



# OLD BASFORD SCHOOL

## FINANCE POLICY

DOCUMENT ORIGINS			
Organisation	Old Basford School	Version date	Autumn Term 2024
Owner	Laura Duffin	Approved by (If applicable)	Governing Body
Next review date	Autumn Term 2025	Approval date	09.12.2024

DOCUMENT VERSION HISTORY		
Revision date	Author of changes	Summary of changes
Autumn Term 2024	Laura Duffin	Changes made include; update to reflect date of new guidance, updated list of governors, updated staff roles. Updated all sections within purchasing and tendering in relation to partnership arrangements.
Autumn Term 2023	Laura Duffin	Changes made include; update to reflect date of new guidance, updated list of members and name of headteacher, updated name of payroll provider and process, included tendering pack information, updated related party transactions in line with ESFA guidance, updated severance pay limits inline with ESFA guidance, updated limit for capitalisation as per recommendation from auditors,
Autumn Term 2022	Vicky Shaw	Policy Template adopted from School Bus template and personalised to Old Basford School. Changes made include Overview, page 3 – updated the date for the Academy Trust Handbook. Point 1, page 3 - updated the names of members and governors to reflect current board. Point 2, page 4 - In the bottom paragraph have updated the wording from Regional Schools Commissioner to Regional Director. Point 11, page 17 – Change the wording from Staff Severance Payments as they are now called Special Staff Severance Payments. Reserves, page 16 – updated the amount of reserves as agreed in the July finance meeting

Finance Policy  
 Issued: 1 December 2020  
 Reviewed September 2022, September 2023, Sept 2024  
 Old Basford School  
Finance Policy Contents

<b>Item</b>		<b>Page No</b>
	Overview	3
1	Organisation	3
2	Statutory Responsibilities/Roles and Responsibilities	4
3	Financial Oversight	6
4	Accounting System	7
5	Financial Planning	8
6	Payroll	9
7	Purchasing and Tendering	10
8	Related Party Transactions	12
9	Income	14
10	Bank & Cash Management, Reserves & Investment	15
11	Special Payments	16
12	Fixed Assets	17
13	Management of Risk	18
14	Auditing Accounts	19
15	Internal Scrutiny	20
16	Leasing	21
17	Notices to Improve	21
18	Self-Assessment	22
19	Record Keeping	22
20	ESFA Investigations	22
21	Fraud and Whistleblowing	22
22	Cyber-Crime	23
23	Monitoring and Review	23

## **Overview**

All readers of this Finance Policy should be aware of the Academy Trust Handbook (ATH) effective from 1 September 2024. This represents the authoritative reference tool to help apply good financial management, set out the mandatory requirements Academies must follow and also the freedoms Academies enjoy.

The ESFA is the main provider of public finance to all Academies, and those Funding Agreements are contingent on meeting the requirements set out in the ATH. Every year an external audit completed by UHY Hacker Young LLP will review Old Basford School against the requirements set out in the ATH, and report non-compliances to the ESFA as part of their formal regulatory report. Similarly, internal scrutiny will take place annually in the form of audits which, at the time of writing is undertaken by Hobsons CS Limited.

The purpose of this Finance Policy is to ensure that the Academy maintains and develops systems of financial control that conform fully with the requirements of the ESFA but also the Companies Act 2006. It is incumbent on Members and Governors to set well established principles of good financial management and common sense. All handlers of finance should be aware of both the ATH and this Finance Policy.

Old Basford School recognise that well-managed finances can maximize outcomes for pupils' education. We are dedicated to undertaking fair and reasonable financial planning for the benefit of the academy as a whole.

It is incumbent on Members, Governors, Staff and all parties engaged by or with Old Basford School to observe this Finance Policy. The Academy is responsible for public money and as such the duty of care is set high. Whenever in doubt and where this Finance Policy does not specifically set out an appropriate approach, the highest moral principles should be observed to ensure the Members are able to fully stand behind the approach taken by the appropriate decision maker.

### **1. Organisation**

Old Basford School is a Company limited by Guarantee, registered in England and Wales. The company has charitable status, but is not a registered charity.

The Academy has defined the responsibilities of each person involved in the administration of finances. This includes members, governors, school leaders and school staff.

Members of the charitable company undertake to contribute to the assets of the charitable company in the event of it being wound up while they are a member or within one year after they cease to be a member such amount as may be required, not exceeding £10 for debts and liabilities contracted before they ceased to be a member.

At the time of writing, the members are:

**Mr S Salmon, Mr D Appleby, Mrs E Pagliacci, Mr S Rae and Mr K Barnes.**

The Governors are also the directors of the charitable company for the purposes of company law. They are elected and co-opted under the terms of the Articles of Association.

The management of the academy is the responsibility of the governors.

At the time of writing the governors are:

**Mrs K McLeod, Mrs C Aldrich, Mrs Y Blair, Mr A Adedoyin, Ms J Wirszyc, Mrs M Adewoye, Mr D J Lawson, Mrs C Paechter, Mrs K Priddy, Mr. J Ross and Mrs E Singh**

The Accounting Officer has a personal responsibility to Parliament, and to ESFA's Accounting Officer for the financial resources under the Academy's control. (Academy Trust Handbook 2024)

At the time of writing the Accounting Officer is

**Mrs L Duffin**

At the time of writing the School Business Manager (SBM)/Company Secretary is

**Mrs T Green**

## **2. Statutory Responsibilities / Roles and Responsibilities**

It is the Old Basford School's statutory responsibility to safeguard the assets of the company and to meet all requirements of the Companies Act 2006.

At the same time the main ESFA prescribed responsibilities are set out in the Funding Agreement issued to the Old Basford School by the DfE which includes:

- ensuring that educational grants are used for the purpose intended
- managing budgets to be balanced, and annual approval of those budgets
- approval and issuing of annual audited accounts to ESFA
- instructing & reviewing internal audit reports to ensure high internal rigor;
- appointment of Accounting Officer, Finance Officer and (via Members) external auditors

Responsibilities for different groups and individuals within the trust are set out in full throughout this policy. This section highlights key responsibilities.

### **The members are responsible for**

- Appointing new members by special resolution or removing existing members other than, where there is one, the foundation/sponsor body and any members it has appointed.
- Appointing trustees in line with the Old Basford School's Articles of Association.
- Where necessary, by special resolution, issuing direction to the trustees to take a specific action.
- Appointing Old Basford School's auditors and receiving (but not signing) the audited annual accounts.
- Conducting the business of Old Basford School in accordance with company and charity law and adhering to the funding agreement with the Secretary of State.

