



Financial Procedures Policy

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Date Approved:	July 2025
Date of Review:	July 2026
Version	1.4

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Statement of intent

It is important for Odyssey Collaborative Trust to demonstrate that we use public money appropriately. To ensure that the financial standing of the trust cannot be brought into disrepute, this policy will be implemented by the central trust and all schools within the trust, guaranteeing consistency in financial procedures across the trust.

This policy applies to all employees in the trust, trustees, members and governors as well as services and goods sourced from external agencies, such as contractors and caterers.

The trust takes its responsibility for handling public funds with the utmost importance and strives to continuously provide a high-quality education and safe learning environment, whilst having a strong financial standing.

Legal framework

This policy has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:

- Employment Relations Act 1999
- Companies Act 2006
- Equality Act 2010
- The Education (School Teachers' Appraisal) (England) Regulations 2012 (as amended)
- The Academy Trust Handbook
- DFE 'Declare or seek approval for related party transactions: summary guidance'
- Data Protection Act 2018
- UK General Data Protection Regulation (UK GDPR)

This policy operates in conjunction with the following policies:

- Pay Policy
- Charging and Remissions Policy
- Reserves Policy
- Investment Policy
- Data Protection Policy
- Whistleblowing Policy
- Articles of Association

Roles and responsibilities

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, by special resolution, new members 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 trust's Articles of Association.
- Where necessary, by special resolution, issuing direction to the trustees to take a specific action.
- Appointing the trust's auditors and receiving (but not signing) the trust's audited annual accounts.
- Conducting the business of the trust in accordance with company and charity law and adhering to the trust's funding agreement with the Secretary of State.

Members will not be employees of the trust or occupy staff establishment roles on an unpaid voluntary basis.

The trust will ensure that members are not currently subject to a section 128 direction and will not appoint anyone as a member if they are currently subject to a section 128 direction.

The board of trustees is responsible for:

- Applying the highest standards of conduct and governance and taking full ownership of their duties.
- Ensuring the board meets at least three times a year, and conducts business only when quorate.
- Identifying the skills and experience it needs, including sufficient financial knowledge to hold the executive to account.
- Approving the trust Financial Procedures Policy which includes key policies and delegated limits.
- Approving the annual top slice contribution from schools.
- Approving a balanced budget for the financial year and minuting the approval.
- Managing conflicts of interests and related party transactions.
- Ensuring decisions about 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 an audit committee within the resources committee to advise on the adequacy of the trust's controls and risks.
- Submitting audited accounts to the DFE by 31 December.
- Ensuring an appropriate, reasonable and timely response is given to findings by auditors.

The board of trustees will appoint a senior executive leader known as the CEO. The board will also appoint a named individual as the trust's accounting officer – this will be the CEO. The roles of CEO and accounting officer will not rotate.

When the CEO is planning to leave the trust, the board of trustees will approach the trust's Regional Director in advance to discuss the trust's structure and options, including plans for recruitment.

The accounting officer is responsible for:

- The trust's financial affairs.
- Sharing the DFE's '[Letter to academy trust accounting officers](#)' letter with the members, trustees, the CFO and other relevant stakeholders, arranging for it to be discussed by the board of trustees and taking action, where appropriate, to strengthen the trust's financial systems and controls.
- Achieving value for money and the best possible educational outcomes through the economic, efficient and effective use of resources.
- Ensuring regularity when dealing with items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement and the 'Academy Trust Handbook' (ATH), and with the trust's internal procedures.
- Ensuring propriety with regards to expenditure and receipts, including standards of conduct, behaviour and corporate governance.

- Completing and signing a statement of regularity, propriety and compliance each year and submitting this to the DFE with the audited accounts.
- Keeping full and accurate financial records.
- The management of opportunities and risks.
- Assuring the board of trustees that the trust is compliant with the ATH and the funding agreement.
- Informing the board of trustees, in writing, of any action or policy under consideration that is incompatible with the terms of the Articles of Association, funding agreement or the ATH.
- Informing the DFE, in writing, where they have advised the board of trustees that they are in breach of the Articles of Association, funding agreement or ATH but the board has continued with their actions.

The CFO is responsible for:

- Acting as the principal finance officer for the trust.
- Ensuring that the trust's financial position is managed at a strategic level within the framework for financial control determined by the board of trustees.
- Ensuring that all financial matters focus on the wider needs of the trust, rather than on any individual school.
- Working with internal auditors to provide assurance to the resources and audit committee and board of trustees.
- Ensuring the annual accounts are properly presented and adequately supported by the underlying books and records of the trust.
- Challenging finance staff to ensure that value for money is routinely obtained.
- Ensuring effective financial policies are in place across the trust.
- Liaising with the headteacher and SBM from each school regarding financial matters.
- Maintaining their own CPD and undertaking relevant ongoing training.
- Reviewing the Finance Procedures Policy annually.

The trust resources and audit committee are responsible for:

- Directing the trust's programme of internal scrutiny and reporting to the board on the adequacy of the trust's financial and other controls and management of risks.
- Ensuring that risks are being addressed appropriately through internal scrutiny.
- Reviewing the external auditor's plan each year.
- Reviewing the annual report and accounts.
- Reviewing the external auditor's findings and actions taken by the trust's managers in response to those findings.
- Assessing the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal or retendering.
- Producing an annual report of the committee's conclusions to advise the board of trustees and members, including recommendations on the reappointment, dismissal or retendering of the external auditor, and their remuneration.

- Maintaining a register of pecuniary interests for members and trustees.
- Ensuring CIF capital income is spent as intended by the DFE.

Local governing boards are responsible for:

- Reviewing the budget for their school and making recommendations for approval to the board of trustees
- Ensuring the trust arrangements for obtaining quotations and inviting tenders are followed
- Submitting to the Board any proposed write-offs and disposals of surplus assets, stock and equipment over the value of £1000
- Determining such matters relating to building maintenance, health and safety and lettings outside school hours falling outside the scope of the trust in accordance with the governors' delegated responsibilities
- Considering the findings and recommendations of Audit reports and findings identified by the CFO
- Ensuring that any grant income is used for the purposes intended
- Maintaining a register of pecuniary interests for governors
- Sharing views with CFO on the top slice

The headteacher is responsible for:

- Preparing the school improvement plan and school budget in accordance with agreed priorities and submission of these plans to the LGB and ultimately trustees for approval
- In conjunction with trust finance team, providing a termly financial report to the LGB. This should report any variations in expenditure against the approved budget plan
- Ensuring that the finance system is maintained and kept up to date
- Providing access to accounting and other relevant records to audit, and implementing auditor recommendations where necessary
- Checking that the school inventory is maintained as accurately and up to date as possible and ensuring that an independent check of the inventory is made at least once a year
- Maintaining a register of pecuniary interests for staff
- Recommending to the Trust board for approval any items that need to be written off and providing an update to the LGB.
- Ensuring that adequate procedures are in place for the prompt security marking of all items of a portable and desirable nature
- Ensuring that for all financial responsibilities delegated, the school financial procedures are followed
- Maintain a central file of all submitted applications for local grant funding and counter sign submissions for audit purposes
- Consulting with the Trust Central Team in relation to the appointment, pay and contractual terms of members of staff other than the headteacher
- Sharing with CFO views on the top slice

The role of the SBM/Office Manager and school administrators is

- to conduct all financial transactions in accordance with the relevant policies
- to manage any budget delegated to them by the Headteacher responsibly, and after due consultation with relevant staff
- to actively seek 'best value' on all work, goods, materials or services procured on behalf of the school or trust using the tender policy (see appendix 1)
- to ensure that all relevant documents (delivery notes, invoices etc.) are promptly checked, input and reconciled.

The board of trustees will appoint a governance professional to support the board of trustees who is someone other than a trustee, headteacher or chief executive. The governance professional is responsible for ensuring the efficient functioning of the board of trustees by providing:

- Administrative and organisational support.
- Guidance to ensure the board works in compliance with the appropriate legal and regulatory framework, and understands the potential consequences of non-compliance.
- Independent advice on procedural matters relating to the operation of the board.

The DFE will be informed through GIAS within 14 calendar days if the trust appoints or terminates the contract of:

- An accounting officer or CFO
- A chair of trustees
- A member
- A headteacher
- A chair of a local governing board
- A local governor.

For the appointment of new headteachers, see the Scheme of Delegation

For the annual appraisal of the headteacher and any subsequent pay decision, see appraisal policy.

Delegated financial limits

Individual School Expenditure

Financial Authorisation limit for order/invoices relating to **expenditure within the approved budget**

- Office Manager up to £2,500
- SBM up to £10,000
- Headteacher up to £20,000
- LGB £20,000 and over

Financial Authorisation limit for expenditure in excess of the approved budget where the **in-year balance will remain in excess of the agreed reserves target** for that school.

- SBM or Headteacher up to £15,000
- CFO or CEO up to £25,000
- R & A Committee £25,000 and over

Financial Authorisation limit for expenditure in excess of the approved budget where the **in-year balance will fall below the agreed reserves target** for that school.

- SBM or Headteacher up to £5,000
- CFO and CEO up to £10,000
- R & A Committee £10,000 and over

Changes to the staffing structure outside of approved budgets should be discussed with the CFO or CEO.

Central Trust Expenditure

Financial Authorisation limit for orders/invoices relating to **expenditure within the approved budget**

- COO up to £10,000
- CEO or CFO £10,000 and above

Financial Authorisation limit for expenditure in **excess of the approved budget** where the **in-year balance will remain in excess of the agreed reserves target**

- CEO or CFO up to £25,000
- R & A Committee £25,000 and above

Financial Authorisation limit for expenditure in **excess of the approved budget** where the **in-year balance will fall below the agreed reserves target**

- CEO and CFO up to £5,000
- R & A Committee £5,000 and above

Trust contracts

Financial Authorisation limit for approval of orders/invoices relating to **expenditure within approved budget**

- CEO or CFO up to £100,000 per annum
- R & A Committee over £100,000 per annum

Capital expenditure

Financial Authorisation limit for approval of orders/invoices relating to **Capital projects approved by R & A Committee**

- CEO or CFO individual projects up to £150,000
- Two of CEO/CFO/Chair of R & A individual projects between £150,000 to £250,000
- Full Trust Board individual projects over £250,000

Financial oversight

The trust takes full responsibility for its financial affairs, stewardship of assets and use of resources to maximise pupils' outcomes.

