showing a comparison of these against annual budget
- To sign off month end reports including bank reconciliations

1.6 Budget Holder

- To exercise responsibility for routine control and monitoring of their budget expenditure.

PART 2

2. FINANCIAL AND GOVERNANCE REQUIREMENTS

2.1 FINANCIAL OVERSIGHT

FINANCE & AUDIT COMMITTEE

The purpose of the Finance & Audit Committee is to oversee the School's financial policies, consider future funding and expenditure proposals in the context of the budget and (if required) review proposals or requirements for additional expenditure, and ensure that income and resources are managed effectively for the benefit of the students and further development of the School.

Membership

The Committee shall comprise not less than five Trustees, one of whom should generally be a parent trustee and one of whom should generally be a staff trustee. The Principal (as Accounting Officer) and the Chief Operating Officer are Associate Members of the Committee and have the right to attend and speak at all meetings unless they need to withdraw due to a conflict of interest.

The Committee can co-opt other people without voting rights either for individual meetings or for a period.

The Chair will be elected annually at the first meeting of the Governing Body in the academic year. The Chair may not be either a parent or staff trustee.

Agenda shall be distributed to the Committee members at least five business days before meetings. Minutes will be prepared and circulated by a designated person as soon as possible after the meeting to all members of the Committee. A copy of all the minutes will be held centrally in the School by the Chief Operating Officer and will be available for inspection upon request.

Clerking arrangements

The clerk to the Finance & Audit Committee will be the Clerk to the Board or another appropriate independent individual.

Quorum

Every Trustee member of the Finance & Audit Committee shall have equal voting rights and a quorum shall consist of three Trustees, of which at least two must be neither a Parent nor a Staff Trustee. In addition, there will not be a quorum for decisions unless at least one of either the Principal or the Chief Operating Officer is present unless they are both absent for reasons of conflict of interest.

Frequency of meetings

The Finance & Audit Committee will meet at least 4 times a year at appropriate times in the

reporting and audit cycle, co-ordinated in advance of the Board so that it may receive the Finance & Audit Committee's report and recommendations from each meeting. In the event of urgent consideration of a relevant matter being required, the Chair may call a meeting at five working days' notice.

Other matters

Facilitated by the Principal, all Finance & Audit Committee members are expected to undertake an appropriate programme of engagement within the School and its activities to help them understand its objectives, business needs, priorities and risks.

Terms of reference

Strategic Finance

- Reviewing provisional annual budget based on the aims, objectives and priorities of the School, the financial position of the School and the levels of projected reserves
- Working with the Chief Operating Officer to prepare a three-year plan updated at least annually
- Monitoring the annual budget and reporting significant variances
- Considering the affordability of the SIP and any other supporting plans
- Considering the impact of student numbers on the budget over short, medium and long terms
- Receiving and reviewing monthly finance reports
- Providing the Board with regular reports.

External auditors

- To advise the Board on the appointment of the External Auditors, the audit fee, the provision of any non-audit services by the External Auditors and any questions of resignation or dismissal of the External Auditors
- To receive from the External Auditors, before the audit begins, the nature and scope of the audit
- To discuss with the External Auditors problems and reservations arising from the external audit, including a review of the management letter incorporating management responses,
- To have an opportunity to discuss any matters with the External Auditors in the absence of executive staff
- To monitor annually the performance and effectiveness of External Auditors, including any matters affecting their objectivity, and to make recommendations to the School Board on the reappointment, dismissal, retendering and remuneration
- To advise the DfE if the auditors are removed before the end of their term of office
- To review every five years the External Audit service to ensure that it is performing efficiently, effectively and economically

Financial statements

- To consider in the presence of the External Auditors, the final version of the audited financial statements reviewing the auditors' formal opinion, the corporate governance statement and the statement of internal control
- To consider whether the School has adopted appropriate accounting policies, made disclosures with appropriate clarity and completeness and set these properly in context
- To receive, as appropriate, a report on any critical judgements informing the preparation of the accounts
- To recommend, if thought fit, the financial statements to the Board for approval
- To review the External Auditors' letter of representation

Internal auditors

- To advise the Board on the appointment of the Internal Auditors, the audit fee, the provision of any non-audit services by the Internal Auditors and any questions of resignation or dismissal of the Internal Auditors
- To identify on a risk basis the area to review each year; examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the School is complying with the overall requirements for internal scrutiny, as specified in the Academy Trust Handbook.
- To review and approve the Internal Auditors' strategy and programme; to consider the major findings of internal audit investigations and management's response
- To review every three years the Internal Audit Service to ensure that it is performing efficiently, effectively and economically

Risk Management

- To keep under review the effectiveness of the risk management, control and governance arrangements including insurance arrangement
- To encourage a culture within the School whereby each individual feels that they have a part to play in guarding the probity of the School, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the Board of Trustees
- To recommend to the Board the Risk Management Policy and the Board Assurance Framework, including Risk Register
- To review the policies related to finance, audit and risk, in particular Whistleblowing, Fraud and Cybersecurity
- To ensure that information submitted to the DfE and DfE that affects funding,

including pupil number returns and funding claims completed by the School and its constituent academies, is accurate and in compliance with funding criteria

- To receive reports on the effectiveness of a contingency and business continuity plan and associated procedures
- To receive any relevant reports from the National Audit Office, the DfE, DfE and any other relevant organisations
- In the event of the merger or dissolution of the institution, to ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed

2.2 INTERNAL CONTROL/FINANCE POLICY

AUTHORITY TO INCUR EXPENDITURE

The School has authority to purchase items/spend on services, providing funds are allocated in the budget:

Requisitions for orders, quotations/tendering and invoice approval	All	Budget holders may authorise orders for goods, works and services within their own budget and within funds available. Steps should be taken at all times to obtain best value, including the obtaining of estimates, benchmarking and other sources of comparative pricing (eg competing catalogues). Specific requirements apply above £10,000.
	Over £2,000 to £10,000	Finance Manager should satisfy him/herself that appropriate steps to obtain best value have been taken.
	Over £10,000 to £50,000	Minimum of three quotes to be obtained, to be signed off by Chief Operating Officer
	Over £50,000 to relevant OJEC limit	Formal tendering process requiring Finance & Audit Committee approval. Tenders must be sought from at least five suppliers and received from at least three suppliers except in the case where highly specialist equipment cannot be sourced from five different suppliers, in which case the steps to be taken to obtain best value need to be approved in advance by the Finance & Audit Committee.
		In some circumstances eg exam fees, cleaning, catering, the value of the spend may be over £50,000 over the year, or for one individual invoice. We will obtain written approval from the Chair of the Finance Committee before proceeding with the PO approval on the Doli (Purchasing system).
	Over OJEC limit	OJEC advertising required, Board of Trustees approval

INTERNAL CONTROLS

Internal delegation, subject to the limits in 2.2 above, will be as follows:

Document/process	**Certifying officers**
Expenses forms	Line Managers
Order requisitions & initial invoice approval	Budget Holder (in some cases this means the Chief Operating Officer)
Orders & invoice approval	Chief Operating Officer and Head of Finance
Service return	Chief Operating Officer or delegate
Petty cash, cheques	Head of Finance/Finance Officer /Budget Holder
Payment signatories	As per school mandate
Business Card Payments	Approved card holders

Payments require two signatories. Normally they are the Chief Operating Officer and the Principal.

Delegated Duty	**Value**	**Delegated Authority**
Virements between budget headings	Up to £10k	Chief Operating Officer
All reported to Fin Com	Over £10k and up to £50k	COO and Chair of Fin Com
	Over £50k	Board of Trustees, advised by Fin Com
Bank account transfers and cheque/BACS authorisation	Up to £2k	Any 2 of the signatories for £2k to £25k, one of which may be replaced by the Head of Finance or Finance Officer
	over £2k	Any 2 of the Principal, Chief Operating Officer, Vice Principals, Chair of Trustees and Chair of Fin Com
		Note for transfers between bank accounts, the Head of Finance can be one of the two signatories

In the event that there are business interests with family members, these must be stated on the register of business interests. Furthermore, a signatory must not approve a payment to a relative and related signatories must not be the sole approver of payments.

2.3 FINANCIAL PLANNING AND MONITORING

BUDGETING

2.3.1 BUDGET SETTING & MONITORING TIMETABLE

Distribution	**Report/s**	**Frequency of Review**
Chair of the Board	Management Accounts and report	Monthly
Board	Management Accounts and report	Monthly
	Final Budget Plan	Annually (submission to DfE/September Late August)
Finance & Audit Committee	Statutory accounting returns	Audit Committee & Statutory bodies (submission to DfE /Companies House) 31st December)
	Internal audit reports	As per internal audit timetable

Chief Operating Officer	Budget Forecast Return (BFR) approval	Annually (submission to DfE end August/September 2027)
	Academies Accounts Return	Due 28 January 2027
	Significant variances in Financial Monitoring Reports	Monthly
	Management Accounts and summary report supporting narrative and outturn	Monthly (by 19th of each month)
The Board	Final Budget Plan & 3 Year Plan	Annually (by end July to meet DfE submission deadlines)
Chief Operating Officer	Financial Monitoring Reports including budget variance reports, supporting narrative and outturn	Monthly
	Period End documentation including cash status, debtors and creditors	Monthly
	Bank Reconciliations	Monthly
Budget Holders	Cost Centre Reports	Monthly

Any change in policy requires the approval of the Board or the Finance and Audit Committee if in line with their terms of reference.

2.3.2 BUDGETARY PLANNING AND CONTROL

ORGANISATIONAL STRUCTURE OF FINANCIAL RESPONSIBILITIES

Board: Receive and approve Trust budgets
Finance and Audit Committee: Review provisional budget and recommend the budget to the Board
Chief Operating Officer and Head of Finance: Prepare provisional budget and review with Principal SLT/ Budget Holders: Input
School Staff: Input

BUDGET PLANNING

The budget planning process is separated into distinct and manageable categories.