### **The Board of Trustees (Governing Body)**

- Applying the highest standards of conduct and governance and taking full ownership of their duties
- Identifying the skills and experience it needs, including sufficient financial knowledge to hold the executive to account.
- Ensuring the board meets at least three times a year, and conducts business only when quorate
- Approving a written scheme of delegation of financial powers
- Managing conflicts of interest and related party transactions
- Approving a balanced budget for the financial year and minuting the approval
- Ensuring decisions about executive pay follow a robust evidence-based process reflecting the individual's role and responsibilities, and that the approach to pay is transparent, proportionate and justifiable
- Appointing a Finance, Audit and Risk committee to advise on the adequacy of Old Basford School's controls and risks
- Submitting audited accounts to the ESFA by 31 December
- Ensuring an appropriate reasonable and timely response is given to findings by auditors
- Appointing a governance professional.

The board of trustees will appoint a senior executive leader who may be appointed as a trustee – this will be the head teacher or equivalent. The board will also appoint a named individual as Old Basford School's accounting officer – this will be the senior executive leader. Any newly appointed senior executive leader can only be a trustee if the members decide to appoint them as such, the senior executive leader agrees, and the Articles of Association permit it.

When the senior executive leader is planning to leave Old Basford School, the board of trustees will approach the Regional Director in advance to discuss Old Basford School's structure and options, including plans for recruitment.

#### **The headteacher is responsible for**

- Acting as Old Basford School's accounting officer
- Reviewing this policy on an annual basis with the SBM
- Preparing monthly management accounts with the SBM
- Creating a fair and balanced budget with the SBM
- Ensuring Old Basford School's income is stored safely
- Writing of debts that have been approved by the ESFA and the board of trustees
- Ensuring budgetary control within approved budgets
- Authorising contracts and orders up to the amount stated in the scheme of delegation and reporting all decisions to the board of trustees
- Signing cheques
- Approving new staff appointments, except for senior staff positions.
- Making recommendations to the pay committee regarding staff pay and contractual conditions, other than for members of SLT.

#### **The accounting officer is responsible for**

- Assuring Parliament and the public of Old Basford School's high financial standard with regards to public funds, particularly regularity, propriety and value for money
- Providing oversight of financial transactions by;
  - Ensuring that Old Basford School's property and assets are under the control of the trustees and measures exist to prevent losses or misuse
  - Ensuring bank accounts, financial systems and financial records are operated by more than one person
  - Keeping full and accurate accounting records to support their annual accounts
- Signing a statement on regularity, propriety and compliance annually and submitting it to the ESFA.
- Assuring compliance with the articles of association, funding agreement and the 'Academy trust handbook' (ATH) and advising the board if it fails to act in accordance, or is non-compliant, with the funding agreement or handbook
- Sharing the 'Dear Accounting Officer' letter with members, trustees, the SBM and the SLT, and arranging for the board to discuss it and act where necessary to strengthen financial controls.
- Notifying the ESFA's accounting officer if Old Basford School is in breach of its articles of association, funding agreement or the ATH and the board fails to follow their advice
- Demonstrating how Old Basford School has secured value for money.

#### **The School Business Manager (SBM) is responsible for**

- Reviewing this policy on an annual basis with the headteacher
- Writing off any debt that has been approved by the ESFA
- Issuing payment reminders for overdue accounts
- Contacting individuals who have not paid an overdue account to inform them of the trust's formal procedure.
- Approving terms of credit and communicating these terms to all debtors
- Preparing management accounts with the headteacher each month.
- Accessing Old Basford School's accounting system
- Preparing the accounting annual report, ensuring it is in line with the Charity Commission's Statement of Recommended Practice (SORP)
- Maintaining CPD and undertaking relevant, ongoing training.
- Managing day-to-day financial issues, including the establishment and operation of the accounting system
- Preparing monthly management accounts every month, setting out Old Basford School's financial performance and position in relation the budget

- Managing Old Basford School's financial position at a strategic and operational level within the framework for financial control determined by the board of trustees
- Drafting original and revised finance plans in cooperation with and the support of the headteacher
- Maintaining the accounting records
- Monitoring the budget on a monthly basis
- Ensuring the monthly completion of bank, and other reconciliations is adhered to
- Monitoring cash flow during the month.
- Acting as an authorised signatory for the purpose of signing cheques, certifying employee claims etc
- Managing and processing online payments and payroll, subject to approval by the appropriate authority.
- Acting as a named debit card holder

Ensuring that proper checks and controls are in place to cover day-to-day activities in accordance with the financial regulation's manual. The Finance, Audit and Risk Committee is responsible for

- Reviewing the budget and three-year financial plan, as well as making recommendations to the board of trustees regarding these key documents
- Monitoring expenditure and income against the budget and making any recommendations to the board of trustees
- Reviewing the mandates for the operation of Old Basford School's bank accounts and credit/debit cards
- Ensuring appropriate insurance arrangements are in place for Old Basford School
- Implementing appropriate accounting policies
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and related DfE guidance.
- Directing the trust's programme of internal scrutiny and reporting to the board on the adequacy of the trusts financial and other controls and management of risk.
- Ensuring that risks are being addressed appropriately through internal scrutiny.
- Reviewing the external auditor's plan each year.
- Reviewing the annual reports and accounts.
- Assessing the effectiveness and resources of the external auditor to provide a basis for decisions by Old Basford School's members about the auditor's reappointment or dismissal or retendering.

The ESFA will be informed within 14 calendar days (and supplied with direct contact details for the party in question) if the trust appoints or terminates the contract of:

- Members
- The accounting officer
- The school business manager (CFO)
- A chair of the board of trustees
- A trustee or governor

### **3. Financial Oversight**

The board of trustees will maintain robust oversight of Old Basford School, taking full responsibility for its financial affairs, assets and resources; the board of trustees always aims to maximise outcomes for pupils through its financial oversight.

The board of trustees meets at least three times a year. The Finance, Audit and Risk committee meets at least three times a year. In the event that the board of trustees meets less than six times in a year, it will explain in its governance statement how effective oversight of funds was maintained with fewer meetings.

