



FINANCIAL REGULATIONS MANUAL

Approved on: 28th September 2020
Next review date: September 2021

Contents

Introduction	4
Organisation and Financial Responsibilities	4
The Board of Directors	4
The Finance, Audit Resources and Risk Committee.....	5
Internal Scrutiny	5
The Accounting Officer	5
Local Academy Boards (LABs).....	6
The Head of Finance and Operations	7
Review of regularity	7
Other Members of Staff.....	7
Register of Business Interests.....	7
Financial Planning	8
The Budget Cycle	8
Budget.....	8
Other Government Funding	9
Other Grants and specific funding	9
Virements	10
Budget Monitoring and review	10
Monthly management Accounts.....	10
Termly reports.....	10
Budget Forecast Return (Forecast to August for the Current Year)	10
Annual accounts	11
Value for Money Statement.....	11
Audit arrangements	11
Work undertaken during accounting period	11
Work undertaken for the year end	11
Document Retention.....	12
Accounting system.....	12
System Access	12
Back-up Procedures	12
Transaction processing.....	13
Journal Entries.....	13
Reconciliations	13
Cash Management	14
Bank Accounts.....	14
Online Banking System	14
Deposits.....	14
Payments and withdrawals	14
Administration.....	14
Petty Cash.....	15
Payments to staff.....	15
E-procurement & Payments.....	15
Investments and Cash Deposits	15
Reserves	15
Pooling of GAG (To read in conjunction with the Reserves Policy).....	16
Capital Reserves	16

Payroll	16
Staff Appointments	16
Payroll Administration	17
Staff Expenses / Mileage.....	17
Payroll Payments	18
Salary advances	18
Overtime.....	18
Income	19
ESFA grants	19
Other grants.....	19
Trips	19
Catering.....	19
Ad-hoc cash collection.....	20
Lettings & Hire of Facilities	20
Breakfast and After School Clubs.....	20
Sundry income.....	20
Bad debts.....	20
Purchasing	21
Financial Delegated Authorities and Authorisation Limits	21
Transactions requiring approval from ESFA	22
Routine Purchasing	23
Goods and services for private use	23
Orders	23
Non-order Purchase Invoices (excluding credit cards).....	24
Segregation of Duties within Order Process.....	24
Invoices	24
Competitive Purchasing Requirements and Limits	25
Orders over £2,000 but less than £10,000	25
Orders from £10,000 to £40,000	25
Orders over £40,000	25
EU Procurement Thresholds.....	26
Tendering Procedures	26
Open Tender	26
Restricted Tender	26
Negotiated Tender.....	26
Framework Agreements	27
Preparation for Tender.....	27
Invitation to Tender	27
Aspects to Consider	28
Tender Acceptance Procedures	28
Tender Opening Procedures.....	28
Tendering Procedures	29
Non-competitive tenders (applies to purchases under EU threshold only)	29
Specialist Purchasing Consortiums.....	29
Insurance	30
Governors/Director Expenses (To be read in conjunction with the Governor/ Director Expenses document)	30

Gifts (To be read in conjunction with the Hospitality, Gift, Bribery and Fraud Policy)	30
Energy Management	31
Fraud	31
Whistleblowing	31
Leasing	31
VAT 126 form	31
Fixed Assets This section should be read in conjunction with the Assets & Disposal Policy	31
Asset register	32
Security of assets	32
Depreciation of Assets	33
Inventory Register	33
Disposals	33
Disposal Limits	33
Loan of Assets	33

Introduction

The purpose of this manual is to ensure that 1Excellence Trust maintains and develops systems of financial control, which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Secretary of State for Education, through the Education Funding Agency (ESFA).

The Trust must comply with the principles of financial control outlined in the current Academies Financial Handbook. This manual expands on that and provides detailed information on the academy's accounting procedures and system.

This manual should be read by all staff involved with financial systems.

This manual serves as an adjunct to the scheme of delegation providing information on the day-to-day operations and practicalities forming from this financial regulation manual. This policy will be regularly reviewed and any changes must be approved by Trustees. This policy applies to the Trust and to all individual academies. Instances of non-compliance with this policy will be reviewed by the Head of Finance and Operations and may be reported to the Board.