Bids are presented by SLT and collated by the Head of Finance for review and the Chief Operating Officer to create the budget. This provisional budget will, after review by the Principal and the Finance and Audit Committee, go forward as the suggested budget for authorisation to be submitted to the Board for approval and for the Chief Operating Officer to use in financial returns.

The Budget holders will control expenditure in their category of the final budget. These operating budgets must be prepared within the context of the School improvement plan. A clear statement of the assumptions supporting the budget must be maintained by the Head of Finance. This budget is based on department/cost centre expenditure plans rather than by nominal/ledger code income & expenditure reports.

BUDGET CONTROL AND MONITORING

Budget holders retain responsibility to the School for routine control and monitoring of their budget expenditure. Variations to predicted expenditure are investigated by the Head of Finance and if significant, the Chief Operating Officer/Principal is informed.

REVIEW OF BUDGET

This process of budget review is continuous and close watch must be kept over actual against predicted expenditure. Detailed records of historical expenditure and any corrective action taken will be of great value in future planning. These reports and in particular the action taken on variances, are regularly reviewed by the Chief Operating Officer. Any further action taken must be clearly documented.

A realistic and achievable budget is fundamental to school planning. Budget planning and control requires decentralisation of responsibility, therefore budget holders responsible for expenditure with definable manageable areas help the Head of Finance and Chief Operating Officer produce a consolidated budget. The provisional budget will be reviewed by the Principal, the Finance and Audit Committee and the Board. The timescale for preparing and approving the budget must take into account the DfE Business Cycle and requirements for statutory and financial returns.

2.3.3 FINANCIAL CALENDAR

The key dates for submissions to the DfE and other statutory bodies are shown below:

Financial Calendar	**Terms 1 & 2**	**Terms 3 & 4**	**Term 5**
Filing Deadlines	30th September Teachers' Pensions End of Year Certificate (audited)	28th January Academies Accounts Return	6th July P11D
	Mid November Land & Buildings Return		30th August/September BFR (Budget Forecast Return)
			31st August Corporation Tax Return
	31st December audited Trustees Report & Financial Statements	31st May Teachers' Pensions End of Year Certificate (unaudited)	
		31st May Donations from Subsidiaries	
		31st May Financial Statements to Companies House	
Audit Timetable	September/October Regularity & Financial Statements	January Academies Accounts Return	June TP Audit June/July interim audit

2.3.4 KEY PERFORMANCE INDICATORS

The School has committed to completing the School Resource Management Self Assessment Tool annually (SRMSA):
https://www.gov.uk/government/publications/school-resource-management-self-assessment-tool

2.3.5 INVESTMENT POLICY

The purpose of the policy is to consider the management of the School's funds bearing in mind the responsibilities that come with the receipt of central government funding.

- To regularly monitor Cash Flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments
- To seek to avoid its current account going overdrawn
- To act in accordance with their powers to invest as set out in the articles
- To exercise care and skill in all investment decisions, taking advice as appropriate from a professional advisor
- To ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- To ensure that all investment decisions are in the best interests of the School and would command broad public support
- To review periodically and at least annually the School's current policy to only invest funds in risk free and immediately accessible or short fixed term deposit accounts
- Refer to relevant guidance such as the Charity Commission's guidance: CC14 Charities and investment matters: A guide for Trustees.
- Obtain prior approval of the DfE for investment decisions that are novel or contentious.

2.3.6 RESERVES POLICY

Purpose & Strategic Objectives

- **Financial Cushion:** Provides protection against unpredictable operational environments, funding changes, or student number fluctuations, ensuring cash flow and capital procurement needs are met.
- **GAG Funding Principle:** Recognises that General Annual Grant (GAG) funding should primarily be spent on current pupils.
- **Decision-Making Framework:** Guides strategic planning, decision-making, and annual risk assessments of both internal and external environments.

Reserve Target & Usage

- **Free Reserves Target:** We aim to maintain **10% of Total Income** in free reserves to cover ongoing running costs, funding gaps, and emergency requirements; a range for the free reserves between 8 and 12% of total income is reasonable.
- **In-Year Deficits:** Board approval is required before using reserves to cover an in-year deficit. Approval depends on strategic justification and evidence that the school remains a long-term going concern.

Categories of Reserves

1. **Unrestricted Reserves:**
    - Generated via fundraising, operational efficiencies and trading activities.
    - Can be spent at the directors' discretion to support any school objectives.
    - Excludes endowments, restricted funds, and fixed asset sales for charitable purposes.
2. **Restricted Reserves:**
    - Income, grants, or donations earmarked by the donor for specific purposes or long-term projects.
    - Typically spent within 1–2 years unless a longer term is agreed with the funder. Requires donor consent prior to altering fund usage.
3. **Designated Reserves:**
    - Set aside from unrestricted funds at the Trustees' discretion for specific strategic projects or priority areas.
    - Purely administrative (not legally restricted); requires clear explanations of purpose and timing.
4. **Restricted Fixed Asset Reserves:**
    - Restricted capital held to depreciate fixed assets in the balance sheet.
5. **Pension "Reserve" (Liability):**
    - Represents a long-term liability (Local Government Pension Scheme actuarial valuation), not a usable reserve or cash fund.
    - Excluded when calculating free reserves because the debt is unlikely to crystallize immediately.

Management, Monitoring & Governance

- **Reporting:** Reserve levels are reported annually to the Finance Committee and the full Board.
- **Action Triggers:** Action is required only if reserves are outside (or forecast to be outside) the target range at the financial year-end.
    - **If Reserves are Too Low:** Action plans and budgets must be established to restore reserve levels within an agreed timeframe.
    - **If Reserves Exceed Target:** The Trust reviews options, such as releasing funds into the revenue budget, assigning them to designated reserves, or investing them to generate income.
- **Fund Movements:** Transfers to/from reserves require Board or Finance Committee approval. Moving funds from restricted to unrestricted reserves strictly requires prior donor consent.

Board Responsibility: The Board must review and reassess the unrestricted reserves policy annually to ensure it remains prudent and relevant.

2.4 SPENDING

2.4.1 PROCUREMENT AND LIABILITIES POLICY

The aim of the procurement and liabilities policy is to ensure best value in purchasing decisions.

- The School maintains a policy of best value for all purchases and produce an annual value for money statement
- All purchases should be made through the School's ordering system
- The Finance Office shall keep records of all purchases made including quotations received but not accepted

The policy of best value will be applied using the four principles:

1. Challenging how a service or supply is provided and why it is required
2. Comparing performance with other schools
3. Consulting with relevant stakeholders
4. Competing as a means of securing efficient and effective services and supplies.

The School aims to ensure that no trustee, governor, employee or related individual or organisation gains from their position by receiving orders or being awarded tenders as a direct result of that relationship and/or under terms that are preferential to those that would be offered to an individual or organisation with no connection to the School.

BORROWING

In line with funding agreements, the School must check the DfE's approved list before entering into any lease arrangements. Credit or business cards must only be used for business (not personal) expenditure, and balances cleared before interest accrues.

LIABILITIES

Before accepting any liabilities by:

- issuing specific guarantees, or
- providing a letter of comfort, or
- providing indemnities.

The School should secure value for money by appraising the proposal through an assessment of the costs and benefits of relevant options. The School must ensure that the value of any liability is within its delegated authority to commit.

METHOD OF PURCHASE

Wherever possible a formal Purchase Order (PO) should be raised for any goods or services

procured by the School as receiving an invoice without a purchase order being placed could mean purchasing has been done without proper procurement planning. However, there are situations where it is recognised that the raising of a Purchase Order is not suitable and/or not possible before a payment is required. The table below shows these occasions:.

Type of purchase	**Contract paperwork/audit trail**
Business Card Purchases	Business Card Policy must be adhered to and approval form signed before use.
Service Contracts	Signed tender or contract must be held on file. Contract must be entered on the Contract Register.
Direct debits	Signed direct debit forms to be held on file.
Emergency Call Outs (including agency supply cover)	Invoice to be signed after the event but value for money to be considered.
SLAs	See Subscription.
Subscriptions (includes tablet Apps and licences)	Order requisition form to be signed and online subscription order form to be attached.
Training courses	Order requisition form or training requisition form to be signed and online order/email to be attached.

2.4.2 BUSINESS CARD POLICY

INTRODUCTION

It is recognised that there are many occasions when the School is required to make direct payment for goods through internet/telephone services to companies that offer value for money. There are also companies who will not accept a school order and wait to be paid after the goods or services are supplied. In addition, there are incidences where regular small item purchases are required but the value of the purchases would exceed the School petty cash limit.

The primary method of payment remains invoicing and this will generally be used in preference to business card purchases where such is offered by the supplier. Where possible the finance office will seek to establish trade accounts with local suppliers.

The School considers the following as the types of expenditure suitable for the use of the business cards:

- Travel bookings
- Food orders for curriculum or hospitality requirements
- Online retailers such as Amazon
- Training courses
- Subscriptions/Applications/Licences.

Purchases using the business card must be pre authorised using the School's pre authorisation procedures. The operation of business cards has been delegated to the School's finance office.