The board will approve a written scheme of delegation of financial powers, delegating appropriate responsibilities to the relevant committees and individuals, while retaining robust financial oversight. The board does not delegate overall responsibility of Old Basford School's funds, e.g. to committees or individuals in any circumstances. The financial scheme of delegation will be reviewed annually, and immediately when there has been a change in Old Basford School's management or organisational structure.

The board of trustees' delegates financial scrutiny and oversight to the Finance, Audit and Risk committee, which can support the board in maintaining Old Basford School as a going concern.

#### **4. Accounting**

FMS Financials Accounting System

All the financial transactions of the Academy must be recorded on the FMS accounting system.

The FMS system is operated by the Business Manager and consists of:

Orders/Invoices/Journals

Payments/Receipts/Nominal Ledger bank postings

Monthly Reconciliations

Recording of all Transactions

Aged Purchase Ledger & Sales Ledger, and debt collection

Balance Sheet Management – custody of Academy assets

Payroll Input

Asset System Management & Depreciation

All routine Reporting

Old Basford School will retain financial records for at least six years

#### System Access

Entry to the FMS system is password restricted and passwords are system changed at regular intervals. At no time should an individual disclose their password to anyone else. It is expressly forbidden for more than one person to access the financial system using the same user name/password.

Access to the FMS system is to be restricted to the Business Manager and Assistant Business Manager and anyone delegated by these posts, the Headteacher or any signatory given authorising responsibility in the Headteacher's absence as well as those responsible for auditing the financial systems of the academy.

Where it is suspected that unauthorised access to the system has taken place, the Chair of Governors shall be notified immediately.

#### FMS Back-up Procedures

The FMS system is backed-up at regular intervals as part of the SchoolsIT traded services buy-back arrangement from Nottingham City Council. Support from Nottingham City Council's Schools Finance Team would ensure continuity in the event of the loss of the school-based system.

#### Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this Finance Policy. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual. All journal entries must be documented and authorised by the Business Manager prior to being input to the accounting system.

#### Reconciliations

The Business Manager is responsible for ensuring a full balance sheet reconciliation is performed each month, and that any reconciling or balancing amounts are cleared. These include but are not limited to:

- sales ledger control account;
- purchase ledger control account;
- payroll control account;
- assets system to nominal ledger balance sheet;

- all suspense accounts – cleared down;
- bank balance per the nominal ledger to the bank statement;
- petty cash is physically counted should this be held.

Any unusual or long outstanding reconciling items must be brought to the attention of the Headteacher and the Chair of Finance and Audit Committee. The Headteacher will review and sign all reconciliations as evidence of this review.

## VAT

Old Basford School is entitled to reclaim VAT on qualifying purchases through a monthly VAT return. Under legislation, VAT claims can be made on expenditure which supports Old Basford School's core business purposes. A report is run by the SBM in order to provide the data necessary for the completion of the VAT reclaim form.

VAT is reclaimed on a monthly basis. Old Basford School is eligible to reclaim the majority of VAT it pays on invoices from HMRC. Any invoices for which VAT cannot be reclaimed, as the purchases were for business activity, are identified and deleted. Where invoices relate partly to business activity and partly to non-business activity, only the proportion of the VAT relating to the non-business activity will be reclaimed. On receipt of the reclaimed VAT from HMRC, the SBM will review the remittance, confirm whether this equals the claim made and sign the remittance to confirm this agreement.

## **5. Financial planning**

The Academy prepares monthly short-term revised annual forecasts and a 3-year plan.

The 3-year financial plans are prepared as part of the annual budgeting process.

The budget is a detailed statement of the expected resources available to the academy and the planned use of those resources for the following year.

The Budget and 3 Year Plan is concerned with the future aims and objectives of the Academy and how they are to be achieved; that includes matching the Academy's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "Big Picture" within which more detailed plans may be integrated.

All plans will pay appropriate heed to the buildings and estate of the Academy, and ensure funds are committed to ensure the proper maintenance of the site. This will be considered by Members and Governors and maybe rejected if insufficient focus is given to this area in the view of Members and Governors even if the books are balanced.

The Business Manager is responsible in conjunction with the Headteacher for preparing and seeking approval for the annual budget by Governors. The budget must be recommended for approval by the Finance and Audit Committee first and ultimately approved by Full Governing Body.

We will submit to the ESFA a budget forecast return (BFR) each August. This document will be approved by the board of trustees and all other relevant parties prior to the submission date.

The ESFA will be informed within 14 calendar days if a deficit revenue budget for the current financial year is being set.

### Balancing the Budget

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

If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

As per the Academy Trust Handbook 2024, schools should use their allocated GAG funding for the full benefit of their current pupils. If an Academy has an in-year surplus they should consider how it will be used to benefit their pupils, for example a long-term capital project.

### Monitoring and Review

Monthly reports will be prepared by the School Business Manager. The reports will detail actual income and expenditure against budget at a summary level for the Headteacher and the Academy Governing Body.

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. It is incumbent on the Academy to continue to balance the budget when variances occur.

### Borrowing

Old Basford School will prepare and monitor financial plans to ensure ongoing financial health.

Prior approval will be obtained from the ESFA before borrowing from any source, where such borrowing will be repaid from grant monies or secured on assets funded by grant monies.

## **6. Payroll**

Old Basford School's payroll encompasses staff appointments, processing administration and pension payments. Old Basford School will act in accordance with its pay policies when setting pay. Payroll will be notified of any staff absence using the SAAF Education payroll portal.

Old Basford School will ensure that its senior employees are exclusively on the payroll, and that payroll arrangements fully meet their tax obligations and comply with HM Treasury's guidance regarding employment and tax.

Old Basford School will ensure its decisions about levels of executive pay (including both salary and benefits) follow a robust evidence-based process. Executive pay will be reasonable and defensible and reflective of the individual's role and responsibilities.

Old Basford School will publish on its website, in a separate readily accessible form, the number of employees whose benefits exceeded £100,000, in £10,000 bandings, for the previous year ended 31 August for this purpose, include salary, employers' pension contributions, other taxable benefits and termination payments.

Where Old Basford School enters into an off-payroll arrangement with an individual who is not an employee, the amount paid to that individual for their work will also be included in the website disclosure, where payment exceeds £100,000.

The names of trustees in receipt of remuneration and other benefits will also be disclosed, as well as details of the amounts involved in £5,000 bandings in Old Basford School's financial statements.

The pay committee is responsible for authorising the following salary changes

- Pay awards for support staff
- Staffing structure changes
- Performance related pay progression

The Academy payroll is administered by SAAF Education. The Business Manager is responsible for updating the information passed to them in a timely manner on a monthly basis.