The board of trustees meets at least three times a year. The resources and audit committee meet at least three times a year. Where the board of trustees meets less than six times a year, it will explain in its governance statement how effective oversight of funds was maintained with fewer meetings.

The board of trustees does not delegate overall responsibility for the trust's funds. The board of trustees approves a written scheme of delegation of financial powers that maintains robust internal controls. The scheme of delegation is reviewed annually, and immediately when there has been a change in the trust's management or organisational structure.

The board of trustees' delegates financial scrutiny and oversight to the resources and audit committee, which can support the board in maintaining the trust as a going concern.

Constituent schools joining the trust will be asked to complete a financial management and governance self-assessment.

Financial autonomy

The board of trustees recognises that financial and operational autonomy are areas of highest risk to the overall efficient and effective functioning of the trust as a whole. These are the areas that need to be addressed immediately in terms of effective monitoring and evaluation of each school in order that accurate assessment of each school's position in relation to these two areas is made, identification of any issues to be addressed is timely and accurate, and plans for remedial action are structured and likely to be successful.

Different schools will be more or less successful in managing their budgets and in reacting to adversity caused by sudden changes and/or unexpected difficulties. It is the role of the CFO, the CEO and the Resources & Audit Committee to identify what is happening, whether there are remediable issues or not, and what would be most effective remedial action. Any reductions in operational or financial autonomy will be situation dependent and decided by the CEO and the Resources & Audit Committee with advice from the CFO.

The table below identifies general levels of autonomy and the kind of identification and notifications that are needed. All reductions in autonomy will be detailed for the headteacher and local governing board of a school required to operate with restricted autonomy along with detailed recommendations for actions necessary to facilitate improvement and to move the school back to a higher level of autonomy. It will include timescales for the improvement, performance criteria for the improvement to be deemed successful and how the return to a higher level of autonomy would be affected.

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

Budget setting

The budget is a working document which may need revising throughout the year as circumstances change. Any significant revisions will be reported to the resources and audit committee and the local governing boards.

The budget planning process follows an annual planning cycle and consists of the following four phases:

- Planning
- Budget setting
- Monitoring
- Review

The budget process takes the following elements into account:

- Forecasts of likely pupil numbers to estimate the amount of DfE grant available
- Review of other income sources
- Review of past performance against budgets
- Identification of potential efficiency and budget containment actions through internal benchmarking across trust schools, integrated curriculum financial planning reviews and external benchmarking using tools available through the DfE
- An annual review of expenditure headings to reflect known changes and expected variations in costs, such as pay increases, inflation or other anticipated changes

When reviewing and approving budgets for the trust, the board of trustees ensures the following:

- That budget forecasts, for the current year and beyond, are compiled accurately, based on realistic assumptions and are reflective of lessons learned from previous years.
- That pupil number estimates are challenged and that these underpin revenue projections, and review these on a termly basis.
- An integrated approach to curriculum and financial planning is taken.

Each school within the trust will have an independent budget which will be monitored by their local governing board.

Schools will be expected to set an in-year balanced budget and will be set an individual reserves target. In exceptional circumstances, trustees may approve the use of reserves to support an in year-deficit budget.

A consolidated balanced budget for the forthcoming financial year will be approved by the board of trustees, and this approval will be minuted. The annual budget will reflect the best estimate of the resources available to the trust for the forthcoming year and will detail how those resources will be utilised, establishing clear links to support the objectives identified in school improvement plans.

Both medium-term and short-term financial plans are prepared for the trust and each of the schools in the trust. The medium-term plan indicates how the educational aims and other objectives of the trust and each school are going to be achieved within the expected level of resources over the next five years.

The trust strategic plan and school improvement plans provide the framework for the annual budget.

Draft budgets will be presented to the resources and audit committee, following recommendation from the local governing board, as well as to the CFO, together with a supporting report for approval of the board of trustees. Once budgets are agreed, this will be communicated to all responsible budget holders to ensure they are aware of the overall budgetary constraints.

The board of trustees will notify the DFE within 14 calendar days of proposing to set a deficit revenue budget.

Budget management and monitoring

To implement a consistent and smooth-running planning process, the CFO will create an annual budget setting strategy. This will include a timetable outlining important dates, such as when information will be collected, including salary information and estimated budget allocation and estimated future inflationary pressures.

The SBMs at each school are responsible for monitoring income and expenditure in their school throughout the year. Where a school does not have an SBM in post, the CFO will support the Office Manager and Headteacher to monitor income and expenditure in their school.

A five-year budget forecast will be prepared when the budget for the current financial year is being set.

The CFO will prepare monthly management accounts, setting out the trust's financial performance and position and including an income and expenditure account, variation to budget report, cash flow information and balance sheet. The accounts will be shared on GovernorHub with the all trustees every month even if they do not meet in each of those months.

The board of trustees will consider the management accounts when it meets and will ensure appropriate action is being taken to maintain financial viability. The board of trustees will select key financial performance indicators and measure its budgetary performance against these regularly.

Any potential overspend against the budget will be discussed with the CFO before receiving approval.

The monitoring process will be effective and timely in highlighting variances in the budget so that differences can be investigated, and action taken where appropriate. The resources and audit committee will continually monitor the quality of the financial information presented to

them to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative.

The trust will submit a budget forecast return (BFR) to the DFE each August. The trust's budget forecast return outturn information will be included in the budget forecast return.

As the BFR deadline falls within the summer break, it is likely that there would not be opportunity for the Trust Board to approve the return in full prior to submission. Therefore, the BFR will be prepared by the CFO and approved by the CEO to ensure submission by the deadline at the end of August. The BFR will include the current year financial position as reported to trustees in the most recent management accounts and the financial information from the budgets approved by the board of trustees prior to the summer break.

Where the board of trustees has concerns about the trust's financial performance, it will act quickly to ensure the trust has adequate financial skills in place and consider whether additional financial reporting is required.

Cash management

The trust has robust procedures in place to manage its cash position and will avoid becoming overdrawn on any of its bank accounts so that it does not breach restrictions on borrowing.

The trust operates with one main bank account. The CFO will prepare cash flow forecasts to ensure that the trust has sufficient funds available to cover day-to-day operations. When producing cash flow forecasts, if significant balances can be foreseen, steps will be taken to invest the surplus funds.

All cheques and other instruments authorising withdrawal from the trust's bank account will bear two authorising signatures or electronic signatures in line with the scheme of delegation.

Any payment via the BAC's system will be processed by the central admin team and authorised by the CFO/COO or CEO.

Expenses

The trust does not operate a petty cash system but does recognise that occasionally it is not practical to purchase small or one-off items via the usual procurement route, and as such, employees may purchase items on behalf of the trust using their own funds. As schools and the central team hold business purchase cards, the number of occasions where staff purchase items from their own funds should be minimal. Employees can request reimbursement of the purchase cost using an Expenses Request Form providing the purchase was prior approved by the Headteacher/SBM/CFO/CEO.

Expenses Request Forms must be accompanied by proof of purchase (a receipt/invoice/confirmation email) and approved and signed by either the

Headteacher/SBM/CFO. Employees cannot authorise their own expense requests. All approved expense claims are processed through payroll.

Mileage Claims

Payment for mileage will be paid at the HMRC rate. Employees can request to reclaim mileage using a Mileage Claim Form. Travel to and from the designated place of employment cannot be reclaimed. The claim must be accompanied by a VAT receipt for fuel and approved and signed by the Headteacher/SBM/CFO/CEO. Employees cannot authorise their own mileage claims.

Business Purchase Cards

Business purchase cards linked to the trust bank account can be used to pay for goods and services when the normal ordering processes are not possible. The procurement of goods and services using purchase cards will be kept to a minimum and monitored by the CFO.

Business Purchase Cards can be held by up to five named cardholders in each school and by named cardholders in the central team. Cardholders have a credit limit of up to £1,500 unless they operate over more than one school, where the limit is increased to £2,500. Any temporary increases in limits must be authorised by the CFO.

Each cardholder is personally responsible for the safe custody of their card. The card should be held securely at all times and any loss of cards should be reported immediately. Both the cardholder and the authorising signatory are jointly liable for the integrity of all transactions and proper and controlled use of the card.

Monthly statements will be received by the central team and distributed to each school for matching with receipts and reconciliation.

The CFO will check each school's monthly reconciliation to ensure that the purchase card system is operating correctly. Where the CEO is a cardholder, transactions must be reconciled and passed to the either the CFO & COO or the Chair of Trustees for an authorising signature(s).

The trust does not currently operate a petty cash system.

Trade Card Accounts – New Section

Trade card accounts can be used to order goods when the normal ordering processes are not possible. Goods ordered this way are invoiced monthly through a trade account. Trade card accounts enable site managers/caretakers, to purchase maintenance and repairs supplies out of normal school hours and school holidays.

The opening of trade accounts, issue and use of trade cards is controlled locally by the SBM with approval from the Headteacher. The CFO must be notified of any new trade accounts before they are opened and an account limit agreed. The account limit should not be more than £500. The procurement of goods using trade cards will be kept to a minimum and monitored by the SBM/CFO.

Each trade cardholder is personally responsible for the safe custody of their card. The card should be held securely at all times and any loss of cards should be reported immediately. Both the cardholder and the authorising signatory are jointly liable for the integrity of all transactions and proper and controlled use of the card.

Trade cardholders should seek prior authorisation for purchases where practical. The trust acknowledges that this is not always possible, especially during holiday periods or out of normal school hours. A receipt/goods received note must be obtained by the card holder for all purchases made using the trade account. These must be passed to the SBM/Office Manager at the earliest opportunity for reconciliation to the trade invoice.

Purchasing, procurement and returns

The trust will ensure:

- Spending has been for the purpose intended and there is probity in the use of public funds.
- Spending decisions represent value for money.
- Internal delegation levels exist and are applied.
- Professional advice is obtained where appropriate.

All schools within the trust will act in accordance with the trust's Tendering & Procurement Policy and comply with the procurement rules and thresholds in The Public Contracts Regulations 2015 and [Find a Tender](#) service.

The trust uses the DfE's deals for schools' service where possible.