This manual should be read in conjunction with the following Trust policies / procedures:

- Scheme of Delegation
- Allowances for Members, Trustees and Local governors
- Treasury Management Policy
- Charging Policy
- Assets & Disposal Policy
- Gifts, Hospitality Anti- Fraud, Corruption & Bribery Policy
- Whistle Blowing Policy
- Hire of Facilities Policy
- Cash Flow & Management of Deposits Policy
- Reserves Policy
- Credit Card Policy

Organisation and Financial Responsibilities

The key financial responsibilities within the Trust are as follows:

The Board of Directors

The Board of Directors has overall responsibility for the administration of the Trust's finances. The Board is responsible for managing the financial affairs to ensure regularity, propriety and value for money, and for ensuring that the Trust's funds are used in accordance with charity law, company law and the funding agreement. The Directors are held to account by the Secretary of State.

The Trust Board delegates certain powers, which are detailed in the Trust's Scheme of Delegation and Committee Terms of Reference. The Scheme of Delegation and committee terms of reference are reviewed and approved by the Trust Board on an annual basis.

The Finance, Audit Resources and Risk Committee

The Finance, Audit Resources and Risk Committee is a committee of the Board of Directors Meeting at least once a term.

The Trust Board has delegated responsibility to the Finance, Audit and Resources Committee to;

- Support and advise the JCLT Board to ensure the financial viability of the trust
- Ensure best value and the effective use of resources across the Trust and academies
- Direct the Trust's programme of internal scrutiny and report to the board on the adequacy of the Trust's financial and other controls and management of risks
- Compliance with the Academies Financial Handbook and other regulatory requirements

The responsibilities of the committee are detailed further in the Trust's committee's terms of reference

Internal Scrutiny

The Finance, Audit Risk and Resource Committee must direct a programme of internal scrutiny and consider the results and quality of any external audit.

To support them in this role the Committee has commissioned a programme of internal assurance testing to be carried out by Clive Owen LLP. In line with the revised ethical standard this a different organisation to the firm completing the external audit.

The Committee receives internal assurance reports after audit testing throughout the year

The aim is to provide the Trust Board with independent assurance that;

- The financial responsibilities of the Local Academy Body are being properly discharged
- Resources are being managed in an efficient, economical and effective manner
- Sound systems of internal financial control are being maintained
- Financial considerations are fully taken into account in reaching decisions

The Accounting Officer

The Trust have appointed the Chief Executive Officer as the accounting officer. The accounting officer role includes specific responsibilities for financial matters. It includes a personal responsibility to Parliament, and to ESFA's accounting officer, for the trust's financial resources.

Accounting officers must be able to assure Parliament, and the public, of high standards of probity in the

management of public funds, particularly regularity, propriety and value for money.

Accounting officers must adhere to The 7 principles of public life.

The accounting officer must have oversight of financial transactions, by:

- ensuring the academy trust's property and assets are under the trustees' control, and measures exist to prevent losses or misuse
- ensuring bank accounts, financial systems and financial records are operated by more than one person
- That the trust keeps full and accurate accounting records to support their annual accounts.

The accounting officer reviews the following documents termly to ensure the academy trust is working within the boundaries of regularity and propriety:

- management accounts (reviewed monthly)
- reviews compliance against the scheme of delegation
- reviews transactions for evidence of connected party transactions
- value for money practice

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

The accounting officer must take personal responsibility (which must not be delegated) for assuring the board that there is compliance with the funding agreement and Academies Financial Handbook.

The accounting officer must advise the board in writing if action it is considering is incompatible with the articles, funding agreement or handbook.

Similarly, the accounting officer must advise the board in writing if the board fails to act where required by the funding agreement or handbook. Where the board is minded to proceed, despite the accounting officer's advice, the accounting officer must consider the board's reasons and if the accounting officer still considers the action proposed by the board is in breach of the articles, the funding agreement or handbook, the accounting officer must notify ESFA's accounting officer immediately in writing.

Local Academy Boards (LABs)

The financial responsibility of each academy's LAB is detailed in the Scheme of Delegation.