- Business Cards are issued by the designated bank for the School
- Business card balances are repaid monthly in full, by direct debit
- The approved business limits for the School are as follows:

Business card limits	**Primary**
BRIT Kids	£4000
Finance Team	£15000
Production Arts	£6,000

- The School's bank will not issue generic business cards; they must be issued to named individuals and each card will have its own business limit
- The business cards shall not be used for personal expenditure in any circumstances
- Cash withdrawals are not allowed
- Supporting receipts and transaction details will be maintained for all uses of the business cards and authorised in accordance with the usual procurement procedures of the academy
- Transactions are entered as soon as possible onto the finance system and reconciled monthly in accordance with school procedures. Balances must be cleared before interest accrues

- All items ordered (telephone or internet) and related paperwork must be delivered to the School address

- The cardholder shall authorise the School to recover the cost of any unauthorised transactions and where reimbursement is not received, then the School is authorised to make a salary deduction for the unauthorised amount
- Responsibility for the use and operation of the business card is explained and agreed by the card holder by completing the cardholder consent form

2.4.3 CASH SECURITY POLICY

The purpose of this policy is to set out controls which will help ensure the security of cash on school premises and the transportation of cash between the school and the bank.

The Principal/Chief Operating Officer is responsible to the Finance and Audit Committee for the safe custody and control of cash belonging to the School. This is delegated on a day-to-day basis to the Head of Finance.

CASH HELD ON THE PREMISES

- The School's policy is that school should be working towards becoming cashless. If school is unable to become cashless the following procedure should apply
- The school should hold a small balance of petty cash on the premises (to be identified by school), which is locked in a secure location with restricted key holder access. The finance team are the only people with access to the petty cash. The petty cash should be reconciled on a monthly basis as part of the month end accounting procedures, and declared at year end as part of the audited accounts. The petty cash reconciliation should be a written process which includes the amount of each denomination of notes and coins held. The document should be balanced on a monthly basis against the Sage 200 accounting system and signed by the Head of Finance as part of the month end documents.
- Money should be stored in a safe. The safe should be kept locked at all times and accessed

via a security code or key which is known only/accessed only by the named individuals.

CASH COLLECTION AND SECURE TRANSFER:

- Petty Cash records are used to reconcile the School bank statements each month
- Very occasionally it is necessary to withdraw cash from the School's main bank account to increase the petty cash balances held in school. On these occasions, the School will withdraw cash from NatWest Bank. The facility enables named individuals to withdraw a limited amount of cash on production of a cheque signed by two authorised bank signatories. The named individuals who are authorised to collect the cash are not the bank signatories. Any funds collected must be immediately returned and checked according to the finance procedures where they are checked, recorded and locked in the petty cash box. The cheque for the cash is immediately entered on to the system as a petty cash transaction and a copy of the cheque is retained on file.
- The limit of the amount of cash carried between the bank and school is £1000, and must be with two members of school staff.

2.4.4 CHARGING AND REMISSIONS POLICY

The charging and remissions policies adopted by the School ensures that statutory requirements are met and is intended to reflect the general principles of the 1996 Act which identifies activities for which:

1) Charges will not be made
2) Charges will be made
3) Charges may be waived.

VOLUNTARY CONTRIBUTIONS

The school will seek voluntary contributions for any activity in order to benefit the School or support a school activity whether during or outside school hours, residential or non-residential and including inviting parents to pay for materials or ingredients where they wish to own the finished product. However, all requests for voluntary contributions will emphasise their voluntary nature and the fact that pupils of parents who do not make such contributions will be treated no differently from those who have. Such contributions must be genuinely voluntary.

There is no limit to the level of voluntary contributions which parents or others can make to school activities, nor is there any restriction placed on the use which can be made of such contributions, provided they are used for the purpose specified in the request for them. They could, for example, be used to subsidise pupils from low-income families, or the cost of travel for accompanying teachers. The Law says that if the activity cannot be funded without voluntary contributions the parents will be notified of this from the outset.

No child will be excluded from an activity because the parents are unable to pay. If insufficient contributions are raised the trip or activity may have to be cancelled. If a parent is unwilling or unable to pay their child will be given an equal chance to go on the visit.

EDUCATION PROVIDED WITHIN SCHOOL HOURS

Education provided by any maintained school for its registered pupils should be free of charge if it takes place wholly or mainly during school hours, school hours being those hours when a school is actually in session and not including the break in the middle of the day. This means that neither the pupil nor their parents or guardian may be required to pay for, or to supply, any materials, books, instruments or other equipment for use in connection with education provided during school hours.

EDUCATION PROVIDED OUT OF SCHOOL HOURS

Where education is provided out of school hours, charging is permitted, except where the education is provided:

- To fulfil any requirements specified in the syllabus for a prescribed Public examination; or
- Specifically to fulfil statutory duties relating to the National Curriculum:
- To fulfil duties relating to Religious Education.

In these cases, the only charge that may be made is for board and lodging or for residential trips.

IS AN ACTIVITY IN OR OUT OF SCHOOL TIME?

If the number of school sessions on a residential trip is equal to or greater than 50% of the number of half days spent on a trip it is deemed to have taken place during school hours (even if some of

the activities take place in the evening). Whatever the length of the School day, regulations require that the School day is divided into two sessions. A 'half day' in this context means any period of 12 hours ending with noon or midnight on any day.

A statutory minimum is the complete remission of board and lodging charges to pupils whose parents receive Income Support, Child Tax Credit, Income Based Job Seekers Allowance and support under part of Immigration and Asylum Act 1999 but not Working Tax Credit even if it is paid with other benefits e.g. Child Tax Credit. If the activity is deemed to take place during school hours, or is out of school hours but is covered by the criteria set out above, the School may not charge for anything unless it has drawn up a statement of general policy on charging.

MUSIC TUITION

The main exception to the principle of free education, which the law allows is that a charge may be made in respect of individual tuition in playing any musical instrument, even if such tuition takes place during school hours. Parental agreement must be obtained before a pupil is given that tuition.

IT DEVICE SCHEME

The school operates a scheme whereby parents are asked to buy or lease a Chromebook or laptop for their child's learning at the start of Year 10. This has been approved by the Finance Committee.

ACTIVITIES RUN BY A THIRD PARTY

The Act permits an organisation other than the Local Governance Committee to levy a charge directly on parents for activities organised in school hours by a non-school organisation. The school will not be involved in collection of charges on behalf of the third party organisation. Where pupils are granted leave of absence to attend these activities it would be for parents and any staff members similarly released to satisfy themselves about the adequacy of the arrangements made by the third party to secure the safety and welfare of the children.

CHARGING POLICY

If a charge is made for each pupil it should not exceed the actual cost. If further funds are needed for additional costs e.g. to help hardship cases this must be by voluntary contributions or general fund raising. The permitted charge may include an allowance for the costs of teachers from the School who supervise the activity.

BOARD AND LODGING ON RESIDENTIAL VISITS

Board & lodging on residential visits may be charged for whether or not the visit takes place within school time and whether or not the activity is provided to fulfil the requirements of the syllabus of a prescribed public examination; or of the National Curriculum; or to fulfil statutory duties relating to religious education.

Charges for board and lodging must not exceed the actual cost to the pupil. They must not, for

example, include any element representing a share of the costs of staff accompanying the visit. (This may, however, be covered by voluntary contributions.) Governors will, as a statutory minimum, remit any charges for board and lodging in the case of pupils whose parents are in receipt of Income Support or Child Tax Credit etc. where the activity is deemed to take place in school hours. Where the activity is out of hours, please refer to 'Education provided out of hours', page 23. Trustees may wish to consider whether to remit charges in other circumstances.

'OPTIONAL EXTRA' ACTIVITIES

'Optional extra' activities are those which take place wholly or mainly outside school hours, but which are not provided as part of the syllabus for a prescribed public examination and are not required in order to fulfil statutory duties relating to the national curriculum or to religious education.

Participation will be on the basis of parental choice and a willingness to meet such charges as are made. Any charge made in respect of individual pupils may include an appropriate element for the following: a pupil's travel costs; a pupil's board and lodging; materials, books, instruments and other equipment; non-teaching staff costs; entrance fees to museums, theatres etc.; insurance costs.

It should be noted that any charge for an 'optional extra' activity, as distinct from a request for a voluntary contribution, should not exceed the actual cost of providing that activity, divided equally by the number of pupils willing to participate. It may not, therefore, include an element of subsidy for any other pupils wishing to participate in the activity whose parents are unwilling or unable to pay the full charge.

The costs of teaching staff involved in optional extra activities may only be passed on through charges if:

- They are engaged specifically by the governors for the purpose of providing the activity;
- They are employed by the governors to provide instrumental music tuition; or
- They are teachers already employed by the governors, who have been engaged on a
- Separate contract for services to provide the optional extra.

PUBLIC EXAMINATION ENTRIES

The School is required to enter a pupil for each examination in a syllabus for a prescribed public examination for which the pupil has been prepared. A pupil is regarded as having been prepared for the syllabus at the School if the School has provided any part of the necessary preparation. The requirement to enter a pupil may only be lifted where, in the opinion of the School, there are educational reasons for not entering the pupil, or where the pupil's parents request in writing that the pupil should not be entered.

SCHOOL MINIBUSES OR TRANSPORT PROVIDED BY THE LA

Any transport provided in school hours by the LA or the School to carry particular pupils between parts of the School's premises or between the School and any other place where education is to be provided by the LA or the School must be provided free of charge. However, if a pupil makes use of transport not provided by the LA or school to travel direct from home to an activity sanctioned, though not provided by the LA or the School, then parents may be asked to meet the cost of such travel. An example of this would be travel direct from home to work experience and vice versa.

CHARGING IN KIND

The cost of ingredients, materials, equipment etc. needed for practical subjects such as craft or food technology, must be budgeted for and borne by the School. Parents who are willing to contribute in cash or kind can however be encouraged to do so on a voluntary basis. The school may charge for, or require the supply of, ingredients and materials if parents have indicated in advance a wish to own the finished product, if there is one. Schools should obtain written confirmation from parents that they wish to supply or pay for materials on this basis.

Pupils must not be treated differently according to whether or not materials are being provided by their parents. The governors' charging policy should make their policy on this clear. It should be recognised that much of the practical work in craft or food technology is of an investigative nature and will not necessarily result in a "finished product", however this is an essential part of the learning process.