A summary of trust procurement thresholds are as follows:

- Up to £5,000 – by budget holders who will be responsible for ensuring that reasonable steps have been taken to achieve Best Value, or procurement through a framework agreement
- Over £5,000 up to £40,000 – procurement through a framework agreement, deals for schools or by obtaining at least 3 comparable quotes.
- Over £40,000 – procurement through a framework agreement or tender process.

Exceptions to the requirement for 3 quotes for purchases up to £40,000 are when

- There is a likelihood of school closure or a significant risk to health & safety if the order isn't raised immediately
- The purchase is bespoke, so no comparable quotes can be obtained
- The purchase is an enhancement to a system or service already in place which would mean an alternative would not be economically viable.

In any of these exceptional circumstances the CFO/CEO must be consulted before an order is placed.

Full details of the trust's procurement processes are outlined in the [Tendering and](#)

Orders

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

- orders should not be entered into verbally and should be processed through purchase orders on the accountancy system unless a purchase card has been used. The use of the accounting system for placing orders automatically updates the financial records and enables committed expenditure to be included in management information for trustees and local governing boards
- only in exceptional circumstances (e.g. emergency repairs) may orders be placed by telephone. In such circumstances a confirmation order should be generated. Orders are directly emailed to suppliers
- orders should always include the trust's terms & conditions of order and protect the trust against terms and conditions imposed by suppliers in the absence of quoted terms & conditions
- orders should only be approved in accordance with the authorised limits
- orders may only be used for goods and services provided to the trust. Private individuals and other organisations may not use 'Official Order Forms' to obtain personal work, goods, materials and services net of VAT

Suppliers

All requests for new suppliers must be sent to the central team (finance@odysseyct.org.uk) and must be accompanied by the supplier's bank details and email address for remittances.

Not all suppliers provide supplier statements. Where these are given they provide an opportunity for School Business Managers to check that the correct invoices have been received. When they are provided, supplier statements should be retained and checked upon receipt against vendor line items. If an invoice number and amount cannot be matched then the supplier should be contacted to provide a copy invoice. The responsible manager will check month end reconciliations.

Supplier statements should be retained at the end of the financial year for audit purposes.

Receipt of goods

The budget holder must make appropriate arrangements for the delivery of goods and services. On receipt of goods and services there must be a detailed check of the goods and services received against the purchase order (or equivalent in exceptional circumstances). Where delivery notes are not produced, then the receipt of goods and services should be recorded on the order form and a proof of delivery form completed by the member of staff receiving the goods. All discrepancies must be discussed with the supplier of the goods and services without delay.

Goods received should be receipted on the accountancy system against the purchase order.

Invoices

All invoices are recorded and stored for future reference, with checks on the following information:

- The mathematical validity
- The purchase ledger code
- The goods or services ordered and delivered
- Any difference between the agreed and delivered price
- The authorisation for payment
- The amount paid in VAT
- The total payment made

Invoices will be authorised for payment by the relevant budget holder and then passed to the school office/central team for processing and payment.

Invoices are input to the accountancy system and matched against the purchase order. Invoices should not be input and authorised by the same person.

Income

The main sources of income for the trust are the grants from the Department for Education (DfE). The receipt of these sums is monitored directly by the CFO. Funding is allocated directly to each school based on DfE allocations. Grants are also received from the Local Authority for Early Years nursery funding, Element 3 top up funding for SEND pupils with an EHCP and the Virtual School for Looked After Children (LAC).

Schools also obtain income from:

- student teachers from universities and other institutions
- hiring of premises and facilities
- childcare – before & after school clubs/full day care
- school meal sales
- uniform sales
- students, mainly for trips
- external peer review and support services

The trust operates an online payment system and this is the preferred method of payment from parents/carers.

Where income is received in cash, the SBM/office manager will ensure that the entirety of any money collected in return for goods or services, such as a school trip, is recorded on the online payment system and deposited in the bank account at least once per month.

A weekly reconciliation of the online payment system will be prepared and will be reviewed and certified by the SBM/office manager or Headteacher. The SBM/office manager is responsible for ensuring income recorded through the online payment system is posted to the accountancy system.

Charges can also be made to students to offset the costs of certain activities. Certain curriculum departments generate some income through entrepreneurial activities. Such charges should be made in accordance with the trust Charging & Remission Policy.

Bookings for lettings are managed by the SBM/Office Manager. The SBM/office manager will complete a booking form with all relevant details (value, dates, insurance, DBS if applicable etc.) which will be signed by the Hirer and will act as the Agreement to Hire. The SBM/office manager will raise invoices via the accountancy system.

All monies must be banked, in their entirety, in the trust bank account. The SBM/Office 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 reconciliations must be prepared promptly after each banking.

Schools should raise all sales invoices to customers through the accountancy system. The Central Team monitors aged debtors on a monthly basis and will contact schools of any outstanding debts owed. Monies outstanding should be pursued by the SBM/office manager to ensure that the Trust receives all monies due.

The trust's funds will not be used to purchase alcohol for consumption, except where it is to be used in religious services.

Security of cash

Money left on the premises shall be secured in a locked safe, where provided, or in a locked secure cabinet. The limit for cash (and cheques) held in a safe is £5,000, unless a higher limit is specifically agreed. It is expected schools will bank cash before such sums are accumulated in cash and cheques.

Safes must be kept locked and the key removed. Keys to safes and cash boxes must be carried on the person of the nominated key holder at all times. The loss of such keys should be reported to the CFO immediately.

Losses due to theft of cash shall be promptly reported to the Police, Headteacher, LGB, CFO and the CEO.

Borrowing and bad debt write-offs

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

Business purchase cards will only be used for business expenditure and balances will be cleared before any interest accrues.

Headteachers are able to approve bad debt write-offs within their school up to £100. Bad debt write-offs over £100 but less than £1000 need the approval of the LGB and over £1000 must be approved by board of trustees.

The CFO can approve bad debt write-offs up to £100 for the central trust budget. Bad debt write-offs over £100 but less than £1000 need the approval of the resources & audit committee and over £1000 must be approved by the board of trustees.

The trust will obtain prior approval from the DFE where it wishes to write off debts and losses, enter into guarantees or letters of comfort, and/or indemnities which are not in the normal course of business, where the following delegated limits apply:

- 1 percent of total annual income or £45,000 (whichever is smaller) per single transaction
- Cumulatively, 5 percent of total annual income in any financial year per category

Investments

Where the board of trustees wishes to make investments to further the trust's charitable aims, it will ensure that investment risks are properly managed. When considering an investment, the board will:

- Act within its powers to invest as set out in the Articles of Association
- Act in line with the trust's Reserves and Investment Policies and review these policies on a regular basis.
- Ensure value for money.
- Take advice from professional advisers where appropriate.
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation.
- Ensure investment decisions are in the best interests of the trust.

Prior approval will be sought from the DFE before all investment transactions that are novel, contentious and/or repercussive, regardless of value.

Fixed assets

A fixed asset is an asset that has a useful life greater than one year. This includes land, buildings, office furniture and equipment (e.g. air conditioning, heating systems), vehicles, IT equipment and other classroom equipment. The minimum value to be capitalised as a fixed asset is £2,000 as a whole or part of a separately identifiable set of transactions, such items are included in the Trust balance sheet. Consumables that are used on a daily basis are not fixed assets.

The trust will obtain prior approval from the DFE for the following transactions:

- Acquiring a freehold of land or buildings
- Disposing of a freehold of land or buildings
- Disposing of heritage assets, as defined in financial reporting standards, beyond any limits in the trust's funding agreement for the disposal of assets generally

Other than the transactions outlined above, the trust does not need the DFE's approval to dispose of any other fixed assets.

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

Expenditure Eligible for Capitalisation

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

recognised on the Trust balance sheet.

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

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

Expenditure Not Eligible for Capitalisation

- individual items costing less than £2,000, unless purchased in bulk as part of a capital project
- costs of staff training as part of normal business activities
- administration and general overheads for running day to day activities
- planning costs relating to initial activities such as option appraisals, feasibility studies, identifying appropriate hardware and applications and selecting suppliers and consultants
- cost of abortive work
- post implementation support and maintenance costs related to software installation

Depreciation

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

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

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

Depreciation is calculated by the CFO on an annual basis for preparation of the year end accounts.

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 CFO will discuss these items on an individual basis.

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

- | | | |
|--|-------------------------|-------|
| • Leasehold land: | over remainder of lease | 0.8% |
| • Leasehold buildings: | over 50 years | 2% |
| • Furniture & equipment: | over 5 years | 20% |
| • Laptops, charging trolleys & software: | over 3 years | 33.3% |
| • Interactive screens & WIFI upgrade | over 5 years | 20% |
| • Motor vehicles: | over 5 years | 20% |

Depreciation will be charged for the full year in which the newly purchased asset comes into use.

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

Disposal of Fixed Assets

The school will assign the responsibility for asset disposal to a member of staff with a suitable level of authority. This would usually be the Headteacher or SBM.

The school will try to obtain the best possible value from the disposal of assets, where applicable.

Assets with a net book value of above £200 will require approval from the CFO or CEO prior to disposal. A Disposal of Asset Form is available in Appendix 1.

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

- Profits on disposal of fixed assets will be included in the income and expenditure account under 'profit or loss on sale of fixed assets'
- Losses on disposal of fixed assets will be treated as additional depreciation
- Any asset that is lost or destroyed, and subsequently replaced through insurance proceeds should be removed from the balance sheet. The profit or loss arising (the difference between the net book value and insurance proceeds) must be recognised in the income and expenditure account under profit and loss on sale of fixed assets. The replacement asset is capitalised at cost in the normal way.

Fixed asset registers

A fixed asset register for each school and the central team is maintained by the CFO. This contains a list of fixed assets with a cost value over £2,000.

Depreciation is calculated by the CFO on an annual basis for preparation of the year end accounts.

Inventories

The headteacher/SBM should ensure that an inventory is maintained at each school for assets which are 'portable and desirable' with an individual value of over £100. The central team will maintain its own inventory

The inventory should include the following information where available:

- asset number
- asset description
- serial number
- date of acquisition
- asset cost

- location
- member of staff responsible for asset
- disposal date

All the items on the inventory should be permanently and visibly marked as the school'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 both the CFO and COO.

Inventories of trust property should be kept up to date and reviewed regularly. Where items are used by the central team or schools, but do not belong to it, this should be noted.