To keep staff members' data secure, access to the payroll system will be restricted to the Business Manager, Assistant Business Manager and Headteacher. All paper records will be filed and stored in a locked cabinet in the Deputy Headteacher's office. All online records will be encrypted and password protected.

All staff are paid monthly. A master file is created for each employee which records: salary, bank account details, taxation status, personal details and any deductions or allowances payable.

Details of all additional payments made are passed to the School Business Manager for recording on timesheets. This document should be signed each month by the Headteacher to authorise the payment and the details entered onto the SAAF payroll portal.

The School Business Manager is responsible for liaison with SAAF Education to ensure all pay and other pay related matters are correctly determined and that any errors are corrected as soon as is practically possible. Headteacher authorisation must be evident on all payroll changes and retained for audit inspection.

SAAF Education provide draft sets of payroll reports showing a print of salary payments by individual and showing the amount payable in total these are reviewed by the Business Manager. Any queries raised by the Business Manager to SAAF Education will be resolved and further draft payroll reports provided until all queries have been resolved and the final payroll can be authorised. Prior to final authorisation being given to SAAF Education the last version of payroll reports is signed/authorised by the Headteacher. All salary payments must be made via payroll and paid by BACS.

After the payroll has been processed the nominal ledger must be updated. Postings should be made to the bank, payroll control account and to individual cost centres. The School Business Manager should review (and evidence) the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account and cleared. Evidence of this check must be retained for audit purposes.

## **7. Purchasing and Tendering**

### Value for Money

The Academy will attempt to achieve the best value for money from all purchases. This means getting what is needed in the correct quality, quantity and time at the best value. A large proportion of purchases will be paid for with public funds and there is a need to maintain the integrity of these funds by following the general principles of:

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

**Routine purchases <£1,000** can be ordered by budget holders up to the limit of their budget. A Purchase Order Form must be completed, authorised and handed to the SBM/Asst SBM before the purchase is made.

**Purchases >=£1000 but <£10,000** can be ordered with the approval of the Headteacher. At least one quote or price (ideally three) must be obtained before any order is placed. Internet ordering is permitted.

Where partnership arrangements for the supply of goods or services has been entered into with another public authority for the supply of goods, works or services e.g. Nottingham City Council, Nottingham Schools Trust it shall not be necessary to seek competitive quotations provided the other public authority can satisfy the headteacher that they have done so in initially selecting their supplier.

All orders must be made or confirmed in writing using FMS or a manual order form. The order is approved by either a signed Purchase Order generated on FMS or a signed manual Purchase Order Form. The critical control is to show appropriate authorisation at the point of order.

Goods Received Notes (GRN) / Delivery Notes (DN) should be authorised by the recipient and passed to the SBM for matching against the Purchase Order (PO) and Invoice.

All invoices received should be passed to the SBM/Asst SBM and matched to PO and GRN / DN. Invoices should be promptly recorded on to FMS (purchase ledger) having been authorised on the face of the invoice by the appropriate signatory before being passed for payment.

If a budget holder is pursuing a query / dispute with a supplier, the SBM must be informed of the query and periodically kept up to date with progress.

At the end of every month, the SBM/Asst SBM will review the aged purchase ledger listing, this is to ensure any old items are resolved, credits chased and cleared and payments made of a timely basis. Evidence of authorisation should be kept with the other balance sheet reconciliations.

The SBM/Asst SBM will generate BACS payments as required. The BACS report and associated paperwork must be authorised by two of the designated bank signatories.

The SBM/Asst SBM will check outstanding orders (FMS and manual) to ensure they are rightly still open. They will ensure that any deliveries / services received are accurately reflected. The review should be performed BEFORE finalisation of monthly management accounts.

### **Orders >=£10,000 but <£100,000**

Best practice indicates that three written quotations should be obtained for all orders between £10,000 and £100,000 to identify the best value for the goods/services. Written details of quotations obtained should be retained by budget holders for audit purposes.

Telephone quotes are acceptable if these are evidenced and email confirmation of quotes has been received before a purchase decision is made. Screen prints from websites which identify the goods and clearly show a price, including delivery charge, are also acceptable. All orders in this category require sign-off at Governor level and approval should be recorded in minutes of the meeting in which the transaction(s) was / were discussed.

Where partnership arrangements for the supply of goods or services has been entered into with another public authority for the supply of goods, works or services e.g. Nottingham City Council, Nottingham Schools Trust it shall not be necessary to seek competitive quotations provided the other public authority can satisfy the headteacher that they have done so in initially selecting their supplier.

Obtaining quotes appears appropriate where the service/goods being sought is reasonably standard, and the academy can reasonably show that this achieves the same aim as a tendering process with a lower administrative burden. It is in the judgement of the governors whether this is the case.

### **Orders of £100,000+**

All goods/services ordered with a value of £100,000+ or for a series of contracts which in total exceed £100,000 require a tailored approach – the fundamental aim to demonstrate that value for money has been obtained. In every case Governor approval is required before an order can be placed. Options available to demonstrate value for money will include tendering, obtaining 3+ quotes, desktop evaluation or any other mechanism agreed by governors in granting their approval for the specific order.

There are three forms of tender procedure: open, restricted, and negotiated. The Headteacher must discuss and agree with the Business Manager and Governors if appropriate, how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. The circumstances in which each procedure would likely be used are described below.

Where partnership arrangements for the supply of goods or services has been entered into with another public authority for the supply of goods, works or services e.g. Nottingham City Council, Nottingham Schools Trust it shall not be necessary to seek competitive quotations provided the other public authority can satisfy the headteacher that they have done so in initially selecting their supplier.

#### **Open Tender:**

This is where all potential suppliers are invited to tender. Allows for maximum competition and is commonly used when the market for the goods or services in question is known to be limited.

#### **Restricted Tender:**

This is where certain suppliers are specifically invited to tender. Used when it is known a large number of suppliers would apply, the nature of the work needed is specific, or advertising costs would outweigh benefits of open tendering;

#### **Negotiated Tender:**

School may negotiate the terms of the contract with one or more suppliers of their choice. Can be used in cases of extreme urgency, it is an existing supplier, very few suppliers are available or Open/Restricted tendering has resulted in no acceptable tenders. Negotiated tenders should be reported to the governing body.