BREAKAGES AND FINES

There is nothing to prevent schools from asking parents to pay for the cost of replacing a broken window or defaced, damaged or lost textbooks where this is the result of a pupil's behaviour. Parents cannot, however, be taken to court for this money.

2.4.5 BUSINESS TRAVEL POLICY

PURPOSE

To safeguard operational requirements and ensure compliance with insurance and other policies in relation to Business Travel. This does not relate to pupil or staff educational trips and visits but travel on behalf of the School for business such as recruitment related travel.

APPROVAL FOR TRAVEL

Staff must request written approval from their line manager to travel. It is expected that the travel cost will not exceed £100 per travel. If such travel is likely

to exceed £100 and/or exceeds budgetary limits approval of the Chief Operating Officer should be sought. Where practical, approval should be obtained at least four weeks before the proposed date of departure and before booking tickets, accommodation, conference places etc. Travel time should not exceed one day to Europe, and two days for more distant destinations.

An application form (see Appendix) is to be submitted, explaining the objectives of the trip; any staffing cover or adjustments needed; and a proposed itinerary.
Teaching staff must ensure that commitments to students and other school activities are maintained, travel should be conducted outside of term time where possible. Exceptions should be requested in the application for approval.

A Health and Safety Risk assessment and Insurance check also forms part of the approval process. If staff are representing the School overseas and the School will not incur any costs, approval must still be obtained.

CLASS OF TRAVEL

All travel will be funded at economy class level although comparison with business class for the total package can be made. Exceptions to this may be funded by schools/budget holders for specific school purposes or to meet specific school member needs, e.g. work or health requirements, on a case-by-case basis. All travel arrangements are arranged by the trip organisers and are paid for through the finance team. If using their own transport staff are advised to have personal cover for business travel.

SUBSISTENCE

Where staff face subsistence costs that exceed that they would normally face, the School will refund reasonable subsistence claims. Subsistence claims should not exceed the HMRC scale rates, as follows:

Description	Amount (up to)
Breakfast rate	£5
One meal (5 hour) rate	£5
Two meal (10 hour) rate	£10
Late evening meal rate	£15

Please refer to the HMRC guidance on eligible claims:
https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim05231

In the event that staff are travelling outside the UK, please refer to the relevant HMRC scale rates:
https://www.gov.uk/government/publications/scale-rate-expenses-payments-employee-travelling-outside-the-uk

Alcoholic beverages will not be refunded. Staff should use their discretion about hospitality expenses, balancing need against cost and obtaining clearance in advance where possible.

FINANCE

The cost of vaccinations and related medication e.g. malaria tablets will be reimbursed by upon presentation of receipts. All expenses must be receipted and submitted within four weeks of return to the UK.

TIME OFF IN LIEU & ANNUAL LEAVE

In exceptional circumstances, staff may be entitled to lieu days or financial compensation at the discretion of the Principal.

BOOKING

All overseas travel including hotels for the School related travel should be booked through the finance team. This is to ensure best value and access to travel advice and support.

INSURANCE

The School insurance covers national & overseas travel but we may need to inform insurers of the proposed travel plans and therefore the Finance Manager/Trip organisers must have a copy of the travel application. Emergency contact details will be provided for use in the event of any problems arising while abroad.

HEALTH AND SAFETY

Staff will adhere to the School's Health and Safety Policy relating to overseas travel including:

- A risk assessment carried out by the trip organiser
- Submitting an itinerary
- Registering with the Foreign and Commonwealth Office's Locate where relevant
- Supplying emergency contact details
- Ensuring that they are current with any vaccinations and other relevant medication e.g. malaria tablets.
- COVID documents if needed

2.4.6 FINANCIAL SUPPORT POLICY

INTRODUCTION

The school recognises that education places financial demands on parents and there are some occasions when parents/carers will find it hard to meet these demands. Although funds are very limited the School would like to support parents/families where possible. We realise that it is hard for parents/carers to ask for financial support but funds are very limited so the School will have to apply certain criteria in deciding whether or not support can be given.

CRITERIA

Consideration will be given to students whose parents/carers are:

- Eligible for Free School Meals
- In receipt of Employment Support Allowance
- In receipt of Disability Living Allowance
- Experiencing temporary situations which are causing difficulty, for example caused by recent job loss, bereavement or other serious and unforeseen circumstances

Priority will be given to parents/carers who have not already been supported by this policy.

QUALIFYING RESOURCES

Application for financial support will be considered for:

- Costs of educational visits that are integral to the curriculum
- Educational equipment e.g. text books

MAKING AN APPLICATION

Applications are made according to school practice. This can be completed by the parent/carer or a member of staff in their place. Evidence should be provided to support the eligibility criteria. Any information provided will be kept in the strictest confidence.

NOTIFICATION

If support is agreed, the parent/carer and the Finance Office must be notified.

2.4.7 16-19 BURSARY FUND POLICY

The 16-19 Bursary Funds are paid by the DfE to Schools so they can provide financial help to students whose access to education might be inhibited by financial consideration. A bursary is money that may be typically used to pay for things such as books, equipment, free school meals, transport and trips.

The 16 to 19 Bursary Fund has 2 elements:

Vulnerable Bursary for vulnerable young people: Please see below for details of eligibility. These students will be eligible to receive a bursary of up to £1,200 per year.

Discretionary Bursary: These awards are targeted towards those young people who face financial barriers to participation in education, such as the costs of transport, meals, educational visits, books and equipment. The awards are aimed to fit the needs and circumstances of individual students and are at the discretion of the person appointed by the Principal to manage the School's bursary funds.

APPLICATION PROCESS AND PAYMENTS

All applications are to be made to the School, along with the required evidence. Applicants will be advised in writing of the outcome and applications will be considered throughout the year subject to funds being available. All eligible payments will be subject to the conditions laid down in the P16 contract and will be attendance-related. All payments will be made directly into the student's nominated account. All personal information, including bank details and household earnings, will be stored securely and will remain strictly confidential.

2.4.8 EXECUTIVE PAY

The board aims to ensure that its approach to pay is transparent, proportionate and justifiable, including the following:

- Process - that the procedure for determining executive pay is agreed by the Board in advance and documented
- Independence - decisions about executive pay reflect independent and objective scrutiny by the Board and that conflicts of interest are avoided
- Decision-making - factors in determining pay are clear, including whether performance considerations, and the degree of challenge in the role, have been taken into account
- Proportionality – pay is defensible relative to the public sector market
- Documentation - the rationale behind the decision-making process, including whether the level of pay reflects value for money, is recorded and retained
- A basic presumption that non-teaching pay should not increase at a faster rate than that of teachers, in individual years and over the longer term
- Understanding that inappropriate pay can be challenged by DfE, particularly in any instance of poor financial management of the School.

To ensure this, the School has performance management/appraisal policies, pay and agreed pay ranges policies in place. These are approved and monitored by the School's Personnel Committee. Information regarding executive pay will be published in line with the Academy TrustHandbook and Academies Accounts Direction.

2.4.9 Tendering Policy

This policy aims to ensure that:
Value for money (economy, efficiency and effectiveness) is achieved
Conflicts of interest are managed adequately and appropriately
The School has open and transparent procurement procedures
This policy includes procedures for open tenders. This approach allows anyone to submit a tender to supply goods or services required, and offers an equal opportunity to any organisation to submit a tender.

Purchase Threshold
Purchase levels are divided into the following:
Low-value purchase: £1,000 - £9,999

Medium-value purchase: £10,000 - £50,000
High-value purchase: over £50,000, but below the PCR procurement threshold

If it is estimated that the cost of a contract is above the PCR threshold for procurement spending, the school will seek legal advice to ensure it runs a PCR compliant buying process. The current PCR threshold for all goods and most services is £213,477.

A 'light touch regime', with a higher threshold of £663,540, applies for some services that are specifically for education provision. We will seek legal advice to determine if any procurement run by the school qualifies.

Approval authority

CONTRACT LEVEL	CONTRACT VALUE	DELEGATED AUTHORITY
De minimis	Up to £1,000	Budget holders
Low	£1,000 - £9,999	Chief Operating Officer
Medium	£10,000 - £49,999	Chief Operating Officer and Chair of the Finance & Audit Committee
Medium	£50,000 - £100,000	Finance & Audit Committee
High	Over £100,000, but below the PCR procurement threshold	Governing Body, advised by the Finance and Audit Committee
Over the PCR procurement threshold	Over £213,477	Governing Body, advised by the Finance and Audit Committee
'Light touch regime'	Over £663,540	Governing Body, advised by the Finance and Audit Committee

Framework agreements

Where possible, we will use a framework agreement to contract suppliers. These are arrangements that a contracting authority, such as a public sector buying organisation, makes with suppliers. The benefits of frameworks are that they have already been through a competitive tender process and they have favourable terms and conditions. In addition, the framework provider may offer advice and support.

Depending on the framework we choose, we will either pick the best value supplier from a list or run a mini-competition between listed suppliers. In either case, we will follow the DfE guidance on procurement (see section 2 of this policy) to ensure good practice. The reasons for the choice of framework, and for the choice of supplier, will be clearly recorded.

The Chief Operating Officer has been delegated the authority to choose whether to use a framework agreement and which framework to use.

Valuing contracts

The value of a contract will be determined by calculating the estimated whole-life value of the goods, works or services, including any related fees.

For fixed term contracts with an option to extend the term, the value of the contract will be the price of the fixed term plus the potential extension period.

We will not divide a single contract into smaller contracts to bypass the purchase thresholds.

Evaluating tenders
Tenders will be evaluated against the criteria and weighting outlined in the tender document. This criteria will include:
Cost
Quality
Delivery
Performance
Risk
We may specify additional criteria based on the type of tender, as outlined in the tender document.