Leasing

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

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

The trust will obtain prior approval from the DfE for the following transactions

- Taking up a finance lease for any duration from another party which is subject to borrowing restrictions on any assets **not included** on the [DfE approved list](#).
- 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.

Gifts

The value of any gifts will be reasonable and within the limits set out in the Gifts, Hospitality and Anti-bribery Policy. [Appendix 3](#)

The decision to make gifts will be documented and have regard to propriety and regularity.

The Gifts, Hospitality and Anti-bribery Policy sets out the trust's procedures relating to the acceptance of gifts, hospitality, awards, prizes and any other benefit that might be seen to compromise the judgement or integrity of the trust.

Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all members, Trustees, members of local governing bodies and staff who can influence financial decisions, or spending powers, are required to declare any financial interests they have in companies or individuals from whom the Trust may purchase goods or services.

A person is defined as having a 'business or pecuniary interest' if they have a monetary or

financially vested interest in a business or service, which could prevent the individual from acting in the trust's best interests.

A 'connected person' broadly relates to an individual's family, relatives, or business partner.

Declared Conflicts of Interest Register

All business and pecuniary interests will be recorded on the Declared Conflicts of Interest Register, 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.

The Declared Conflicts of Interest Register will identify any relevant material interests from close family relationships between the trust's members, trustees or local governors. Relevant material interests arising from close family relationships between these individuals and employees will also be identified.

The Declared Conflicts of Interest Register will be kept up-to-date at all times and amended when any new interests are declared.

The relevant business and pecuniary interests of members, trustees, local governors and the accounting officer will be published on the trust's website and individual school websites.

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

All trustees and staff who can influence financial decisions or spending powers will be required to make a declaration of business interests on appointment and at the commencement of each academic year, or when such interest arises.

Related party transactions

The trust will be even-handed in their relationships with related parties by ensuring:

- Compliance with their statutory duties to avoid conflicts of interest, benefits are not accepted from third parties, and interests in proposed transactions or arrangements are declared.
 - A Declared Conflicts of Interest Register has been completed.
 - No member of the trust uses their connection to the trust for personal gain.
 - All payments are permitted by the Articles of Association or by authority from the Charity Commission.
 - The Charity Commission approves payments to a trustee where there is a significant advantage to the school.
 - Any payment provided to the persons referred to in the ['At-cost requirements'](#)

section of this policy satisfies the 'at cost' requirements.

All transactions with related parties will be reported to the DFE in advance of the transaction taking place. This applies to transactions made on or after 1 April 2019.

The board of trustees will ensure procedures pertaining to related party transactions are applied across the trust. 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.

The trust recognises that some relationships with related parties may attract greater public scrutiny, such as the following:

- Transactions with individuals in a position of control and influence, including the chair of trustees 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

The trust 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.

The trust will report all related party transactions made on or after 1 April 2019 to the DFE in advance of the transaction taking place. The trust will obtain prior approval from the DFE for related party transactions that are novel, contentious and/or repercussive, regardless of value, using the DFE's [enquiry form](#).

For the purpose of reporting to, and approval by, the DFE, related party transactions do not include salaries and other payments made by the trust to a person under a contract of employment through the trust's payroll.

All related party transactions will be reported to the DFE in advance of transactions using the DFE's [online form](#). The trust will obtain approval from the DFE for the supply of goods or services to the trust by a related party where any of the following limits apply:

- The contract or other agreement exceeds £40,000
- The contract or other agreement of any value would 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.

Before completing the DFE's online form, all the information outlined below will be collected,

as it is not possible to partially complete the form and return to it later.

To create a record for the supplier, the following information is required:

- 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 the trust
- Confirmation that the supplier is listed in the trust's Declared Conflicts of Interest Register
- Confirmation that the trust has a statement of assurance from the supplier
- Confirmation that the trust has an open-book agreement with the supplier

The following information will be provided about the related party transaction:

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

When seeking approval for a related party transaction, the following evidence will be provided:

- How the trust agreed to the related party transaction
- That the trust followed its Tendering and Procurement Policy
- That the trust tested the market before making a decision
- How the trust has managed any conflicts of interest

'At cost' requirements

The trust will not pay more than 'cost' for goods or services provided by the following:

- Any member or trustee of the trust
- Any individual or organisation related to a member or trustee of the trust, namely:
 - A relative of a member or trustee: defined as 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.
 - An individual or organisation conducting 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 (taken separately or together), and/or a trustee or the relative of a trustee (taken separately or together), 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 (acting separately or together), and/or a trustee or the relative of a trustee (acting separately or together) – an organisation is controlled by an

individual or organisation if that individual or organisation is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes.

- Any individual or organisation given the right under the trust's Articles of Association to appoint a member or trustee of the trust, or any body connected to the individual or organisation
- Any individual or organisation recognised by the Secretary of State as a sponsor of the trust, or any body connected to the individual or organisation

A body is connected to an individual or organisation if it is controlled by the individual or organisation, controls the organisation, or is under common control with the individual or organisation, namely any of the following:

- Holding a greater than 20 percent capital share 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 or governing body

'At cost' requirements do not apply to the trust's employees unless they are employed by one of the parties outlined in this section. 'At cost' requirements apply to contracts for goods and services from a related party agreed on or after 7 November 2013. 'At cost' requirements apply to contracts for goods and services from a related party exceeding £2,500, cumulatively, in any one financial year. Where a contract takes the trust's cumulative annual total with the related party beyond £2,500, the element above £2,500 must be at no more than cost.

If any of the parties outlined in this section are based in, or work from, the trust's premises, the trust will agree an appropriate sum to be paid to the trust for use of the premises, unless the party is conducting work on behalf of the trust.

'At cost' requirements apply to legal advice or audit services when the organisation's partner directly managing the service is a member or trustee of the trust, but not in other cases.

The trust will ensure that any agreement with an individual or organisation referred to in this section is procured through an open and fair process and is:

- Supported by a statement of assurance from the individual or organisation to the trust 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 – the costs of any materials and labour used directly in producing the goods or services.
- Indirect costs – a proportionate and reasonable share of fixed and variable overheads.

Payroll

All payroll transactions relating to trust staff, permanent or casual, will be processed through the payroll system. Payments for employment will not be made through any other mechanism.

Each school within the trust will act in accordance with the Teachers' Pay Policy and Support Staff Pay Policy.

The main elements of the payroll system are:

- staff appointments
- payroll administration
- payments

Staff appointments

Each school maintains their own HR files (including contracts of employment) for all members of staff in the school. The central team maintains the HR files for members of staff in the central team. All personnel changes must be notified to the Headteacher/SBM who will inform the payroll department immediately, who process the pension and payroll administration under an agreed Service Level Agreement (SLA).

The CEO is responsible for ensuring that the Trust's pay policy is implemented and adhered to and is responsible for ensuring that the statutory obligations around the safer recruitment policy and procedures are administered.

The Headteacher of each school will be responsible for ensuring the maintenance of accurate records of all staff employed at the school in a single central record. The Headteacher will also be responsible for monitoring that the single central record is accurate, fully up to date and complies with all legal requirements.

Personnel information whether on manual files or in a computer system is held under the guidance of the CEO with access strictly limited to authorised officials only, for which relevant registration under the 1998 Data Protection Act is held.

Payroll administration

The trust payroll is administered by Derby City Council. Amendments to payroll data, e.g. appointments, resignations, pay changes and overtime, are processed by Derby LA. All casual working and overtime claims must be checked and confirmed by a budget holder and sent to payroll for processing in accordance with the SLA calendar.

The SBMs/Office Managers are responsible for checking the produced payroll against staffing budget planners and local school records. The SBMs/Office Managers will spot check samples of supply teacher, overtime, casual and expenses each month to ensure that the payroll system is operating correctly. Any variations should be investigated and reported to the CFO.

Payroll payments

All staff are paid monthly by bank credit transfer to their bank accounts on or before the 25th of the month.

The Derby City payroll system automatically calculates the deductions due from payroll to comply with legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts paid are summarised on the payroll reports.

Each SBM/Office Manager will be sent monthly payroll reports for their school from the Derby City payroll system and journals will be uploaded directly from payroll system costing files into the accounting system and budget system by the central team. The SBM will undertake a reconciliation of each individual payment against the latest staffing budget which will be signed off by the Headteacher, who should also review the completed monthly reconciliation to verify the accuracy of payments made. Any variations should be investigated and reported to the CFO, who will review the Trust reconciliation.

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

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

Careful attention should be paid to repetitive payments to individuals.

Executive pay

The board of trustees will ensure that executive pay (including salary and any other benefits), follow a robust evidence-based process and are a reasonable and defensible reflection of the individual's role and responsibilities. No individual will be involved in deciding their salary.

The board of trustees will discharge its responsibilities effectively, ensuring its approach to pay and benefits is transparent, proportionate and justifiable, including:

- **Process** – that the procedure for determining executive pay and benefits is agreed by the board in advance and documented. The board ensures that both pay and benefits are kept proportionate.
- **Independence** – decisions about executive pay and benefits reflect independent and objective scrutiny by the board and conflicts of interest are avoided.
- **Robust decision-making** – factors in determining pay and benefits are clear, including whether educational and financial performance considerations, and the degree of challenge in the role, have been considered.
- **Proportionality** – pay and benefits represent good value for money and are defensible relative to the public-sector market.
- **Commercial interests** – the board is sighted on broader business interests held by senior executives, and is satisfied that any payments made by the trust to executives in relation to such interests do not undermine the transparency requirements for disclosing pay in accordance with the Academies Accounts Direction.
- **Documentation** – the rationale behind the decision-making process, including

whether the level of pay and benefits reflects value for money, is recorded and retained.

- A basic presumption that executive pay and benefits should not increase at a faster rate than that of teachers, in individual years and over the longer term.
- Understanding that inappropriate pay and benefits can be challenged by the DFE, particularly in any instance of poor financial management of the trust.

The trust publishes on its website, in a separately readily accessible form, the number of employees whose benefits exceeded £100,000, in £10,000 bandings for the previous year ended 31 August. Benefits for this purpose include salary, the trust's pension contributions, other taxable benefits and termination payments. For employees who are trustees, their salary and other benefits will also be disclosed in £5,000 banding in the trust's financial statements. There are currently no employees who are trustees

Where the trust has entered into an off-payroll arrangement with someone who is not an employee, the amount paid by the trust for that person's work will also be included in the website disclosure where payment exceeds £100,000, as if they were an employee.