Open tender is the school's preferred method of tender due to its open and competitive nature.

#### **Tendering Process**

A pack of documents should be sent out to potential suppliers inviting them to submit a bid. The pack should include:

- Covering letter that covers tendering instructions, advice for suppliers on the project timescales and administration;
- Timetable for tender submission;
- Specification. This will help the supplier respond to your requirements in the tender;
- Evaluation criteria. This will enable the suppliers to check that they're providing all the information for each of the criteria;
- Pricing schedule. A supplier must complete one of these to show their proposed prices and expenses;
- Contract terms and conditions to include performance monitoring and payment schedule.

Where partnership arrangements for the supply of goods or services has been entered into with another public authority for the supply of goods, works or services e.g. Nottingham City Council, Nottingham Schools Trust it shall not be necessary to seek competitive quotations/tenders provided the other public authority can satisfy the headteacher that they have done so in initially selecting their supplier.

All tenders received will be retained unopened until the tender deadline. They will then be opened at the same time in the presence of a designated project team with all tenders duly examined for suitability. The successful bid will then be presented to the governing body together with reasons for choice

A desktop review may be appropriate in the case of contract renewal or where financial impact on the academy is not reflective of the contract cost (e.g. catering where parents fund the catering contract at nil profit / loss to the school). Once again this should satisfy governors that value for money is being obtained, and that tendering and obtaining of alternative quotes is judged as a less effective or inefficient test of value for money.

Old Basford School will obtain prior approval from the EFSA 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 in the funding agreement for the disposal of assets generally

## Virements

The Headteacher is given delegated power to vire from one budget to another and shall seek approval from the Audit and Finance committee retrospectively. All virements exceeding £5,000 shall require prior approval and minuted from the Audit and Finance committee.

## 8. Related party transactions

Old Basford School will be even-handed in their relationships with related parties by ensuring:

- Compliance with their statutory duties to avoid conflicts of interest, not accepting benefits from third parties, and declaring interests in proposed transactions or arrangements.
- A register of interest has been completed by all members, trustees and senior employees, and is kept up-to-date.
- No member, trustee or employee of Old Basford School, nor any related individual or organisation, uses their connection to Old Basford School for personal gain.
- All payments to trustees by the trust are permitted by the article of association or by authority from the Charity Commission.
- The Charity Commission approves payments to a trustee where there is significant advantage to the trust.
- Any payment provided to the persons outlined in this policy satisfies the 'at cost' requirements.

All related party transactions will be reported to the ESFA in advance of transactions taking place on or after 1 September 2024, using the ESFA's online form.

The ESFA's prior approval will be obtained, using the online form, for contracts and other agreements for the supply of goods or services to the trust by a related party agreed on or after 1 September 2024 where any of the following limits arise:

- A contract or other agreement exceeding £40,000
- A contract or other agreement of any value that would take the total value of contracts and other agreements with the related party beyond mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £40,000 in the same financial year ending 31 August

Approval will not be required where contracts and other agreements for the supply of goods or services to the trust are with colleges, universities and schools which are sponsors of the trust, and other state funded schools and colleges, including academies.

For the purposes of reporting to the ESFA, transactions with related parties do not include salaries and other payments made by Old Basford School to a person under a contract of employment through the Old Basford School's payroll.

When completing the ESFA's online form, all the information required to complete the form will be collected – it is not possible to partially complete a form and then return to it.

The following information is needed to create a record for the supplier:

- The name of the supplier
- The supplier's address
- The supplier's company number which can be found using the Companies House website (for limited companies)
- The statement which best describes the relationship between the supplier and Old Basford School
- Confirmation that the supplier is listed on Old Basford School's register of interests
- Confirmation that Old Basford School has a statement of assurance from the supplier
- Confirmation that Old Basford School has an open-book agreement with the supplier

The following information is needed for a related party transaction:

- A short description of the goods or services
- Details of the proposed cost
- The start and end date of any contract or agreement

When seeking prior approval for a related party transaction, evidence including the following is required:

- How Old Basford School agreed to the related party transaction
- That Old Basford School tested the market before making a decision
- How Old Basford School managed any conflicts of interest
- A copy of the agreement and proposed contract

The board of trustees and accounting officer will manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the seven principles of public life.

The chair of trustees and the accounting officer will ensure their capacity to control and influence does not conflict with requirements.

Old Basford School recognises that some relationships with related parties may attract greater public scrutiny, such as:

- Transactions with individuals in a position of control and influence, including the chair of the board and the accounting officer.
- Payments to organisations with a profit motive, as opposed to those in the public or voluntary sectors.
- Relationships with external auditors beyond their duty to deliver a statutory audit.

Old Basford School will keep up-to-date records and make sufficient disclosures in their annual accounts to show accordance with the high standards of accountability and transparency required within the public sector.

### **Declared Conflicts of Interest Register**

Old Basford School's Declared Conflicts of Interest Register will include all business and pecuniary interests, including:

- Directorships, partnerships and employments with businesses.
- Trusteeships and governorships at other educational institutions and charities.
- For each interest: the name of the business; the nature of the business; the nature of the interest; and the date the interest began.
- Any other interests deemed relevant by the board of trustees.

The register of interests will identify any relevant material interests from close family relationships between the Old Basford School's members, trustees and governors. It will also identify relevant materials arising from close family relationships between those individuals and employees.

Relevant business and pecuniary interests of members, trustees, governors and the accounting officer will be published on Old Basford School's website.

### **'At cost' requirements**

Old Basford School will not pay more than 'cost' for goods or services ('services' do not include contracts of employment) provided to it by the following persons:

- Any member or trustee of Old Basford School.
- Any individual or organisation related to a member or trustee of Old Basford School. For the purpose of this policy, the following persons are classed as related to a member or trustee:

- A relative of the member or trustee, i.e. a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person.
- An individual or organisation carrying out business in partnership with the member, trustee or a relative of the member or trustee.
- A company in which a member or the relative of a member, and/or a trustee or the relative of a trustee, holds more than 20 percent of the share capital or is entitled to exercise more than 20 percent of the voting power at any general meeting of that company.
- An organisation which is controlled by a member or the relative of a member and/or a trustee or the relative of a trustee.
- Any individual or organisation given the right under Old Basford School's Articles of Association to appoint a member or trustee of Old Basford School; or anybody connected to such individual or organisation.
- Any individual or organisation recognised by the Secretary of State as a sponsor of Old Basford School; or anybody connected to such individual or organisation.