Tendering Procedure

low and medium-value purchases
When making low or medium-value purchases without a framework agreement, the School will use the process outlined below.

a. **Create a specification** – a specification document will set out what suppliers need to understand about what we are looking to buy, including the quality, quantity and delivery date
b. **Compare suppliers** – a comparison of different suppliers, including their reputation, will help the school develop a shortlist of at least 3 suppliers we want to approach for a written quote
c. **Assess quotes** – an award criteria will be developed to assess suppliers' quotes. Criteria may include:

How well the supplier meets our specification
The whole-life cost of the contract, which may include:
- The sale price of the goods, works or services
- VAT
- Delivery charges
- Maintenance costs
- Running costs
- The cost of removing and disposing of an item or service once we no longer need it

Whether there will be price increases or decreases over the life of the contract
Value for money
How the product or service will interact with the School's current systems
Each aspect of the criteria will be scored on a scale of 1 to 5, with 5 being the highest score. A record of how the quotes are evaluated will be kept.
Budget holder will evaluate quotes with support from the Chief Operating Officer and one of other SLT.
When we contact suppliers, we will send them:
The specification
Deadlines for quotes and when decisions will be made
Instructions for how to ask clarification questions about the specification

d. **Place an order** – when the best value quote is identified, we will send the supplier a purchase order, which includes details of the:

Goods, works or services we are purchasing
Price
Delivery address
Delivery deadline and any other important dates
Payment schedule

High-value purchases

The School will make high-value purchases without a framework only in rare circumstances and only with legal support. When this does happen, we will use the process below.

a. **Create a specification** (see above)
b. **Assess the market** – we will prepare for the tendering process by developing our knowledge of the market. We will find out how many suppliers are available and the best way to advertise our contract to a range of suppliers
c. **Check the School's position in relation to the PCR procurement thresholds**
d. **Develop a contract** – a contract will include terms and conditions, service levels expected, a contract management plan and an exit strategy
e. **Reduce the number of bids** – to reduce the number of bids the school needs to evaluate, we will either use an expression of interest process to gauge interest in the contract or a pre-qualification questionnaire
f. **Establish how we will assess quotes** – we will set out criteria that will allow us to evaluate which of the suppliers' bids best meets the requirements in our specification, and is the most economically advantageous tender that best combines cost and quality
g. **Create a timeline for the tender process** – this will include the dates of the clarification period, the deadline for submitting tenders and the date we expect to award the contract
h. **Prepare an invitation to tender** – this will include:

A covering letter with a timeline for the process
Instructions on how suppliers can ask clarification questions and submit their tender
The specification
A pricing schedule
The contract's terms and conditions
Contract management requirements (see 'develop a contract' above)
Award criteria, including the scoring system and any weightings
If appropriate, an invitation for suppliers to give a practical demonstration of their goods, works or services

i. **Advertise the contract** – the contract will be advertised where suppliers are likely to look, such as:

The Find a Tender service – this is a requirement if the contract is over the PCR procurement threshold
The government's Contracts Finder service
Local or national newspapers
Education publications or websites
Trade magazines

j. **Run the tender process and provide clarifications**
k. **Evaluate tender responses** – at least 2 people will independently score and evaluate each bid, and then compare notes after completing their evaluations; records of decision making and moderation decisions will be kept
l. **Notify suppliers and award the contract**
m. **Finalise the contract** (and advertise the award, if the contract was advertised in Contracts Finder or the Find a Tender service)
n. **Abandoning the tender process** – on very rare occasions we may need to halt the tender process. Should this occur, we will notify suppliers who are preparing their bids as soon as possible

Record keeping

Records will be kept securely, only for as long as necessary and in line with data protection law, our privacy notices. In general, the documents will be stored on Google Drive, and on Sage 200 with relevant purchase orders.

2.4.10 PAYROLL

Staff Appointments

The School will annually approve a staffing budget. Changes can only be made with the express approval of the Accounting Officer and the Chief Operating Officer who must ensure that adequate budgetary provision exists for any changes.

Salary Payments

Payroll changes are to be authorised by the HR Department monthly. A payroll summary sheet is sent to the Head of Finance and the Senior Accounts Officer before 13th of each month for processing.

All salary related payments are processed via BACS, after the payroll has been authorised and checked by the Chief Operating Officer.

The Head of Finance is responsible for reconciling the payroll files and schedules to the School bank account.

The Head of Finance reconciles the payroll reports against the budget on a monthly basis, and posts the journals once approved by the COO.

2.4.11 School Trips

The definition of school trips in this manual is the school trips which parents/carers have contributed in full or partially to the cost of the trips. The trips organized by strands and paid via their strands' budget are excluded. The authorisation of school trips is also not part of this manual.

The principle of school trips is that parents must know the purpose and potential cost of the trip. Parents will need to ensure the cost of the trips are paid in advance. Any bursary support needs to be agreed before the deposit is paid.
Some trips at the School are expensive and those pose a potential financial risk to the School. In these circumstances, the trips budgets should be agreed by the trip leaders and the Vice Principal accountable for trips.

2.5 INCOME

2.5.1 INCOME RECONCILIATION

The majority of the School's income comes from the DfE. It is therefore important to ensure that DfE income, as well as other income, is received and recorded accurately on our accounting software.

DfE Income

The Chief Operating Officer shares the GAG funding statement and the DfE payment schedule with the Finance team before September each year. As part of the month end procedure, the Head of Finance will ensure the DfE funding as received by the bank reconciles with the DfE payment schedule and budgeted DfE GAG statement.

Any discrepancies will need to be reported to the Chief Operating Officer, and further investigation will need to be conducted by the Finance team.

Fundraising income

The fundraising account is reconciled on a monthly basis with the Development Team to ensure the accuracy of the School's records of fundraising income.

The backing documents are checked as part of month end procedures by the Head of Finance. The documents are stored in the Finance Shared folder.

2.5.2 LETTINGS POLICY

INTRODUCTION

The School has agreed to supplement school budgets by encouraging the letting of the School premises where possible, provided that any letting must not be detrimental to the School or it's pupils.

GUIDELINES

- All lettings will be at the discretion of the Finance and Audit Committee or its representatives, who may refuse lettings if they consider it in the interests of the School to do so
- Lettings after midnight will not generally be permitted
- All hirers must comply with the regulations set out on the application form
- All hirers must be aged over eighteen
- All hirers must secure insurance cover for the letting, including for public liability
- All school buildings and associated premises are non-smoking areas
- The school is not responsible for any loss of or damage to vehicles parked on its premises, or their contents

SAFEGUARDING

The school is committed to safeguarding and promoting the welfare of children and young people and expects hirers and their representatives to share this commitment. The School requires that for all hiring's involving groups working with children, appropriate level of disclosure has been obtained from the DBS for individuals working on the School premises.

CHARGES

- All charges will be subject to periodic review by the Finance and Audit Committee. The minimum increase will be in line with inflation
- The calculation of charges will include consideration of the real costs of heat, light sewerage and water, and the cost of caretaking for the event
- Lettings to charitable and community groups will be considered at cost only
- Other charges may include an element for profit above actual costs.

THE APPLICATION PROCESS

The hirer completes the application form, which sets out the time and date of the proposed hiring and the precise definition of the premises and facilities to be hired, including changing rooms, lavatories and kitchens. Please see below maximum permitted numbers.

The application is considered by the Assistant Director of Communications, in consultation with the Site Manager and the COO, and a decision is made whether to permit the hire.

If the Site Manager is not able to facilitate the hiring himself, a key holder will be identified.

Confirmation is returned to the applicant with the terms of the hire, including insurance requirements, on the reverse of the form. An invoice is raised on the finance system.

CAPACITY

The number of people permitted to attend an event will depend on the nature of the activity. This guidance reflects that given by the site manager/production manager for theatres/halls used for assembly functions.

If the event has dancing and there are no chairs or tables set out, one person per 6 square feet (0.55 square metres). For a seated audience, one person per 6 square feet (0.55 sq. metres). If the event has dancing and chairs or tables are set out, one person per 8 square feet. Where people are seated at tables (restaurant-style), one person per 10 square feet (0.92 sq. metres).

2.5.3 CONSULTANCY INCOME POLICY

PURPOSE

The purpose is to consider the treatment of income coming into the School under the heading of consultancy income in terms of whether it should be considered consultancy income or should be treated as reducing costs, whether the income is business or non-business and whether its further use should be restricted or unrestricted. Such judgement will take into account the initial funding for the activity.

BACKGROUND

Considerable income can be created, particularly in The BRIT School, because of the following:

- Sharing experienced staff or providing school to school support:
    - in order to benefit from economies of scale
    - because of their existing knowledge of the School operations and it objectives
    - because there are established working relationships with the School's Senior Leadership team
    - because there are known quality of outcomes
    - for school improvement support
- Trading subsidiary:
    - to manage services provided by a School (school to school support, nurseries, sports facilities)
- Shared services:
    - with local authorities or strategic partners which offer reduced costs through economies of scale or benefits as described above
    - School improvement support.

TREATMENT OF INCOME

Long term 100% seconded staff within the School for whom we are charging salary cost only:

- Preferably, if intercompany, staff to move to new School's payroll
- Receipt is considered non business as it is solely a refund of salary costs

- Salary costs to be credited in the provider school and show in receiving school
- Receipt is restricted as initially wholly funded from GAG.

Staff delivering a part time professional service within the School (such as IT, Finance, EAL, SEN or music services):

- Income is considered non business for teaching staff and will be charged at a day rate to cover all salary and service costs
- Income is considered business for non-teaching staff (VAT must be charged if outside the School) and will be charged at a day rate to cover all salary and service costs
- Salary costs will continue to show in the provider school
- Cost to show as a professional services cost in the receiving school
- Income is consultancy income as is provided in addition to their School role
- Income is unrestricted.