Information about the gender pay gap in the trust is published on the trust's website and on the government's reporting [website](#).

The trust must seek prior approval from the DFE before entering any new electric vehicle salary sacrifice schemes or before accepting any new employees joining existing electric vehicle salary sacrifice schemes

The trust ensures its senior employees' payroll arrangements fully meet tax obligations.

The trust complies with the HM Treasury's 'Review of the tax arrangements of public sector appointees', which explains that senior managers with significant financial responsibilities should be exclusively on payroll, and are therefore subject to Pay As You Earn (PAYE), with income tax and national insurance contributions deducted at source.

Special payments

For the purpose of this policy, special payments include:

- Staff severance payments.
- Compensation payments.
- Ex gratia payments.

Where the trust considers making a 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 the trust
- The payment is justified, based on legal assessment of the chances the trust will successfully defend the case at employment tribunal
- The level of settlement is less than the legal assessment of what the relevant body will award

The trust 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 the trust is considering a severance payment equal to or greater than £50,000, the trust will seek prior approval from the DFE. The DFE will refer the transaction to HM Treasury so the trust will allow sufficient time for this to be considered. Value for money will be shown for all severance payments.

The trust will also obtain prior approval from the DFE before making a special staff severance payment where:

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

Compensation payments will take account of the facts of the matter ensuring value for money is achieved. For compensation equal to or greater than £50,000, prior approval from the DFE will be sought.

The trust will consider whether cases reveal concerns pertaining to the effectiveness of internal control.

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

VAT procedures

The trust, and the academies within it, are registered for VAT and are entitled to reclaim VAT on qualifying purposes through a monthly VAT return.

Under legislation, VAT claims can be made on expenditure which supports the trust's core business purposes.

VAT is reclaimed monthly by the CFO through the digital tax accountancy software. Only one return for the trust is required by HMRC.

The trust is eligible to reclaim most of the 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.

The trust will not recoup the VAT element of journeys in the UK or abroad which are identified in invoices unless the trust is making substantial and direct cash subsidies for each pupil.

On receipt of the reclaimed VAT from HMRC, the CFO will review the remittance, confirm whether this equals the claim made and sign the remittance to confirm this agreement.

Risk management

The trust will maintain a risk register and manage risks to ensure its effective operation, including contingency and business continuity planning.

The board of trustees will take overall responsibility for risk management, including ultimate oversight of the risk register, while drawing on advice provided to it by the resources and audit committee. The board of trustees will review the risk register at least annually.

Risk management covers the full operations and activities of the trust, not only financial risks.

The trust will have adequate insurance cover in compliance with its legal obligations or will become a member of the academies [risk protection arrangement](#).

The trust will cooperate with risk management auditors and risk managers and will implement any reasonable recommendations made to them.

Annual accounts

The trust will maintain accounting records and prepare an annual report and audited accounts in line with the Charity Commission's [Statement of Recommended Practice](#) and the DFE's '[Academies Accounts Direction](#)'.

The audited accounts will be:

- Submitted to the DFE by 31 December each year.
- Published on the trust's website by 31 January.
- Filed with Companies House in accordance with company law requirements, usually by 31 May.
- Provided to every member (under the Companies Act).
- Provided to anyone who requests a copy.

All copies of the accounting audit will be stored and filed securely, in line with the trust's Data Protection Policy.

Auditing

The trust will follow a tiered approach to internal control, risk management and assurance processes comprising:

- Clearly communicated procedures, structures and training of staff.
- Appropriate day-to-day supervision and checks by management.
- Internal scrutiny overseen by a resources and audit committee.
- External audit and assurance.

Internal scrutiny

Internal scrutiny will be conducted within the trust, by internal audit and directed by the resources and audit committee, alongside the work of an external auditor, to provide independent assurance to the board that its financial and other controls, and risk management

procedures, are operating effectively.

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.
- Ensuring all categories of risk are being adequately identified, reported and managed.

The programme of internal scrutiny will be covered by a scheme of work, driven and agreed by the resources and audit committee, and informed by risk. The programme of work will be spread appropriately over the year to ensure higher risk areas are reviewed in good time.

With reference to its risk register, the trust will identify on a risk basis the areas it will review each year and modify its checks accordingly.

Internal scrutiny will take account of output from other assurance providers to inform the programme of work. Independence in internal scrutiny will be achieved by establishing appropriate reporting lines whereby those carrying out checks report directly to a committee of the board.

Internal scrutiny will be kept under review and if any changes in size, complexity or risk profile become apparent, the trust will consider whether its approach remains suitable.

The trust will confirm, in its governance statement, the method(s) it uses for internal scrutiny and why these are used.

The trust may also use other individuals or organisations where specialist non-financial knowledge is required. Where this is done, the trust will reflect the individual's or organisation's findings, recommendations and conclusions as part of the summary document submitted to the DFE.

Findings arising from internal scrutiny will be used to inform the accounting officer's statement of regularity in the annual accounts.

Regular reports of the programme of work will be provided at each resources and audit committee meeting, including recommendations to enhance financial and other controls and risk management.

The trust will submit its annual summary report of the areas reviewed, key findings, recommendations and conclusions to the DFE by 31 December each year when it submits its audited annual accounts. If requested, the trust will also provide any other internal scrutiny reports.

External auditing

The trust will appoint an external auditor to give an opinion on whether its annual accounts

present a true and fair view of the trust'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. The letter of engagement will also include details of the removal of external auditors, before the expiry of the term of office, in exceptional circumstances. There will be a separate letter of engagement for additional services beyond the prescribed audit.

The trust will tender its external audit contract at least every five years.

The board of trustees will notify the DfE immediately of the removal or resignation of the auditors.

The accounting officer will produce a statement on regularity, propriety and compliance and this will be included in the trust's annual accounts. The statement on regularity, propriety and compliance will include a responsibility to 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.

The trust will respond promptly, reasonably and appropriately to any findings by the auditors.

Record keeping

All financial transactions of the trust are recorded including, but not limited to, the following:

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

The CFO is responsible for keeping up-to-date records of the trust's financial state. The SBM/Office Manager is responsible for keeping up-to-date records in relation to the finances of their school.

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

Each school has its own set of financial records for day-to-day operational purposes and budget management.

A record will be kept of all the monies kept on the premises prior to banking. All financial records will be kept securely in each school's admin office.

Third party access rights

The DFE or its agents may carry out audits and investigations at the trust. The trust will provide the DFE with access to all books, records, information, explanations assets, premises and staff, and the DFE may take copies of relevant documents.

Where the DFE has concerns about financial management and/or governance at the trust, it may wish to obtain from third parties, information or documentation about the trust which the DFE considers relevant for the purposes of its investigation. The trust will provide the DFE with written authority giving permission for any third party to provide such information to the DFE or its agents.

Notices to improve

Where the DFE has concerns about the trust's financial management and/or governance, and has issued a Notice to Improve (Ntl), the trust will comply with this notice.

The DFE will notify the trust of the date of which it published the Ntl.

The trust will publish any Ntl issued by the DFE on its website within 14 days of it being issued, and retain this on the website until it is lifted by the DFE. If a Ntl is issued, the trust will seek prior approval from the DFE for all transactions outlined in [section 19](#) specifically:

- 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.
- Carrying forward of unspent general annual grant (GAG) from one year to the next beyond any limit in the funding agreement.
- Pooling of GAG.

Where required, the trust will seek prior approval from the DFE before entering into transactions with related parties. The trust will submit additional information, such as monthly income and expenditure accounts, if required by the DFE.

Whistleblowing and fraud

The trust puts proportionate controls in place to mitigate the risks of fraud, theft and irregularity, e.g. regular inspections addressing risks, and implements an Anti-Fraud and Corruption Policy Appendix 3

The trust's Whistleblowing Policy 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 whistleblower being treated unfairly.

The headteacher will ensure all their 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 the school.

All concerns raised by whistleblowers are responded to properly and fairly in line with the Whistleblowing Policy.

The trust's Whistleblowing Policy is published on the trust's website.

Cyber-crime

The trust is aware of the risk of cyber-crime and has implemented its Cyber-security Policy and Cyber Response and Recovery Plan across the trust.

Proportionate controls are in place to manage risks and appropriate action will be taken where a cyber-security incident has occurred.

The trust will obtain permission from the DFE to pay any cyber-ransom demands and understands that the DFE supports the National Crime Agency's recommendation not to encourage, endorse or condone the payment of ransom demands.

Self-assessment

The trust will complete an annual School Resource Management Self-Assessment and submit it to the DFE in accordance with School Resource Management Self-Assessment tool checklist and guidance.

Monitoring and review

This policy and appendices will be reviewed on an annual basis, or when new legislation/guidance regarding the subject is published, by the CFO, resources and audit committee and the accounting officer.

The CFO will review and monitor all financial records continuously throughout the year. The SBM will review and monitor each school's financial records, raising any concerns with the CFO.

The next scheduled review date for this policy is September 2025

Appendix 1

Tendering & Procurement Policy

Odyssey Collaborative Trust aims to achieve value for money on all its tendering and procurement activities by ensuring that a competitive tendering policy, compliant with the rules and thresholds in the Public Contracts Regulations (PCR) 2015 and The Public Procurement (Agreement on Government Procurement) (Thresholds) (Amendment) Regulations 2021, are consistently applied. The trust will ensure it is able to show that public funds have been used as intended by Parliament. With that in mind, this policy has been created to establish procedures to ensure all members of staff involved in tendering and procurement are aware of the standards that they are expected to follow.

Preferred suppliers will be used, wherever possible, as the trust has had previous positive interactions with these suppliers. During tendering and procurement processes, the following four key objectives will always be kept in mind:

- **Achieving value for money** – including the cost of goods and services, the quality of goods and services, and administrative costs
- **Ensuring fairness** – ensuring that all parties are treated in a fair and equitable manner
- **Establishing accountability** – taking responsibility for expenditure and the conduct of staff
- **Allowing probity** – ensuring there is no private gain from the academy's financial affairs

Using a framework agreement

Where possible, the trust will use a framework agreement to purchase goods, works or services. Each framework agreement has:

- Details of the products and services available.
- An agreed pricing structure.
- Details of the suppliers.
- Instructions on how to buy.
- An agreed set of terms and conditions.