Key financial responsibilities include:

- approving expenditure between £10,000 and £20,000
- receiving budget monitoring information on a termly basis and;
- reviewing and recommending the annual budget to the Trust Finance Audit Resources and Risk Committee and then the Full Director Board for approval

The Head of Finance and Operations

The board has appointed a Head of Finance and Operations, to whom responsibility for the trust's detailed financial procedures is delegated

The main responsibilities of the Head of Finance and Operations are:-

- the establishment and operation of a suitable accounting system
- the management of the Trust's financial position at a strategic and operational level within the framework for financial control determined by the Board of Trustees
- implementation and operation of rigorous and robust audits and control
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust
- the preparation of monthly and annual management accounts

The Head of Finance and Operations need not discharge all their duties personally. The trust may employ additional staff or contractors with the relevant skills and knowledge at the appropriate time.

Review of regularity

The Accounting Officer has also delegated the following responsibilities to The Head of Finance and Operations.

- adherence to tendering policies
- review of transactions confirming in line with delegated authorities as set out by the Academies Financial Handbook
- review of trustees/governors' minutes

Other Members of Staff

Other members of staff, primarily Head Teachers, the School Business Manager (SBM), and Administrators, will have some financial responsibilities and these are detailed in subsequent sections of this manual. All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's financial procedures

Register of Business 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, Directors, Local Governors, Senior Leaders and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the trust may purchase goods or services. The register is open to public inspection and this information is published in the trust website.

The register should include all business interests such as trusteeships, share holdings or other appointments of influence within a business or organisation which may have dealings with the Trust. Close family relationships within the trust must also be declared in line with the Academies Financial Handbook.

The existence of a register of business interests does not detract from the duties of Directors and staff to declare interests whenever they are relevant to matters being discussed at a committee meeting and is a standard item on every agenda. Where an interest has been declared, Directors and staff should not attend that part of any committee meeting.

Related Party transactions will only be entered within the limits outlined in the AFH and will be subject to prior approval by the Board.

Financial Planning

The Head of Finance and Operations is responsible for preparing and updating a three year financial plan allowing the trust to monitor longer time financial sustainability and highlight in a timely manner any issues to be addressed.

As part of the management of trust funds the Director board has developed a reserves policy

The Budget Cycle

The budget cycle is as follows:

- Autumn term (Sept – Dec)
 - Implementation of submitted budget plan
 - Flex-budgeting based on subsequent information such as Teachers' Pay, Pupil number etc...
 - Monitoring expenditure (continuous-monthly)
 - Monitoring income (continuous – monthly, with emphasis on pupil numbers)
 - Reconciliation and closure of previous financial year
- Spring term (Jan – Mar)
 - Monitoring and Reviewing of year's budget
 - Monitoring expenditure (continuous-monthly)
 - Monitoring income (continuous – monthly, with emphasis on pupil numbers)
 - Preparation of BFRO return
 - Pre-planning new financial year
- Summer term (Apr – Aug)
 - Submission of BFRO return
 - Planning for forthcoming year and longer term planning
 - Preparation and submission of financial budget plan
 - Review of current year's budget
 - Preparation for Year End and Audit

All requirements of the ESFA, in particular relating to carry forward of unspent funds, will be taken into account in preparing and submitting the budget.

Budget

The Head of Finance and Operations is responsible for preparing and obtaining approval for the annual budget. Individual academy budgets will be prepared by the Head of Finance and Operations in conjunction with the Head

Teacher. These will then be recommended by the Local Academy Board to the Finance Audit Resource and Risk Committee and Full Director Board. The consolidated trust budget must be recommended by the Finance Audit Resource and Risk Committee and approved by the Board of Directors.

The Head of Finance and Operations is responsible for setting a timetable to allow sufficient time for the approval process and ensure that the ESFA deadlines for budget submissions are complied with.

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

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of General Annual Grant
- latest estimate of other ESFA funding e.g. pupil premium, Yr7 Catch-Up or other specific funds
- review of other income sources available to the academy to assess likely level of receipts
- review of past performance against budgets to promote an understanding of the academy cost
- identification of potential efficiency savings
- review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
- all carry forward balances
- any unspent grants from the previous financial year
- any funds held in trust

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

The approved budget is then entered onto the finance system at the start of the new financial year.