School funded services within the SLA:

- Receipt is considered non business for all staff
- Salary costs to continue show in the provider school and as a professional services cost in the receiving school
- Salary costs to be credited in the provider school and show in the BET against same salary codes
- Receipt is restricted as initially wholly funded from GAG.

School funded staff providing a costed service in excess of the SLA:

- Income is professional services income
- Income is unrestricted.

Professional services charged at a day rate outside the School:

- Income is considered non business for teaching staff and will be charged at a day rate to cover all salary and service costs
- Income is considered business for non-teaching staff (VAT must be charged if outside the School) and will be charged at a day rate to cover all salary and service costs
- Income is consultancy income
- Income is unrestricted.

Mentor income (e.g. trainee teachers):

- Income is professional services income.

Seconded staff outside the School:

- Invoice raised for professional services income
- Income is unrestricted.

Please refer to Treatment of Consultancy Income Procedure.

LEGAL AND REGULATORY FACTORS

The School must take precautions to avoid conflicts of interest, or the perception of conflicts, involving committee or Board members. Any decision on the treatment of income should be considered in conjunction with the Trading with Connected Parties Policy.

2.6 RISK MANAGEMENT

2.6.1 RISK REGISTER

The risk register identifies the risks which, if not controlled, would cause the greatest harm to the School. The risks are stated before considering the controls already in place; most of these risks are well controlled already. This is not an exhaustive list of risks (which would be enormous); published guidance advises that the Risk Register should cover the 20-or-so most influential risks.

As a charity and a school, the School is a fairly risk-averse institution. However, it has to be accepted that risk can never be eliminated entirely, and that in some cases substantial reductions in risk can be obtained only at a cost (financial or otherwise) which is disproportionate to the risk being run. One of the purposes of the Risk Register is to focus consideration of what the appropriate level of risk is in any particular case.

The Finance & Audit Committee reviews the Risk Register regularly. The Board of Trustees reviews the Risk Register annually; the Committee is happy to accept comments on the Register at any time, and will discuss these at the next meeting.

2.6.2 INSURANCE

The School has adequate insurance in place. The School is a member of the Risk Protection Arrangement which is organised by DfE.

PART 3

3. DELEGATED AUTHORITIES

3.1 AUTONOMY AND APPROVAL

The School will comply with the requirements of the Academy Trust Handbook in respect of:

- Special payments – compensation
- Special payments – ex gratia
- Writing off debts and losses
- Guarantees, letters of comfort and indemnities
- Acquisition or disposal of a freehold of land and buildings
- Disposal of heritage assets
- Taking up or granting a leasehold on land and buildings
- Gifts by the School.

3.2 SPECIAL PAYMENTS & TRANSACTIONS POLICY

Special payments are transactions that fall outside the School's planned range of activities. They are non-statutory or non-contractual and so are subject to greater control than other payments. They include:

- Staff severance payments
- Compensation payments
- Ex gratia payments
- Novel, contentious and/or repercussive transactions.

<u>SPECIAL STAFF SEVERANCE PAYMENTS</u>

Special staff severance payments are paid to employees outside of normal statutory or contractual requirements when leaving employment in public service whether they resign, are dismissed or reach an agreed termination of contract. They are different to ex gratia payments.

If the School is considering making a staff severance payment above the statutory or contractual entitlements, it must consider the following issues:

- whether the directors will reasonably consider the proposed payment to be in the interests of the School
- whether such a payment is justified, based on a legal assessment of the chances of the School successfully defending the case at employment tribunal. If there is a significant prospect of losing the case then a settlement may be justified, especially if the costs

incurred in maintaining a defence are likely to be high. Where a legal assessment suggests that the School is likely to be successful, then a settlement should not be offered

- if the settlement is justified, the School would then need to consider the level of settlement

Staff 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.

The table below shows the delegated authority the School has to approve individual staff severance payments (value before income tax and other deductions).

Statutory/contractual payment		Non-statutory/noncontractual payment	DfE / HM Treasury prior approval required?
£30,000	+	£30,000	No
£60,000	+	£30,000	No
£30,000	+	£50,000	Yes - for £50,000

The School should demonstrate value for money by applying the same level of scrutiny to a payment under £50,000 as if it were over the £50,000 delegation, using the DfE's disclosure guidance.

COMPENSATION PAYMENTS

Compensation payments are made to provide redress for loss or injury. If the School is considering making a compensation payment it must base its decision on a careful appraisal of the facts, including legal advice where relevant, and ensure that value for money will be achieved.

EX GRATIA PAYMENTS

Ex gratia payments (for example payments to meet hardship or to avoid legal action https://www.gov.uk/government/publications/managing-public-money) are another type of transaction that go beyond statutory or contractual cover, or administrative rules. Statutory and contractual payments made to staff in accordance with the School's pay and conditions policy would not be ex gratia. Ex gratia transactions must always be referred to DfE for prior authorisation.

3.3 WRITE OFF (DEBT RECOVERY) POLICY

OVERVIEW

In accordance with the Schools Funding Agreement, the School is required to apply financial and other controls which conform to the requirements of both propriety and good financial management. To this end the School and the Board are responsible for ensuring that procedures are in place for the recovery of any outstanding debt. This policy sets out the procedures for debt recovery and for the write-off of any debt which is deemed irrecoverable.

In principle:

- The School should always pursue recovery of amounts owed to it, overpayments, or payments made in error, irrespective of how they came to be made. In practice, however, there will be both practical and legal limits to how cases should be handled
- The School should only consider writing-off losses after careful appraisal of the facts, including whether all reasonable action has been taken to effect recovery from the debtor, the School's insurers, or the risk protection arrangements, and should be satisfied that there is no feasible alternative
- The amounts for write-offs are before any successful claims from an insurer or the risk protection arrangements.

RECOGNITION OF DEBTORS

A debt is recognised when a sales invoice or credit note request has been issued. It is not deemed to be the non-payment for school meals which will be dealt with through the financial hardship processes. Wherever possible, income due will be collected before or at the time the relevant sale or service is provided. If this is not possible, a debtor's account will be opened. All debts will be recorded and VAT will be charged accordingly. The Aged Debtors account must be reviewed as part of the month end routines and the list signed by the finance team to acknowledge that it has been reviewed.

BAD DEBTS

Non-payment of debts will be followed up by issuing reminders at the following intervals:

- 4 weeks from date of account – first reminder
- 8 weeks from date of account – second reminder
- 10 weeks from date of account – final reminder.

If, after 10 weeks from the date of account, the account has still not been settled, legal action will be considered by the School. If considered appropriate and legal action is to be pursued, the debtor will be informed in writing. The debtor is informed that they will be liable for costs and that the debt will be subject to statutory interest from the day it became due.

If legal action is not pursued, or has been unsuccessful, individual irrecoverable debts may be written off in accordance with the following procedures:

- All schools to keep a record of write-offs
- Debts relating up to a value of £100 per transaction or a cumulative value of less than

£500 can be written off by the Finance Manager

- Debts above £100 and less than £3,000 per transaction or a cumulative value of less than

£12,000 may be written off by the Chief Operating Officer

- The Audit Committee will be informed of all debt write offs and must approve debt write offs over £3,000 or cumulative values over £12,000
- The School will retain a Bad Debt write-off summary
- DfE approval will be applied for if any debt write-off falls into categories outlined in the Academy Trust Handbook.

Disclosures to be in line with the Academy Trust Handbook.

3.4 ACQUISITION AND DISPOSAL OF ASSETS POLICY

The Directors of The BRIT School recognise that, in addition to staff, the following are valuable assets of the School: (a) Land; (b) Buildings;

The School will seek and obtain prior written approval from DfE for the following transactions:

- Acquiring a freehold of land or buildings
- Disposing of a freehold of land or buildings
- Disposing of heritage assets beyond any limits set out in the School's funding agreement in respect of the disposal of assets generally.

For the purpose of the disposal policy, 'assets' shall be fittings, furniture, equipment, apparatus, books and other materials originally purchased for the purpose of running the School and having an original individual value of £10,000 or more (please Capitalisation & Depreciation Policy for capitalisation values).

It shall be the responsibility of the appropriate Head of Department or Budget Holder to identify any such assets which are surplus to requirements. The Head of Department or Budget Holder

shall identify surplus assets to the Head of Finance who upon endorsing the identification shall recommend disposal to the Chief Operating Officer. All disposal assets proposal needs to be agreed by the Chief Operating Officer.

An asset with a carrying amount (Cost less Accumulated Depreciation) less £1,000 must be approved by the Chief Operating Officer. An asset with a carrying amount (Cost less Accumulated Depreciation) above £1,000 must be approved by the relevant committee.

Where possible surplus assets shall be sold in a safe and environmentally friendly manner, the best possible price being sought, and the destination of surplus assets shall be noted in the assets register kept by the School. Equipment is not normally disposed of to staff because it is difficult to provide evidence that the School obtained value for money in the sale or scrapping of the equipment. If computer equipment is disposed of, licences for software programmes must be legally transferred to the new owner. Pecuniary Interests must also be considered at all times.

The Directors will obtain approval from the Secretary of State for the disposal of any freehold land or buildings or disposing of any heritage assets. Under the Academy Funding Agreement the approval of the Secretary of State is required before the sale, or disposal by other means, or reinvestment of proceeds from the disposal, of an asset (or specific group of assets) for which a Capital Grant in excess of the value for the time being specified by the Secretary of State for the asset; or where the asset was transferred to the Company from an LA for no or nominal consideration.

Reinvestment of a percentage of the proceeds of disposal of a capital asset paid for with a capital grant from the Secretary of State shall require the Secretary of State's consent. Funds obtained by the sale of surplus assets shall be identified in the School accounts and accessible for audit.