A body will be considered connected to another individual or organisation if it is controlled by the individual or organisation, or controls the organisation, or is under common control with the individual or organisation. For these purposes, control means:

- Holding more than 20 percent of the share capital (or equivalent interest).
- Having the equivalent right to control management decisions of the body.
- Having the right to appoint or remove a majority of the board of governing board.

The 'at cost' requirement does not apply to Old Basford School's employees unless they meet any of the [related party criteria](#) outlined in this policy. Where any staff that meet this criteria are based in, or work from the premises of, Old Basford School, the individual and the headteacher will agree on the appropriate sum to be paid to Old Basford School for such use of the premises, save to the extent that they are carrying out work for Old Basford School.

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

Where an organisation has provided legal advice or audit services to Old Basford School, the 'at cost' requirement will apply where the organisation's partner directly managing the service is a member or trustee of Old Basford School.

Old Basford School will ensure that any agreement with an individual or organisation referred to in the related party criteria to supply goods or services to Old Basford School, is properly procured through an open and fair process and is:

- Supported by a statement of assurance from that individual or organisation to Old Basford School confirming their charges do not exceed the cost of the goods or services.
- On the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply.

The cost will be the 'full cost' of all the resources used in supplying the goods or services and will not include any profit. Full cost includes:

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

## 9. Income

The main sources of income for the Academy are the grants from the DfE. The receipt of these sums is monitored directly by the Business Manager who is responsible for ensuring that all grants due to the Academy are collected. The Academy must print all sales invoices and have them signed by the Headteacher. All remittance advices are to be signed by the Business Manager to confirm receipt and amount of income is correct.

The Academy also obtains income from:

- pupils, mainly for trips, school lunches, breakfast and afterschool clubs, school uniform
- pupils as fund-raising donations
- the public, mainly for lettings and use of accommodation
- Funding from Local Authorities for SEN, Early Years, looked after children on roll etc

The Academy is expected to ensure completeness of this income and to ensure outstanding sums are collected promptly. A record is kept for each type of income and where required (e.g. lettings) an invoice is presented to the hirer

All income collection is accounted for within the school office.

Any sums to be written off <£100 require explicit approval of Governors.

All income should be recorded on FMS upon receipt. All cash and cheques must be kept in a fire proof lockable cabinet in an alarmed area of school, with limited access to only the SBM and School Administration Team. Any monies will be banked monthly or more frequently if the cash sums collected exceed £5,000 (RPA Insurance limit £50 excess for primary schools).

Monies collected must be banked in their entirety in the Academy bank account. The Assistant Business Manager is responsible for the counting of monies and completion of bank deposit paperwork. The Business Manager is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The depositing of monies is undertaken jointly with other office staff both for security and for propriety in handling the reconciliation process. The reconciliations must be prepared promptly after each banking and signed by the preparer.

Parents are strongly encouraged to pay online via Arbor for school meals, breakfast/afterschool clubs, trips and events. Payments made by parents online are identified, and reconciled with payments received weekly from Arbor via BACS into the school's bank accounts. Cash book journals are made to record the payments on FMS.

#### **10. Bank & Cash Management, Reserves & Investment**

The opening of all Academy bank accounts must be authorised by the governors who will agree the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS), charge cards and other means of electronic transfer of funds must also be subject to the same level of control.

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

- the amount of the deposit and
- a reference, such as the number of the receipt or the name of the debtor
- documentation to support each element making up the deposit. For example, a Trip
- collection sheet

All instruments authorising withdrawal from Academy bank accounts must bear the signatures of two authorised signatories. All payments must accord with payment limits specified on the academy's bank account mandate.

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

- all bank accounts are reconciled to the Academy's nominal ledger;
- bank reconciliations are prepared by the Business Manager and approved in the form of the Headteacher's signature with all month end papers as appropriate.

## **Petty Cash**

Petty Cash is not permitted in the Academy

## **Cash Flow Forecasts**

The Business Manager is responsible for preparing cash flow forecasts (with support from Schools Finance as appropriate) to ensure that the Academy has sufficient funds available to pay for day-to-day operations. Where cash flow forecasts predict a lack of available funds to service commitments, this should be notified to the Headteacher and Chair of Governors immediately. It is not permissible for any bank account to be overdrawn at any stage.

## **Debit Card Expenditure**

Debit Card payments require prior budget holder approval on an official Debit Card Purchase Order form before being made. A Full VAT receipt is to be obtained and filed. The Headteacher signature is required to approve the payment.

## **Staff Expenses**

Staff must seek prior budget holder approval for any expenditure they incur which they wish to be reimbursed by the Academy. Written approval in the form of a Expenses form must be sought for all items and this must be signed off by the appropriate budget holder before any items are purchased through expenses.

Expense claims are to be approved by the Headteacher and a VAT receipt and order form attached where appropriate.

Headteacher expenses are to be approved by either the Deputy/Assistant Headteacher or the Chair of Governors.

## **Reserves**

The Governing Body consider it prudent to maintain reserves between £175,000 and £200,000 each year as a contingency for unexpected expenditure.

## **Investment**

The Governing Body have a low risk investment strategy to minimise the risk to public funds.

All cash is currently held in a current account. After the year-end, reserves may be invested in a savings account to generate interest. However, sufficient funds will always be retained in the current account to enable cash flow management.

Old Basford School will adhere to the Charity Commission's guidance and seek prior approval from the ESFA for investments of any value that are novel, contentious or repercussive.

## **11. Special Payments**

For the purpose of this policy, special payments include:

- Special staff severance payments.
- Compensation payments.
- Ex gratia payments.

Where Old Basford School considers making a special staff severance payment above statutory or contractual entitlements, the following factors will be considered prior to making the commitment:

- The proposed payment is in the interest of Old Basford School

- The payment is justified, based on legal assessment of the chances Old Basford School will successfully defend the case at an employment tribunal; if there is a significant chance Old Basford School will lose the case, a settlement may be justified, but if there is a significant chance it will be successful, a settlement will not be offered.
- Where a settlement is justified, the level of settlement is less than the legal assessment of what the relevant body will award.

Old Basford School will not make severance payments where the money could be interpreted as a reward for failure, e.g. gross misconduct or poor performance; the only instance in which the trust may offer severance payments in the event of gross misconduct would be where the claimant would be likely to succeed in an employment tribunal because of procedural or legal errors. In the case of poor performance, the cost of a severance payment will be considered against the time and cost of taking the individual through performance management and capability procedures.