When using a framework agreement, the trust has two options:

1. Select a supplier direct from a framework agreement
2. Run a 'mini-competition' – where suppliers are asked to send a bid and the best one is chosen

The framework agreement will state whether the trust can select a preferred supplier itself or if a mini-competition must be run. If the trust can select a supplier itself, the framework agreement will set out the rules for doing so which the trust will follow.

When running a mini-competition, the trust will:

- Comply with the terms of the framework agreement.
- Decide how it will assess bids, following any rules the framework has.
- Decide the level of service required.
- Decide if it wants to run an expression of interest process.
- Send an invitation to tender to all suppliers who can provide what the trust needs.
- Fairly assess all bids received.
- Choose the supplier that offers the best value for money.
- Award the contract to the winning supplier.

Procurement basics

The trust will ensure that:

- Spending is for the purpose intended and there is probity in the use of public funds.
- Spending decisions represent value for money.
- Internal delegation levels exist and are applied.
- A competitive tendering policy is in place and applied, and GPA procurement rules and thresholds are observed.
- Professional advice is obtained where appropriate.

Procurement thresholds

The trust will run a PCR compliant buying process if:

- It cannot get what is needed through one of the DfE's recommended deals for schools or a framework agreement.
- Something is being bought that is over the PCR procurement thresholds.

The following thresholds are in place in relation to how goods, works or services can be procured:

Order value	Process required
Under £5,000 (low)	Ensuring best value for example by using an approved supplier, a framework agreement, bulk purchasing, negotiating discounts
£5,000 to £40,000 (medium)	Framework agreement or at least three quotes from suppliers

Over £40,000 and up to PCR procurement thresholds (high)	Framework agreement or advertise a contract and run a buying process
Over PCR procurement thresholds: <ul style="list-style-type: none"> • Goods – £213,477 • Works – £5,336,937 • Most services – £213,477 	Framework agreement or PCR-compliant buying process (unless covered in the list of services in the lighter touch regime , in which case the threshold is £663,540)

Small and medium purchases

Any purchase or service estimates below £5,000 are considered to be ‘small’ purchases, and any below £40,000 are considered to be ‘medium’ purchases.

Where possible, the trust will use a framework agreement to purchase small and medium goods, works or services.

Small purchases less than £5,000

Where it is not possible to procure small purchases through a framework agreement, reasonable steps should be taken to ensure best value.

Best Value could be achieved by:

- supplier chosen from any list of approved suppliers maintained by the Central team
- bulk purchasing of common consumables
- negotiating discounts
- taking advantage of sale seasons
- obtaining alternative quotations wherever possible

Medium purchases above £5,000 and less than £40,000

Where it is not possible to procure medium purchases through a framework agreement, comparable quotes from at least three suppliers will be obtained prior to purchasing.

Where a relevant approved supplier list exists, approved suppliers are used unless written permission is received from the board of trustees outlining the reasons for using an alternative supplier.

The exceptions to the requirements listed above for medium purchases are

- There is a likelihood of school closure or a significant risk to health & safety if the order isn’t raised immediately or
- The purchase is bespoke, so no comparable quotes can be obtained
- The purchase is an enhancement to a system or service already in place which would mean an alternative would not be economically viable.

In any of the exceptional circumstances above, the CFO/CEO must be consulted before an order is placed.

High-value purchases

Any order for goods or services with a potential value above £40,000 must be discussed with the CFO prior to any communication with suppliers. This is to ensure correct procedures are followed from the outset.

Any purchase or service estimated to cost over £40,000 is put to formal tender. In the case of major building works or construction, the services of an architect/professional advisor are sought before the tendering process is undertaken.

Large purchases under the PCR procurement thresholds

When the trust makes purchases with a value under the PCR procurement threshold, it:

- Assesses the market.
- Prepares the contract and tender documents.
- Advertises in the right places.
- Considers using an expression of interest to cut the number of bids needed to assess later.
- Sends an invitation to tender to people who reply to the advert.
- Fairly assesses all the bids received, using the same process.
- Chooses the bid that offers the best value for money.
- Awards the contract to the highest scoring bidder.

Large purchases over the PCR procurement threshold

When the trust makes purchases with a value over the PCR procurement threshold, it:

- Assesses the market.
- Checks the relevant frameworks to see if the purchase is available via an alternative route.
- Prepares the contract and invitation to tender.
- Considers whether to use the restricted procedure to reduce the number of bids to assess later, or the open procedure to let anyone bid.
- Advertises a contract notice using Find a Tender Service (FTS).
- Makes the invitation to tender and all other documents available electronically from the time that the contract notice is published.
- Assesses all the bids fairly, using the same process.
- Chooses the supplier that offers the best value for money.
- Awards the contract to the highest scoring bid supplier.

Types of tender

Open tender

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

All interested suppliers are invited to tender, with the CFO/SBM making a recommendation to the headteacher. The headteacher has the final say in selecting the successful tender.

Advertisements in trade publications will be used to attract bids for tender.

Restricted tender

Where a restricted tender is used, only specified suppliers chosen by the SBM/CFO are invited to bid. The trust establishes a shortlist of three to five bids during the restricted tender.

Restricted tender is used in any of the following circumstances:

- There is a need to maintain a balance between the contract value and administrative costs
- The service required is specialised
- The cost of public advertisement outweighs the potential benefits of open tender

Negotiated tender

Where a negotiated tender is used, the terms of the contract are negotiated with the supplier. Negotiated tender is only used in any of the following circumstances:

- Other types of tender have been used and have not found any suitable suppliers
- Very few suppliers are available
- There is an urgent need for a service

Preparation for tender

In preparing for a tender, the SBM/CFO considers the following:

- The overall objective of the project
- Any technical skills required to complete the project
- Any after-sales services required
- The form of the contract

Invitation to tender

The trust makes all necessary documents available online when the advert has been placed in the FTS. These include:

- A covering letter
- A timeline
- How to ask questions
- How to submit a bid
- Specifications
- A list of things the trust requires prices for
- The award criteria
- The level of service required
- Any contract management needs, such as regular meetings or contact
- If needed, an invitation for suppliers to give a demonstration
- The standard selection questionnaire (in the case of a restricted tender)
- The proposed contract drafted as far as possible

Tender evaluation

When making purchases, the trust:

- Decides the method of assessing the bids.
- Gets bids from at least three suppliers.
- Assesses all the bids received fairly and according to the specification.
- Chooses the supplier that offers the best value for money.

When evaluating a tender, the following financial implications are considered:

- Lower costs may not necessarily be the most favourable, e.g. when they result in a reduced service
- The price being considered should be the total cost, without extra fees or hidden costs
- Where there is scope for negotiation, the SBM/CFO needs to ensure the best possible value for money

When evaluating a tender, the following technical requirements are considered:

- Certificates of conformity
- Conformity of standards
- The qualifications and experience of the supplier
- Descriptions of technical services and facilities
- Quality control procedures
- Details of previously delivered services
- References from previous customers

When considering a tender, the following other requirements are considered:

- Pre-sales demonstrations
- After-sales service
- The financial viability of the supplier

Tender acceptance

Invitations to tender always state the date and time the completed tender documents are to be received by the SBM/CFO.

Suppliers are required to submit documents in marked brown envelopes clearly stating they are tender documents. All envelopes are clearly marked upon arrival and securely stored in the school/central team office.

Tender documents received after deadlines are not considered, unless the supplier provides proof of exceptional circumstances.

Informing unsuccessful bidders

The trust provides a letter including the following information to all unsuccessful bidders at the same time:

- The name of the winning bidder
- The award criteria used
- The scores for the winning bid
- The reasons for the decision, including the characteristics and relative advantages of the successful tender
- When the standstill period ends
- Their scores and feedback

The trust provides information regarding the cost of the winning bid upon request, provided it does not reveal any commercially sensitive information.

Informing the successful bidder

The trust provides a letter including the following information when informing the successful bidder that they have won:

- The award criteria used
- Their scores
- Why the trust thinks their bid is the most economically advantageous
- When the standstill period ends

The trust uses the letter as an invitation to finalise a contract. The letter makes it clear that:

- The trust will only award them the contract if the standstill period passes without a challenge from another supplier.
- There are no commitments, and no work should begin, until both sides have signed the contract.

Tender opening

All offers for tender are opened at the same time, with a minimum of two members of staff present, at least one of whom is the SBM or CFO.

A record is kept of all the suppliers who submitted tenders, along with the amount tendered. A record is signed by all members of staff who are present at the opening of a new tender. The records are stored in line with the trust's Records Management Policy.

Staff involvement in evaluating offers for tender and quotes

The SBM/CFO is responsible for ensuring that none of the members of staff involved in the tender process are subject to conflicts of interest.

Members of staff who are involved in decision making never accept gifts or hospitality from suppliers.

A full record of the evaluation process is maintained by the SBM/CFO.

Contracts

Non-routine tenders or purchases, such as leases, are subject to a contract, which is signed before the work begins or goods are delivered.

All contracts include the following details:

- The scope of the work including accurate specifications
- The timeline and completion date of the work
- Quality control measures
- The agreed fees or charges
- The payment date
- Specifications of the goods or service

Copies of all contracts are securely stored in the school/central team office

The trust ensures it places a contract award notice in the FTS within 30 days of awarding the contract.

Challenges from unsuccessful bidders

The trust maintains the following minimum standstill period between notifying the winning bidder and awarding the contract, depending on the means of communication used to transmit the standstill notice:

- Notices communicated by electronic means: 10 calendar days
- Notices communicated by non-electronic means: 15 calendar days

If this period ends on a non-working day, this is extended to the end of the next working day.

During the standstill period, if an unsuccessful bidder challenges the fairness of the contract award decision or process, the trust contacts them and explains the assessment process was conducted fairly and that the trust has maintained good records – legal advice may be sought depending on the nature or seriousness of the challenge.

If an unsuccessful bidder makes a legal challenge, the trust will not finalise the contract, and will seek legal advice before proceeding.

Appendix 2



Disposal of Asset form

School _____

Asset to be disposed of	
Original cost of asset	
Purchase date of asset	
Reason for disposal	
Action to be taken	
By whom	
Approved by	
Date approved	
Value obtained for item	

Please email completed form to finance@odysseyct.org.uk

For completion by Central Team

Accumulated depreciation	
Net Book Value	
Removed from fixed asset register	
Removal date	
Completed by	

Gifts, Hospitality & Anti-bribery Policy

Odyssey Collaborative Trust is committed to maintaining the highest ethical standards and acting with integrity in all business activities. This policy details the trust's position on preventing and prohibiting bribery.