Acquisition of any asset excluding freehold of land or buildings must follow the purchasing policy.

Disclosures to be in line with the Academy Trust Handbook.

3.5 CAPITALISATION & DEPRECIATION OF ASSETS POLICY

INTRODUCTION

International Accounting Standard (IAS) 16 defines Fixed Assets as "assets whose future economic benefit is probable to flow into the entity, whose cost can be measured reliably". The purpose of policy is to ensure that the School's balance sheet correctly reflects the assets and liabilities of The BRIT School. The policy is written in accordance with Accounting Standard FRS15 Tangible Fixed Assets.

The policy defines the treatment of Non-Current, Current, Tangible and Intangible Fixed Assets. Related procedures are included in the Financial Procedures Manual. A Fixed Asset Register will be maintained and reconciled to the financial statements of the School.

FIXED ASSET REGISTER

The Fixed Asset Register consists of a list of high value items (or specific group of items) purchased within the accounting period) that are considered to have a life longer than the financial year in which they were purchased. For individual items any asset with a purchase value of £10,000 will be capitalised and capital projects with a value of £10,000.

Capitalised assets are not necessarily bought on one order; a group of items purchased within the same accounting period will be capitalised.

Fixed Assets are categorised as follows:

- Land and Buildings
- Plant and Machinery
- Furniture and Equipment
- Computer Equipment and Software
- Assets under construction.

Assets excluded from the Fixed Asset Register are current assets and stock. Current assets include cash and bank balances which are controlled through reconciliation to control accounts on a regular basis.
The appropriate accounting transactions for all capitalised assets will be recorded on the Fixed Asset Register and recorded at least annually within the Fixed Asset Fund account in addition to the transaction to the Balance Sheet.

Physical counts are undertaken against the Fixed Asset Register annually and discrepancies between the physical count and the registers are investigated promptly by the Finance Manager. Any discrepancies over the value of £500 will be reported to the Finance and Audit Committee.

All disposals of assets are recorded in the Fixed Asset Register and the appropriate transactions recorded through the financial statements on the finance system. Asset control is as for the assets held on the Fixed Asset Register.

DEPRECIATION

Non-Current Assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset. The depreciation will be calculated on an annual basis for preparation of the year end accounts. Where assets are purchased/came into use within the first 6 months of the financial year, year one depreciation will be calculated at year end. Where assets are purchased/came into use after 6 months into the year, year 1 depreciation will be applied at the end of the following financial year.

Groups of assets will use the same method of depreciation. There may very occasionally be an asset that does not completely fit into one of the categories below and the Finance and Premises Committee will discuss these items on an individual basis.

Asset Class	Depreciation Method	Asset life / Depreciation %	Depreciation charge
Land	Straight-line Method	0.08%	Annual
Long leasehold buildings	Straight-line Method	2%	Annual
Fixtures & Fittings	Straight-line Method	20%	Annual
Computers & Software	Straight-line Method	50.00%	Annual
Technical equipment	Straight-line Method	33.33%	Annual

The expected useful life of all assets will be assessed prior to depreciation calculations and recorded in the Fixed Asset Register. A reconciliation will be completed between the independent Fixed Asset Register and the carrying balances held on the finance system.

3.6 LEASE PURCHASES

The School does not require the DfE's approval for leases except for some transactions relating to land or buildings.

The School must obtain the DfE's prior approval for the following leasing transactions:

- Where a lease is not on the DfE's approved list of lease purposes
- Taking up a leasehold or tenancy agreement on land or buildings for a term of seven or more years
- Granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

The School will ensure that any lease arrangement maintains the principles of value for money, regularity and propriety whether or not the DfE's prior approval is required.

Please refer to Trading with Connected Parties policy in considering any purchase.

3.7 GIFTS

3.7.1 GIFTS FOR STAFF OR RELATED PARTIES POLICY

INTRODUCTION

This policy has been written to ensure that The BRIT School makes use of any public funds in a reasonable matter and complies with the DfE/DfE requirements on related parties and or payments to Trustees. The School also aims to ensure that all employees are treated equally.

GIFTS TO DIRECTORS/TRUSTEES/GOVERNORS

The Academy Trust Handbook and Charity Law requires there are no payments to any Trustee by the School unless such payments are permitted by the articles, or by express authority from the Charity Commission and comply with the terms of any relevant agreement entered into with the Secretary of State. In accordance with this, and because any gifts could be construed as a payment, no gifts to directors/Trustees/governors will be paid for out of Trust funds.

LEAVING GIFTS FOR STAFF

No leaving gifts to staff will be made from school funds. Schools should put in place their own procedures for collecting funds for providing gifts. This could be by an annual payment into a staff gifts fund and/or through ad hoc collections.

WELFARE GIFTS FOR STAFF

The School believes that at momentous times in an individual's life such as marriage, the birth of a child, serious illness or death of a close relative, it is entirely reasonable to support colleagues with a small gift of flowers and a card. It is expected that any gifts above and beyond this should be funded through a staff collection.

LONG SERVICE AWARDS

The School would like to recognise exceptionally long service and believes that service of 25 years should be recognised by a payment of £300 that will be paid through payroll (any other methods of award would have to be declared as a benefit in kind). Exceptional length of service beyond 25 years should be considered as and when it arises.

RETIREMENT AFTER LONG SERVICE

In the event of retirement after service of ten years or more, the School believes that it is reasonable for schools to hold a social event. However, this must comply with HMRC requirements that this is open to all staff or must be reported annually on each employee's P11D.

ALL STAFF RECOGNITION

There are times when the School would like to recognise the commitment of staff with a party or similar social function. However, schools must be aware that unless such social events meet HMRC exemptions these must be reported annually on each employee's P11D and the School will have to pay Class 1A National Insurance (13.8%) on the full cost of the event. To be exempt, the party or similar social function must be all the following:

- £50 or less per head*
- Annual, such as a Christmas party or summer barbecue
- Open to all Trust employees.

*this is lower than the HMRC limit but reflects the School's approach that any gift or event must be reasonable

ALCOHOL

The School considers the purchase of alcohol using public funds as irregular and improper.

3.7.2 GIFTS FROM CREATIVE INDUSTRIES

The school benefits from free or reduced cost tickets to shows and events in the performing and creative arts industries being offered to students and staff, often through alumni. A tracker is maintained of such opportunities.

3.8 TRANSACTIONS WITH RELATED PARTIES

3.8.1 TRADING WITH RELATED PARTIES POLICY

DEFINITION

Connected parties arise where one party has control or influence over the other, or where the parties are subject to common control. This includes parent companies and their subsidiaries, key

management personnel including company directors, their close family members and other bodies in which these parties have a controlling interest. Accounting standards require transactions between related parties to be disclosed in company financial statements as connected party transactions. Such transactions are permitted under company law, charity law and under the Academy Trust Handbook provided that open and transparent procurement procedures have been followed and any potential conflicts of interest are adequately and appropriately managed.

The DfE's Academies Accounts Direction sets out that, for academy Trusts, connected parties include:

- Parties with control over, or controlled by, the entity (for example parent and subsidiary companies)
- Parties having significant influence over the entity
- Key management personnel of the entity, including any director, whether executive or otherwise
- Close family members
- Others subject to control or significant influence by any individual referred to above.

POLICY

The policy of The BRIT School is that there wherever possible there should be no trading with related parties because of the following:

- The potential risk to public funds because transactions cannot be demonstrated to be properly entered into or reasonable
- That the transaction may be considered irregular because it does not comply with legislation, with the terms of the School's funding agreement and/or the Academy Trust Handbook, and/or comply with internal Trust procedures
- That the transaction may be consider improper because it fails to meet the requirement that expenditure and receipts must be dealt with in accordance with Parliament's intentions and the principles of parliamentary control. This covers standards of conduct, behaviour and corporate governance
- That the transaction may bring the School into disrepute because it could be viewed negatively by the community or stakeholders
- That no member, Trustee, local governor, employee or related individual or organisation uses their connection to the School for personal gain

The School will only allow trading with connected parties if the trade can clearly be shown to be beneficial on a financial, operational and/or governance level, to the local community or to the quality of education delivered and thereafter educational outcomes for pupils.

Beneficial trading can be considered when sharing experienced staff or providing school to school support:

- In order to benefit from economies of scale
- Because of their existing knowledge of the School operations and its objectives
- Because there are established working relationships with the School's Senior Leadership Team
- Because there are known quality of outcomes
- For school improvement support
- Trading subsidiary: to manage services provided by a Trust (school to school support, nurseries that also benefit the wider community)
- Shared services: with local authorities or strategic partners which offer reduced costs through economies of scale or benefits as described above

In most cases the financial transactions would be between the institutions involved and this would be within the current rules as the transaction would be deemed to be 'at cost'.

For these purposes the cost will be the **'**full cost' of all the resources used in supplying the goods or services. Full cost includes:

- All direct costs (the costs of any materials and labour used directly in producing the goods or services)
- Indirect costs (comprising a proportionate and reasonable share of fixed and variable overheads).

Full cost must not include an element of profit.

The School will comply with the requirements of the ATH 2026-27 which requires the reporting of contracts and other agreements with related parties in advance of the contract or agreement taking place using the DfE's online form DfE Related Parties On-line Form for contracts and agreements made on or after 1 April 2020.
The School must obtain the DfE's prior approval where an individual or cumulative contract or service exceeds £20,000. This does not include salaries and other payments made by the School to a person under a contract of employment through the School's payroll.

MANAGING PROCUREMENT AND POTENTIAL CONFLICTS OF INTEREST
In the event that a transaction lies outside the examples above which the School considers obviously beneficial, the following must be undertaken to ensure proper procurement processes are followed and conflicts of interest considered.