Where Old Basford School is considering paying a staff severance payment of £50,000 and above, prior approval will be sought from the ESFA before making any offer. The ESFA will refer the transaction to HM Treasury so the trust will allow sufficient time for these considerations to take place.

Old Basford School will also obtain prior approval from the ESFA before making a staff severance payment where:

- An exit package which includes a special severance payment is at, or above, £100,000; and/or
- The employee earns over £150,000.

Old Basford School will show value for money for all severance payments.

Compensation payments will take account of the facts of the matter ensuring value for money is achieved. For compensation payments worth £50,000 and above, prior approval from the ESFA will be sought. Old Basford School will consider whether cases reveal concerns pertaining to the effectiveness of internal control.

Ex gratia payments will always be referred to the ESFA for prior approval.

## **12. Fixed assets**

All items purchased with a value over the academy's capitalisation limit must be entered on the asset register.

The capitalisation limit has been set at £1000.

The register should include the following information:

- asset description
- asset number
- serial number
- location of asset
- name of member of staff responsible for the asset

The Asset Register helps:

The asset

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

Assets must be secured by means of physical and other security devices. Only authorised staff may access the assets.

All the items in the register should be permanently and visibly marked as the Academy's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Governing Body.

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Governing Body. The Academy must seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Academy would need to ensure licenses for software programmes have been legally transferred to a new owner, or that the hard drive has been cleaned prior to the computer work being handed over.

All disposals of land must be agreed in advance with the Governors, Secretary of State and Local Authority.

Items of Academy property must not be removed from Academy premises without the authority of the Headteacher. A record of property loan must be recorded and booked back in at the Academy when it is returned. This does not apply to laptops which are used in the Academy and taken home on a daily basis.

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

### **Depreciation**

Depreciation will be calculated on an annual basis for preparation of the year-end accounts.

The rates of depreciation have been agreed by the Governing Body as:

<i>Asset Type</i>	<i>Assumed Economic Life</i>	<i>Depreciation Rate</i>	<i>Method</i>
Land	Infinite	None charged	
Freehold buildings	50 years	2% p.a.	Straight Line
Fixtures, Fittings & Equipment	5 years	20% p.a.	Straight Line
ICT Equipment	4 years	25% p.a.	Straight Line
Motor Vehicles	5 years	20% p.a.	Straight Line

### **13. Management of Risk**

The Academy must maintain a risk register and update to assess existing risks and add new risks.

Risks should be identified and quantified based on likelihood and impact. Evidence and controls should be provided to determine how each risk is being managed.

The Risk Register should be updated at least annually and presented to the governing body for review.

Old Basford School will manage risks to ensure its effective operation. The management of risks will include contingency and business continuity plans and cover the full operations and activities of Old Basford School, not only financial risks.

Overall responsibility for risk management will be retained by the board of trustees, who will draw upon advice provided by the audit and risk committee, and any other committees where appropriate and relevant.

Old Basford School will maintain a risk register. The board of trustees will review the risk register annually.

Old Basford School will have adequate insurance cover in compliance with its legal obligations or will become a member of the academies risk protection arrangement. Old Basford School will cooperate with risk management auditors and risk managers and will implement any reasonable recommendations made.

#### **14. Auditing accounts**

In line with the Companies Act 2006, Old Basford School will appoint an external auditor to give an opinion on whether the annual accounts present a true and fair view of Old Basford School's financial performance and position.

The contract with the external auditor will be in writing and be accompanied by a letter of engagement that only covers the details of the external audit including the requirements of the DfE. Where additional services are purchased, Old Basford School will obtain a separate letter of engagement specifying the work and the fee.

The contract with the external auditor will be retendered at least every five years.

The letter of engagement will include the details of the removal of external auditors, before the expiry of the term of office, in exceptional circumstances. External auditors will only be removed by majority vote of the members, who will provide a reason for their decision to the board.

The board of trustees will notify the ESFA immediately of the removal or resignation of auditors. If an auditor is removed, the ESFA will be informed of the reasons. If an auditor resigns, Old Basford School will send the ESFA a copy of the auditor's explanation. A change in auditor at the expiry of the agreed term of office does not require notification.

Old Basford School will carry out an audit to manage risk and to check controls; the results of the audit will inform the accounting officer's statement on regularity, propriety and compliance.

The accounting officer will produce a statement on regularity, propriety and compliance which will be included in Old Basford School's annual accounts. The statement on regularity, propriety and compliance will ensure that:

- There is efficient and effective use of resources in their charge.
- Public money is spent for the purposes intended by parliament.
- Appropriate standards of conduct, behaviour and corporate governance are maintained when applying the funds under their control.

Old Basford School will respond promptly, reasonably and appropriately to any findings by the auditors.

Accounts will be audited in line with the ESFA's accounts direction and the SORP.

Audited report and accounts will be submitted to the ESFA by the 31 December every year following the end of the financial year, and will be filed with Companies House under company law, usually by 31 May. The results of Old Basford School's audit will be published on Old Basford School website by 31 January and will be made available to anyone who has requested a copy.

All copies of the accounting audit will be stored and filed securely, in line with the UK GDPR and the Data Protection Act 2018.

Old Basford School will include an annual skills and experience assessment, including a review of the board's composition in terms of skills, effectiveness, leadership and impact.

## **15. Internal Scrutiny**

Old Basford School will utilise a programme of internal scrutiny to provide independent assurance that financial and non-financial controls, and risk management procedures, are operating effectively. The internal scrutiny programme of work is directed by the audit and risk committee.

As prescribed by the 'ATH, internal scrutiny will focus on:

- **Evaluating** the suitability of, and level of compliance with, financial and non-financial controls, including assessing whether procedures are designed effectively and efficiently, and checking transactions to confirm whether agreed procedures have been followed.
- **Offering advice and insight** to the board on how to address weaknesses in financial and non-financial controls and acting as a catalyst for improvement, but without diluting management's responsibility for the day-to-day management of Old Basford School.
- **Ensuring all categories of risk** are adequately identified, reported and managed.

Old Basford School will identify, with reference to its risk register, the areas of risk it will review each year, modifying checks accordingly.