Other Government Funding

In addition to GAG funding from ESFA, the trust may be awarded specific funding for other projects e.g. Condition Improvement Funds, Character Bid funding, Additional Special Educational Needs funding etc. This funding may be from the Department of Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.

The Head of Finance and Operations is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

Other Grants and specific funding

In addition to the GAG funding from the ESFA the academy/MAT and other government funding, the academy/MAT may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding, Football

Foundation Funding, Charitable Grants etc. All applications for additional external funding must be approved and supported by the Board of Governors/Trustees. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.

The Head of Finance and Operations is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

Virements

The Head of Finance and Operations is given delegated power to vire from one budget to another and shall seek approval from the Finance Audit Resource and Risk committee where the amount exceeds £5,000

Budget Monitoring and review

Monthly management Accounts

Monthly reports are prepared by The Head of Finance and Operations. The reports include:

- actual income and expenditure against budget (shown as month to date and cumulatively) for each individual Academy and Trust Position
- a Trust Balance Sheet
- a Trust Cash Flow forecast
- a one page summary which details individual Academy and Trust Variances within each Expenditure / Income Category that are over £1000 or 10% (whichever smaller)

The monthly reports are sent to the accounting officer, Head teachers and all Directors

These are sent by email and all are asked to acknowledge receipt.

Any potential overspend against the budget must in the first instance be discussed with The Academy Head teacher

Termly reports

A detailed budget monitoring report will be prepared by the Head of Finance and Operations termly and presented to the Finance and Audit Committee.

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate

Budget Forecast Return (Forecast to August for the Current Year)

The Head of Finance and Operations is responsible for preparing and obtaining approval from the Trust Board for the Budget Forecast return – Outturn report.

This must be submitted to the ESFA by the 31st May

Annual accounts

The academy trust must prepare annual audited financial statements for the accounting period to 31 August.

The accounts are outsourced to the Trust's auditors for preparation

The accounts are then submitted as follows:

- by 31 December – to ESFA
- by 31 January – published on our own website
- by 31 May – to Companies House

Value for Money Statement

As part of the annual accounts the trust must include 3 focussed examples of value for money.

The Head of Finance and Operations is responsible for collating the examples which are then confirmed by the Finance Audit Resource and Risk Committee.

Audit arrangements

External auditors must be appointed in accordance with the Academies Financial Handbook.

The Head of Finance and Operations is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

Work undertaken during accounting period

The Head of Finance and Operations is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:

- reviewing the structure of the trial balance
- maintaining a fixed asset register
- monthly depreciation charges
- maintaining income and expenditure records (including filing of invoices)
- reviewing aged debtors for any provisions required
- maintaining a record of governors/trustees interests, related and connected party transactions
- control account reconciliations (bank, wages, debtors, creditors)
- maintaining a record of meeting attendance
- Monitoring & reporting to the Accounting Officer and Board of governors/trustees

Work undertaken for the year end

The Head of Finance and Operations is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:

- prepayments or accruals
- deferred and accrued income
- control account reconciliations (bank, wages, debtors, creditors)
- close down of the purchase ledgers
- close down of the Sales ledgers and aged debtors
- pension valuations
- Pension Audit

Document Retention

Documents are retained for the following amount of time:

- Finance records – current year plus preceding 6 years
- Supply cover insurance – current year plus preceding 6 years
- Payroll and travel records – current year plus preceding 6 years
- Personnel records – 5 years after an employee has left
- All student files until the student reaches the age of 21

Accounting system

All the financial transactions of the academy trust must be recorded into Agresso, the computerised financial information accounting system. The system consists of:

- General Ledger, including Journal transactions
- Purchase Ledger
- Sales Ledger
- Fixed assets

System Access

Access to Agresso is determined by the Accounting Officer, and that control is operated by the Head of Finance and Operations in conjunction with Xentrall Shared Services. The Accounting Officer and the Head of Finance and Operations have sole access to amend the system, set up and controls in Agresso and to determine appropriate levels of access for users of the system.