The purpose of this policy is to:

- Establish the responsibilities of the central team and schools in observing and upholding our position on bribery and corruption.
- Provide information and guidance to staff on how to recognise and deal with bribery and corruption concerns.
- Ensure the trust achieves regularity, propriety and value for money in its use of public funds.

. All staff will be made aware of this policy.

Roles and responsibilities of staff

All staff will be responsible for:

- Following the procedures set out in this policy.
- Considering whether gifts and hospitality offered, given or received are appropriate to the circumstances, and reflecting on the intention behind them.
- Registering and documenting any gift or hospitality received in the Gift and Hospitality Register, including the date it was received, who it was sent by and the reason it was accepted or rejected.
- Seeking approval from the CEO/headteacher and/or CFO/SBM, as appropriate, to offer, give or accept gifts or hospitality in the necessary circumstances.
- Reporting instances of known or suspected bribery to the CEO/headteacher at the earliest opportunity.

Bribery

Under the Bribery Act 2010, a '**bribe**' is defined as a financial or other type of advantage offered with the intention of inducing or rewarding improper performance of a function or activity, or knowledge or belief that accepting such a reward would constitute the improper performance of such a function or activity.

A criminal offence will be committed under the Act if:

- An employee or associated person acting for, or on behalf of, the trust/school:
 - Offers, promises, gives, requests, receives or agrees to receive bribes.
 - Offers, promises or gives a bribe to a public official with the intention of influencing that official in the performance of their duties.
- And, in either case, the trust/school does not have the defence that it has adequate procedures in place to prevent bribery.

Acceptable and unacceptable practice

The advice of the trust is for staff to consider, in all circumstances, whether the gift or hospitality is reasonable and justified and to reflect on the intention behind it.

In line with this policy, it will be unacceptable for employees to:

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

This policy will not prohibit normal and appropriate gifts and hospitality, both given and received, if the following requirements are met:

It is not given with the intention of:

- Influencing a third party to obtain or retain business or a business advantage.
- Rewarding the provision or retention of business or a business advantage.
- It is not given in exchange for favours or benefits.
- It is given in the trust/school's name, not in the individual's name.
- It complies with local law.
- It does not include cash or a cash equivalent, e.g. vouchers or gift certificates.
- It is appropriate in the circumstances, e.g. the giving of small gifts at Christmas.
- The type and value of the gift or hospitality is reasonable based on the reason it is offered.
- It is given openly, not secretly.

Gifts and hospitality should not be offered to, or accepted from, government officials or representatives without the prior approval of the CFO/SBM.

Charitable donations

Charitable donations will be considered part of the trust's wider purpose. The trust/school will support a number of carefully selected charities, and may also support fundraising events involving employees.

The trust/school will only make charitable donations that are legal and ethical. No donation will be offered or made in the trust/school's name without the prior approval of the CFO/SBM.

Gifts and hospitality to staff from pupils and parents

It will be permissible for staff to accept gifts from pupils and parents in the appropriate circumstances; for example, at Christmas and at the end of the term or academic year.

Staff will be permitted to accept gifts up to a value of £20.00 from individual pupils or parents without approval from the CEO/headteacher, provided that these gifts do not satisfy the conditions outlined below. These gifts do not need to be recorded in the Gifts and Hospitality Register.

Staff will be permitted to accept gifts up to a value of £100.00 from groups of pupils or parents without approval from the CEO/headteacher, provided that these gifts do not satisfy the conditions outlined below. These gifts do not need to be recorded in the Gifts and Hospitality Register.

Where the gift or hospitality exceeds the values outlined above, staff will seek prior approval from the CEO/headteacher before accepting the offer. Details of the offer will be recorded on the [Gifts and Hospitality Register](#)

Before accepting gifts or hospitality from parents and/or pupils, staff will consider the following before accepting gifts or hospitality:

- Whether there is any benefit to the trust/school in them accepting the scale, amount, frequency and source of the offer.
- The timing of the offer in relation to forthcoming decisions.
- Whether accepting the offer could be misinterpreted as a sign of their, or the trust/school's, support or favour.

Where staff believe the offer may satisfy one of these conditions, they will seek prior approval from the CEO/headteacher before accepting the offer.

Staff will not accept:

- Cash or monetary gifts, including tokens and gift certificates.
- Gifts or hospitality offered to their spouse, partner, family member or friend.
- Gifts or hospitality from a potential supplier or tenderer.

- Lavish, extravagant or excessive gifts or hospitality.
- Gifts or hospitality that they believe to be more than a token of gratitude given at an appropriate time, e.g. at the end of the year.

This applies regardless of whether the conditions outlined at the start of this section are met, e.g. monetary gifts will not be accepted even if they are below the value of £20.00.

If a gift meeting the above conditions is offered without warning, the member of staff will politely decline the gift. If the member of staff feels it would be inappropriate to decline the gift, they will refer the matter to the headteacher as soon as possible; the headteacher will then decide on an appropriate course of action. This may include the CEO/headteacher deciding to return the gift, asking the chair of trustees/governors for their view, or donating the gift to a charity or other local cause.

If staff are unsure whether to accept a gift in any situation, they will speak to the CEO/headteacher.

Parents and pupils will be informed of the trust policy regarding gifts and hospitality, and will be encouraged to speak to the CEO/headteacher if they want to give a staff member a gift which is of high value or may satisfy any of the conditions outlined above.

Gifts and hospitality to staff, governors and trustees from the trust/school

The trust/school may, at the discretion of the CEO/headteacher, provide staff, governors or trustees with token gifts to reward efforts beyond their duties, e.g. significant contributions towards extracurricular activities, or as recognition for their service as a volunteer. These gifts will be non-monetary, non-alcoholic and cost up to the value of £45.00.

When giving gifts to staff, governors or trustees, the trust will ensure:

- The value of the gift is reasonable.
- The gift is within its scheme of delegation.
- The decision to give the gift is documented.
- The gift achieves propriety and regularity in the use of public funds.

The purchasing of excessive or alcoholic gifts is regarded as irregular expenditure; as such, the trust/school will not provide staff with gifts meeting these conditions.

Reporting and investigating bribery

Employees will be encouraged to raise concerns about any known or suspected bribery or corruption to the CEO/headteacher at the earliest possible opportunity. Issues that should be reported include:

- Any suspected or actual attempts at bribery.
- Any concerns that an employee may be in receipt of bribes.
- Any concerns that an employee may be offering or delivering bribes.

Concerns should be reported following the procedure set out in the school's Whistleblowing Policy.

Reports of known or suspected bribery will be investigated thoroughly and in a timely manner by the appropriate member of the SLT and in the strictest confidence.

Employees who raise concerns in good faith will be supported by the trust, and the trust will ensure that they are not subjected to any detrimental treatment as a consequence of their report. Any instances of detrimental treatment against an employee for reporting a suspicion will be treated as a disciplinary offence.

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

Record keeping

The headteacher/SBM is responsible for maintaining a Gifts and Hospitality Register at each school. The CFO will maintain the Gifts and Hospitality Register for the central team. The following information will be recorded:

- The nature of the gift or hospitality
- The date the gift or hospitality was offered
- The name of the person or people who offered the gift or hospitality
- The name of staff member the gift or hospitality was offered to
- The value of the gift or hospitality
- The action taken – for example, whether the offer was refused or accepted

In line with its duties under the 'Academy trust handbook', and irrespective of whether DFE approval is required, the trust will disclose aggregate figures for transactions of any amount, and separate disclosure for individual transactions above £5,000, in its audited accounts for gifts from the trust.

Gifts and Hospitality Register

Nature of gift/hospitality	Date gift/hospitality offered	Who offered the gift/hospitality?	Recipient	Value of gift/hospitality	Was the gift/hospitality accepted? Why?
<u>Gift voucher</u>	<u>01.02.2019</u>	<u>Parent</u>	<u>Mr Jones</u>	<u>£100</u>	<u>Rejected in line with the Gifts, Hospitality and Anti-bribery Policy.</u>

Appendix 4

Anti-fraud and Corruption Policy

Odyssey Collaborative Trust is committed to operating with the highest ethical standards and acting with integrity in all activities. The risks of fraud, theft, irregularity and cyber-crime are taken seriously, and proportionate controls will be implemented to mitigate the risks.

This policy sets out our responsibilities regarding the prevention of fraud and corruption, and the promotion of an ethical culture. The policy also sets out the procedures that will be followed where fraud or corruption are discovered or suspected.

Definitions

Fraud is a criminal offence, which is defined in the Fraud Act 2006 as:

- Deceiving through false representation.
- Failing to disclose information where there is a legal duty to do so.
- Abusing a position of trust.

Corruption is the offering, giving, soliciting or accepting of any inducement or reward which may influence the actions taken by the body, its members or officers.

Theft is dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it.

Bribery is defined by the Bribery Act 2010 as inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages.

In this policy, 'fraud' will be used to refer to all the definitions outlined above.

Examples of what could constitute fraud include, but are not limited to, the following:

- Theft of cash
- Substitution of personal cheques for cash
- Travelling and subsistence claims for non-existent journeys or events, or inflating claims
- Manipulating documentation to increase salaries
- Payment of invoices for goods received by an individual rather than the trust
- Unauthorised borrowing of equipment
- Failure to declare a conflict of interest
- Concealing a generous gift or reward
- Creation of false documentation

Roles and responsibilities

Overall responsibility for dealing with fraud lies with the accounting officer. Responsibilities of the accounting officer will include:

- Overseeing the development and implementation of a system of internal controls that aim to minimise the risk of fraud.
- Overseeing the financial transactions and the development and implementation of effective financial regulations, policies and procedures to prevent losses and misuse.
- Ensuring bank accounts, financial systems and financial records are operated by more than one person.
- Ensuring resources are being managed in an ethical, efficient and economical manner.
- Ensuring that rigorous investigations of potential fraud are carried out promptly.
- Ensuring the appropriate legal and/or disciplinary action is taken where fraud is proven.
- Ensuring that appropriate action is taken to recover assets and minimise loss.
- Keeping full and accurate accounting records and producing the trust's annual accounts, including a statement on regularity, propriety and compliance.
- Advising the board of trustees in writing if action it is considering is incompatible with the Articles of Association, funding agreement or ATH, and notifying the DFE's accounting officer if the board proceeds with action considered to be in breach.