Internal scrutiny will:

- Be independent and objective, e.g. will not be performed by Old Basford School's accounting officer or any other member of the finance team.
- Be conducted by someone suitably qualified and experienced and able to draw upon technical expertise when required.
- Be covered by a scheme of work that is driven and agreed by the audit and risk committee, and informed by risk.
- Be timely, with the programme spread appropriately over the year so higher risk areas are reviewed in a timely manner.
- Include regular updates to the audit and risk committee which include:
  - Recommendations to enhance financial and non-financial controls and risk management.
  - A short annual summary report for each year ended 31 August outlining the areas reviewed, key findings, recommendations and conclusions – this will allow the audit and risk committee to consider any necessary actions and assess year-on-year progress.

To ensure suitable internal scrutiny, auditors will be members of a relevant professional body, and trustees and peer reviewers will have qualifications and experience in finance, accounting or audit.

Old Basford School will utilise one or more of the following internal scrutiny methods as deemed appropriate by the audit and risk committee:

- Employing an in-house internal auditor
- A bought-in internal audit service from a firm, other organisation or individual with professional indemnity insurance.
- The appointment of a non-employed trustee.
- A peer review by the CFO from another trust. Old Basford School will ensure that the trust supplying the reviewer has a good standard of financial management and governance, and will minute the basis for its decision.

Those carrying out checks will report directly to the audit and risk committee. Findings will be promptly made available to all trustees.

Old Basford School will keep its approach to internal scrutiny under review. If Old Basford School changes in size, complexity or risk profile, the approach will be promptly reviewed. Old Basford School will confirm in its governance statement which of the internal scrutiny options has been applied and why.

Old Basford School will submit its annual summary report of the areas reviewed, key findings, recommendations and conclusions to the ESFA by 31 December each year when submitting the audited annual accounts. If Old Basford School uses additional individuals or organisations where specialist non-financial knowledge is required, their findings, recommendations and conclusions will be reflected as part of the summary document submitted to the ESFA. Old Basford School will also provide the ESFA with any other internal scrutiny reports if requested to do so.

## **16. Leasing**

For the purpose of this policy, there are two types of lease:

- Finance leases – a form of borrowing
- Operating leases – not a form of borrowing

Old Basford School will obtain prior approval from the ESFA for the following lease transactions:

- Taking up a finance lease on any class of asset for any duration from another party.
- Taking up a leasehold or tenancy agreement on land or buildings from another party 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.

Any lease will maintain the principles of value for money, regularity and propriety.

## **17. Notices to improve**

If Old Basford School becomes subject to a Notice to Improve (Ntl), it will be notified by the ESFA of the date of which the Ntl has been published. Old Basford School will then publish the Ntl on its website within 14 days of it being issued and retain it on the website until the Ntl is lifted by the ESFA.

If Old Basford School is under a Ntl, the following transactions must be approved by the ESFA:

- Special staff severance payments
- Compensation payments
- Writing off debts and losses
- Entering into guarantees, indemnities or letters of comfort
- Disposals of fixed assets beyond any limit in the funding agreement
- Taking up a leasehold or tenancy agreement on land or buildings of a duration beyond any limit in the funding agreement
- Carry forward of unspent GAG from one year to the next beyond any limit in the funding agreement

Old Basford School will also ensure approval is sought for entering into transactions with related parties, if applicable under the Ntl

If the ESFA intervenes because of concerns over financial management and/or governance, Old Basford School may be required to submit additional information such as monthly income and expenditure accounts, cash flow statements and balance sheets.

Old Basford School will remove a member or trustee when directed to do so by the Secretary of State.

### **18. Self-assessment**

Old Basford School will complete the '[School resource management and self-assessment tool](#)' and submit its completed checklist to the ESFA by the specified annual deadline.

Old Basford School will ensure that external reviews of governance are also conducted routinely as part of its programme of self-assessment. Reviews will consider the interaction between members and trustees, including the extent to which members are able to assure themselves that the trustees undertake their duties effectively.

### **19. Record keeping**

All financial transactions of Old Basford School are recorded including, but not limited to, the following:

- Purchases and tenders
- Returns
- Payroll
- Cash flow
- Income and expenditures
- VAT returns

The SBM is responsible for keeping up-to-date records in relation to the finances of their academy.

Records will include the following information:

- Income and expenditure; identifying which transactions were cheques and which were cash payments
- The income and expenditure for each activity, with the activity recorded as a budget heading
- A balance sheet which identifies total income, expenditure and the balance for each budget heading
- The total income and expenditure for the year
- The balance and carry forward from the previous year
- Identified profit and loss – any causing concern is investigated

A record will be kept in the admin office of all the monies kept on the premises prior to banking.

### **20. ESFA investigations**

Old Basford School will be prepared for the possibility that the ESFA or its agents may carry out audits and investigations of Old Basford School, during which Old Basford School must provide access to all its books, records, information, explanations, assets, premises and staff. The ESFA may conduct interviews during its audits and investigations.

Where the ESFA has concerns about Old Basford School's financial management, Old Basford School will provide the ESFA with written authority giving permission for third parties to provide information to the ESFA, where the ESFA considers this relevant for the purposes of its investigation.

### **21. Fraud and whistleblowing**

Old Basford School is aware of the risk of fraud theft and irregularity and has an Anti-Fraud and Corruption Policy.

Where instances of fraud, theft or irregularity are suspected or identified, Old Basford School will investigate them promptly and, should any evidence of fraud be found, take appropriate action.

Old Basford School has a Whistleblowing Policy in place which outlines the procedures to follow in the event of a report being made by a member of staff, as well as the appeals process and what can be done in the event of a whistle-blower being treated unfairly.

The Whistleblowing Policy is published on Old Basford School's website.

Old Basford School will ensure all members of staff are aware of the Whistleblowing Policy, ensuring that they understand the process of reporting a concern and what they can expect once they have brought a concern to the attention of Old Basford School.

## **22. Cyber-crime**

Old Basford School will ensure that it is aware of the risk of cyber-crime, and has put in place proportionate controls to mitigate the risk of cyber-security incidents and appropriate actions that can be taken in the event that a cyber-security incident occurs.

Old Basford School will not pay any ransom demands during a ransomware attack under most circumstances, and will avoid encouraging, condoning or endorsing the payment of ransom demands. Old Basford School will only pay ransom demands following approval from the ESFA.

## **23. Monitoring and review**

This policy will be reviewed annually by the headteacher and school business manager, and approved by the board of trustees. Any changes to the policy will be made, and communicated to all members of staff. The scheduled review date for this policy is Autumn Term 2025