All connections must be recorded in the School's Register of Interests: relevant business and pecuniary interests and connections with other employees or relatives of close family members of individuals already on the register.

The connected party must be removed from the decision making process: where a potential conflict of interest is identified, the individual concerned must remove themselves from the decision making process for the duration of the transaction. This will include, but is not limited to, the original decision to enter into a contract with the connected party, periodic contract performance reviews and/or contract renegotiation/renewal.

Competitive procurement procedures must be followed: The School must demonstrate that funds have been applied to the purposes intended by Parliament, that they have achieved value for money and that a competitive tendering policy is in place and applied.

DECISION MAKING MUST BE BASED ON A VALUE FOR MONEY ASSESSMENT

Quotations should be obtained for the supply of the services following the School's own financial regulations. All transactions are on a non-profit basis and the procurement procedures undertaken followed the School's own financial regulations

DE MINIMIS

The 'at cost' requirement applies to contracts for goods and services from a connected party exceeding £2,500, cumulatively, in any one financial year of the School. For these purposes, where a contract takes the School's cumulative annual total with the connected party beyond £2,500, the element above £2,500 must be at no more than cost.

PROFESSIONAL SERVICES

In relation to organisations supplying legal advice or audit services to the academy Trust, the 'at cost' requirement applies where the organisation's partner directly managing the service is a member or director of the School.

DISCLOSURE IN THE EVENT OF TRADING WITH CONNECTED PARTIES

The policy of The BRIT School is that there wherever possible there should be no trading with connected parties but where connected party transactions occur, the Academies Accounts Direction stipulates that disclosure must be made and should include:

- The names of the connected parties
- A description of the relationship between the parties
- A description of the transactions
- The amounts involved
- The amounts due to or from connected parties at the balance sheet date.

In the event that trading with a connected party is considered unavoidable the following statement of assurance must be completed. See Appendix 2- Pro-forma statement of assurance.

3.8.2 REGISTER OF INTERESTS

All Members, Directors, Governors and staff with significant spending powers must declare any direct or indirect pecuniary interests at all times and should enter any on-going interests that may raise a conflict of loyalty in a Register of Interests kept in the School. This Register should be drawn to the attention of relevant groups at least once a year and amended as needed. The register of interests must identify close family relationships (a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner) between members/directors and Trust employees as well as relevant business or pecuniary interests.

The School will publish the relevant business and pecuniary interests of directors and local governors on its website.

3.8.3 GOVERNORS (AND DIRECTORS/MEMBERS) ALLOWANCES POLICY

This policy statement has been developed in accordance with the Education (Governors' Allowances) Regulations 2003. These regulations give Local Governance Committees the discretion to pay allowances from the School's annual budget allocation to governors for certain allowances which they incur in carrying out their duties. The BRIT School believes that paying governors allowances, in specific categories as set out below, is important in ensuring equality of opportunity to serve as governors for all members of the community and so is an appropriate use of school funds. The specific items allowable reflect this objective.
Governors will be entitled to claim the actual costs, which they incur as follows:

- Governors will be able to claim allowances providing the allowances are incurred in carrying out their duties, as a Governor or representative of the School or Trust
- Allowances should be agreed by the School board as justified before any reimbursable costs are incurred.

Governors will be able to claim for the following, on a case-by-case basis and with the prior approval of the board:

- Childcare or babysitting allowances (excluding payments to family members)
- Cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner)
- The extra costs they incur in performing their duties either because they have special needs or because English is not their first language

- The cost of travel relating only to travel to meetings/training courses at the current school rate which does not exceed the specified rates for school personnel
- Travel and subsistence costs associated with attending national meetings or training events, unless these costs can be claimed from another source
- Telephone charges, photocopying, stationery, postage etc.
- Any other justifiable allowances.

The BRIT School acknowledges that:

- Governors may not be paid attendance allowance
- Governors may not be reimbursed for loss of earnings.

Governors wishing to make claims under these arrangements, once prior approval has been sought, should complete a claims form (obtainable from the School), attaching receipts where possible, and return it to the School within two weeks of the date when the allowances were incurred, when they will be submitted for approval by the Chair of Governors (Trustees) or Chair of the relevant committee to be presented to the relevant committee for final approval.

Claims will be subject to independent audit and may be investigated by the Chair of Governors (Trustees) (or Chair of the relevant committee in respect of the Chair of Governors) if they appear excessive or inconsistent.

PART 4

4. FRAUD, THEFT AND/OR IRREGULARITY

The BRIT School is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the academy has a responsibility in respect of recognising a potential fraud, preventing and detecting fraud. The BRIT School also recognises the role of others in alerting them to areas where there is suspicion of fraud. It is the duty of all staff and governors to take reasonable steps to limit the possibility of corrupt practices, and to take advice from the internal or external auditors on the adequacy of the measures taken by the BRIT School to ensure financial compliance.
Any investigation carried out in relation to alleged irregularities will be investigated in accordance with the relevant procedures.

Fraud is a general term covering theft, deliberate misuse or misappropriation of assets or anything that leads to a financial advantage to the perpetrator or others upon whose behalf he or she acts, even if these "others" are in ignorance of the fraud. Fraud is in fact intentional deceit and for this reason it cannot include negligence. Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretences, forgery, corrupt practices and falsification of accounts. Corruption is defined for the purpose of this code as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by The BRIT School, its staff, directors or governors.

Irregularities fall within the following broad categories, the first three of which are criminal offences:

- Theft - the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession
- Fraud - the intentional distortion of financial statements or other records by persons internal and external to the BRIT School, which is carried out to conceal the misappropriation of assets or otherwise for gain
- Bribery and corruption (see Gifts & Hospitality policy)- involves the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain for the person offering the inducement
- Failure to observe, or breaches of, Scheme of Delegation and Financial Regulations
- Failure to observe, or breaches of, financial procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences
- Examples of what could constitute fraud and corruption are:

        - theft of cash
        - non-receipt of income
        - substitution of personal cheques for cash
        - travelling and subsistence claims for non-existent journeys/events
        - travelling and subsistence claims inflated
    - manipulating documentation to increase salaries/wages received, e.g. false overtime claims
    - payment of invoices for goods received by an individual rather than the BRIT School
    - failure to observe, or breaches of, regulations and/or other associated legislation laid down by the BRIT School
    - unauthorised borrowing of equipment
    - breaches of confidentiality regarding information
    - failure to declare a direct pecuniary or otherwise conflicting interest
    - concealing a generous gift or reward
    - unfairly influencing the award of a contract
    - creation of false documents
    - deception
    - using position for personal reward.

The above list is not exhaustive and fraud and corruption can take many different paths. If in any doubt about whether a matter is an irregularity or not, please refer to the Chief Operating Officer/Principal or the Chair of Trustees who will ensure the required action is taken.

The School will notify DfE of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. Any unusual or systematic fraud, regardless of value, will also be reported.

APPENDICES

Appendix 1 - Pro-forma statement of assurance

Section 1: Supplier details

Name and address of supplier	
Company number (if applicable)	
Start date	
End date	
Estimate of commercial price, including profit	
Connection with Trust, e.g. Trustee is also a director of the supplier of goods and services	
Value of goods or services to Trust (cost without profit)	
Does this value include direct costs and indirect costs only?	Yes / No
Nature of contract *(such as building supplies or professional services)*	

Section 2: Details of contract

Explanation of how the supplier is charging the academy Trust
This should include a sufficiently detailed explanation setting out that the supplier understands its direct and indirect costs in such a way to demonstrate to the academy Trust that it is supplying goods and services at cost, without any element of profit. *[Please extend the rows below if the contract is longer than three years]*

Section 3: Supplier certification

Certification of supplier	
I certify, on behalf of [*name of supplier*] that: the goods and services detailed in this form will be supplied to the academy Trust on the basis of direct cost plus indirect costs, with no element of profit; we are supplying the goods and services on an open book basis and we will provide more information on request; and we will make an adjustment in the following year if we identify a miscalculation on our direct or indirect costs, and supplied goods or services which included an element of profit.	
Name and position	*Should be sufficiently senior to sign this declaration*
Date	
Signature	
Notes	

Certification of supplier
Direct costs means the costs of any materials and labour used directly in producing the goods or services. **Indirect costs** means a proportionate and reasonable share of fixed and variable overheads. **At cost** means without profit as it includes direct and indirect costs only. **Estimate** of commercial price acknowledges that the value of such contracts varies depending on a number of factors and negotiations. The supplier should identify a reasonable and fair price, e.g. from previous similar contract

Section 4: Academy signoff

Certification of the BRIT School	
In signing this document I am satisfied that: the goods and services being supplied comply with the requirements on trading with connected parties as set out in the handbook, and represent value for money; there is full compliance with the School's scheme of delegation; open and fair procurement and compliance with the School's procurement procedures have taken place; potential conflicts of interest within the academy Trust have been robustly managed; the School's register of interest captures relevant business and pecuniary interests as set out in the handbook, and will be updated to reflect this contract (if not already); the supplier understands that open book arrangements are in place and they will provide more information on request, if needed; and both the School's accounting officer and chair of board of Trustees have agreed to trade with this connected supplier, and that the measures and safeguards listed above are in place.	
Name and position	
Date	
Signature	
Notes **Direct costs** means the costs of any materials and labour used directly in producing the goods or services. **Indirect costs** means a proportionate and reasonable share of fixed and variable overheads. **At cost** means without profit as it includes direct and indirect costs only. **Estimate** of commercial price acknowledges that the value of such contracts varies depending on a number of factors and negotiations. The supplier should identify a reasonable and fair price, e.g. from previous similar contract	

Section 5: Annual record of transactions

	Direct costs	Indirect costs	Total
Year 1	£	£	£
Year 2	£	£	£
Year 3	£	£	£
Total	£	£	£