The external auditor will be responsible for certifying whether the trust's annual accounts present a true and fair view of its financial performance and position.

The CFO will be responsible for:

- Assessing the areas of the trust that are most vulnerable to fraud, in conjunction with the headteacher.
- Conducting an initial investigation where a report of fraud is made, in conjunction with the headteacher.
- Contacting the DFE to request prior approval for any transactions beyond the trust's delegation limits, and transactions that are novel, contentious or repercussive.

The chair of trustees will be responsible for:

- Receiving reports of fraud that involve the headteacher.
- Ensuring the DFE is notified as soon as possible in relation to instances of fraud, theft and irregularity in line with [section 11](#) of this policy.

The headteacher will be responsible for:

- Assessing the areas of the trust that are most vulnerable to fraud, in conjunction with the CFO.
- Receiving reports of fraud.
- Conducting an initial investigation where a report is made, in conjunction with the CFO.
- Approving gifts and hospitality in line with the Gifts, Hospitality and Anti-bribery Policy.
- Ensuring employees are provided with appropriate anti-fraud training.
- Maintaining the Conflicts of Interests Register and Gifts and Hospitality Register.

The trust's resources and audit committee will be responsible for reviewing the trust's internal controls, and for conducting a full investigation of reports and determining what the next steps will be.

All employees (including volunteers and temporary staff) and third parties that work with the trust will be responsible for:

- Demonstrating the highest standards of honesty, probity, openness and integrity in the discharge of their duties.
- Complying with the provisions outlined in this policy.
- Being vigilant to the risks and indicators of fraud.
- Promoting an ethical, anti-fraud culture.
- Reporting their concerns in relation to fraud to the headteacher or chair of trustees.
- Reporting any breach of this policy to the headteacher or accounting officer.
- Providing information about any conflicts of interest and direct or indirect pecuniary interests to the headteacher.
- Maintaining the academy trust's estate in a safe working condition.

Management accounts which set out the trust's financial performance and position are prepared every month and shared with all trustees each month. The Resources and Audit Committee will consider management accounts when it meets and report to the full Board.

Appropriate and timely action will be ensured by the board to maintain financial viability.

Indicators for potential fraud

Some actions and behaviours may give cause for concern, arouse suspicion and possibly indicate fraudulent activity. These are outlined at the end of this policy. The list provided in is not exhaustive; fraud can take many different forms. All employees will be vigilant to the indicators of fraud.

Creating an ethical culture

An ethical, anti-fraud culture will underpin all the work done by the trust to counter fraud. All employees and third parties that work with the trust will be expected to act with high levels of integrity and to adhere with the rules outlined in this policy.

Employees will be encouraged to report any concerns, and clear reporting mechanisms will be implemented and communicated. Victimisation or harassment of anyone who has made a report will not be tolerated.

Preventing fraud

Fraud risks will be identified for all areas and processes of the trust and will be assessed in terms of impact and likelihood. Both monetary and non-monetary impacts will be considered, such as the impact on the trust's reputation.

Robust internal controls will be put in place to manage the risk of fraud – these will cover areas including the following:

- Process of authorising transactions
- Access restrictions and transaction controls

- Account reconciliations
- Physical security of assets
- Segregation of responsibilities
- Pre-employment checks

All employees will follow the Staff Code of Conduct and will be required to declare any business or pecuniary interests, or other conflicts of interest, to the headteacher. Trustees will be required to declare conflicts of interest to the chair of trustees.

Following a case of fraud, the risk management strategy will be reviewed to ensure it considers all relevant risks and that the internal controls are effective.

Record keeping

All invoices, accounts and related documents will be prepared and maintained with the highest accuracy and completeness. No accounts will be kept “off-book” and any reports of fraud, and subsequent investigations, will be recorded.

Reporting concerns and making allegations

Any allegations or concerns of suspected fraud will be reported to the CEO/headteacher. Allegations involving the CEO/headteacher will be reported to the chair of trustees. Allegations involving governors or trustees will be made to the accounting officer.

Third parties will report any concerns to the CEO, headteacher or the chair of trustees, depending on what the allegation involves. Any person with a concern or allegation will not investigate the matter themselves.

Procedures outlined in the Whistleblowing Policy can be followed to report concerns. Employees, volunteers and third parties will be made aware that reports can also be made directly to the DFE using an online [enquiry form](#).

Investigating reports

Reports will be initially investigated by the CEO/headteacher and CFO, who will ascertain the facts of the report, seeking HR and legal advice as necessary. The CEO/headteacher will notify the chair of trustees of any serious financial irregularities at the first opportunity following the completion of an initial investigation.

Following the initial investigation, the matter will be reported to the resources and audit committee who will undertake the management of the investigation. When a report has been escalated to the resources and audit committee, the individual(s) the allegation has been made against will be informed of the investigation. They will not be informed of who made the allegation.

In undertaking an investigation of a report, the resources and audit committee will:

- Investigate to gather factual information and reach an initial view as to whether further action is required.

- Collect relevant evidence, interview all relevant people and analyse any related documentation.
- Decide if the evidence suggests that the allegation or concern is proven.
- Recommend any changes to the internal controls in light of the findings.
- Determine whether the findings, conclusions and any recommendations arising from the investigation should be reported to the chair of trustees.
- If further investigations are required, determine which outside agencies should be involved, e.g. auditors or the police.

The resources and audit committee will, where possible, quantify any potential or actual financial loss and ensure steps are taken at an early stage to prevent further loss occurring. The resources and audit committee will notify the trust's external auditor of any cases it is investigating, and of the outcome of these cases.

All concerns and reports will be taken seriously and investigated in line with the process outlined above. Reporters will be asked to provide any evidence they have to support their allegations. Any person who makes a report will be reassured that they will not suffer recrimination as a result of raising any reasonably held suspicion.

Reports will be investigated objectively; the facts will be considered as they appear, based on the information to hand. Individuals about which a report is made will not be accused or approached directly prior to an investigation.

Reporting to the DFE

The chair of trustees will report any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any financial year, to the DFE as soon as possible. Unusual or systematic fraud, regardless of value, will also be reported. When making a report to the DFE, the accounting officer will provide the following information:

- Full details of the event(s) with dates
- The financial value of the loss
- Measures that have been taken to prevent recurrence
- Whether the matter was referred to the police, and, if not, the reasoning behind this
- Whether insurance or the risk protection arrangement (RPA) have offset any loss

Following a report, the DFE may conduct or commission its own investigation into actual or potential fraud, theft or irregularity in the trust, either as a result of a notification from the trust or from other information the DFE has received. Other authorities, including the police, may be involved in the investigation.

Following an investigation

The trust will seek to apply appropriate criminal, civil and disciplinary sanctions to all cases of proven fraud and corruption. Where fraud involving an employee is proven, this constitutes as gross misconduct and cases will be dealt with accordingly in line with the Disciplinary Policy and Procedure.

The trust may terminate the contracts of any third party or other associated person acting on behalf of the trust where they are found to have breached this policy. Disciplinary action may be taken against employees that make malicious reports of fraud.

Where appropriate, cases will be referred to the police in order for them to consider taking criminal action.

Following any incident of fraud, a 'lessons learned' exercise will be conducted. All individuals involved in the investigation of the case will be involved in the activity, which will aim to identify areas of internal controls or other procedures that should be improved to prevent further cases occurring.

Cyber-crime and cyber-security

The trust will be vigilant to cyber-crime and clear cyber-security measures and proportionate controls will be implemented. Appropriate action will be taken where a cyber-security incident occurs, in line with the trust's Cyber Response and Recovery Plan.

The following measures will be implemented specifically relating to addressing the risk of fraud:

- Firewalls, anti-virus software and strong passwords will be used
- Data will be routinely and securely backed up
- A restricted number of devices will be used to access financial or other sensitive data

Staff will receive training to ensure they:

- Check the sender of an email is genuine before, for example, sending payment, data or passwords.
- Make direct contact with the sender where an email requests a payment – this will be done in person where possible, but at a minimum staff must use another method other than the direct reply function, such as a phone call.
- Understand the risks of using public Wi-Fi.
- Understand the risks of not following payment checks and measures.

Any suspected incidents of fraud relating to cybersecurity will be reported and investigated as outlined in [section 9](#) and [section 10](#) of this policy.

The trust will follow the National Crime Agency's (NCA) recommendation to not pay cyber ransom demands. Any decision to pay a cyber ransom demand will only be made if permission has been obtained from the DFE.

Money laundering

"Money laundering" describes offences concerning the possession, concealment, conversion, transfer or making of arrangements relating to the proceeds of crime. This is not limited to money or cash.

Trustees will take appropriate and reasonable steps to ascertain where funds received by the trust come from. This includes:

- Identifying who they are dealing with.
- Verifying identities, where appropriate, and there are high risks.
- Checking the nature of the organisation's or individual's business to be assured that this is appropriate for the trust to be involved with.
- Watching out for unusual, complex or suspicious activities, conducts or requests.
- Ensuring that any conditions attached to receiving the funds are appropriate and can be accepted and there is reasonable assurance that the funds are not from any illegal or inappropriate source.

All decisions by trustees to accept or refuse donations will be recorded in writing in order to demonstrate that decisions were taken responsibly, with due consideration given to any risks.

Payments by cash will only be accepted by the school up to a value of £500 from known individuals and organisations.

Any concerns held by staff relating to money laundering will be raised with the accounting officer. Where the trust knows or suspects that an individual or organisation is engaged in money laundering or dealing in criminal property, the accounting officer will submit a suspicious activity report (SAR) to the NCA. The individual or organisation the report concerns will not be informed of the suspicion. Careful consideration will be given to the trust's relationship with the individual or organisation once the report has been submitted.

Confidentiality

The trust understands that the decision to report a concern can be a difficult one to make. Victimisation or harassment of anyone who has made a report will not be tolerated.

Where possible, the identity of the person who made the report will be kept confidential; their identity will only be shared on a need-to-know basis. The identity of the individual(s) about whom an allegation is made will be also be kept confidential, and only shared on a need-to-know basis. Where an allegation is proven to be unfounded or malicious, the individual about whom the allegation was made will be provided with appropriate support.