User access is controlled through secure user accounts and passwords. It is the responsibility of all Agresso users to keep their password secure. Access to the system is password protected with password changes forced every 30 days and the implementation of appropriate security is the responsibility of Xentrall Services and is documented in the contractual agreement with them. It is the responsibility of The Accounting Officer delegated to the Head of Finance and Operations to determine the appropriate levels of access for each user and to inform Xentrall of these requirements. System access must ensure that there is adequate separation of duties in the process and that users may not initiate and approve transactions.

Back-up Procedures

It is the contractual responsibility of Xentrall Services to maintain adequate back-up and disaster recovery procedures.

Xentrall responsibilities include

- Develop, maintain and periodically test Disaster Recovery plans to ensure that they are adequate and fit for purpose.
- Ensure that all data managed on behalf of the Academy Trust is adequately protected to enable efficient and effective recovery
- Ensure data is backed-up onto appropriate media at regular intervals
- Ensure media is securely stored off-site
- Ensure test restores of data are carried out at regular intervals.
- In the event of a disaster Xentrall will recover the service to an acceptable state of operation within 5 working days

Transaction processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.

Journal Entries

All journal entries are documented on the journal form, and authorised in accordance with the authorisation limits prior to being input to Agresso

Bank transactions are input by Karen Craggie / Chloe Hails via a 'cash book journal' and reviewed by Head of Finance and operations.

All journal entries (except the cash book journals) are input by the Head of Finance and Operations.

Detailed information on the operation of Agresso can be found in the user manuals held in each academy

Reconciliations

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

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

The CEO will review in a timely manner, all monthly reconciliations and sign them as evidence of that review.

Any unusual or long outstanding reconciling items are dealt with according to the bad debt limits in this manual.

Cash Management

Bank Accounts

Currently the Trust operates 3 bank accounts, however we are in the process of moving to 1 bank account which will be completed by the 31st December 2021

The opening of any further accounts must be authorised by the Board of Directors. Terms and arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement minuted.

The Head of Finance and Operations will ensure that in the event of changes to key personnel signatories will be changed immediately, and the bank notified. Any on-line access to banking will also be removed

Online Banking System

The CEO, Head of Finance and Operations and School Business Managers have access to the online banking system. Access to the system is controlled by passwords and cards. It is the responsibility of each individual to maintain security of their passwords and cards

Deposits

A deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book with the following details:

- the amount of the deposit
- a reference (for example the number of the receipt or the name of the debtor)

The School Business Manager / Administrator is responsible for updating the accounting system (within 2 working days) for deposits placed.

Payments and withdrawals

All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two of the following authorised signatories:

- Chief Executive
- Head of Finance and Operations
- Head Teacher
- Assistant Head Teacher's
- Finance Director – Keith Smith

Administration

The School Business Managers /Administrator ensures bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the finance system
- reconciliations are prepared by the School Business Manager / Administrator
- reconciliations are subject to an independent monthly review carried out by Head of Finance and

- Operations or in his / her absence the Chief Executive Officer
- adjustments arising are dealt with promptly

Petty Cash

Petty Cash accounts are not in use.

Payments to staff

Any expense payments for staff must be authorised in line with other purchases and payments made to the individual bank account. The maximum expenditure is £50 – unless there are pre-agreed exceptional circumstances.

E-procurement & Payments

The trust has an approved Credit Card policy. The policy establishes the procedures for the credit card use

The school credit card is used only when it is not practical to use the purchase order/cheque system. It is used as an efficient method for procuring travel, accommodation and sundry items. Credit cards are held by the School Business Managers and each Head Teacher and credit limits are set to minimise risk.

The card is kept in the safe and is signed out as required.

Anyone wishing to make a purchase on credit card must complete an order form and pass this to the School Business Manager, or Admin staff to make the purchase. All order forms detailing the purchase must be signed by the Head Teacher / CEO in line with procurement limits prior to any purchases being made.

Occasionally the credit card is used to purchase small items, where it is not possible to order this elsewhere. This must be recorded and countersigned by the Head Teacher.

When the credit card bill arrives, there will be a signed order form relating to each entry on the statement, a VAT invoice is required for all purchases and it is sometimes necessary to chase suppliers for this. A cash book journal is keyed for each entry on the statement.

The credit card bill, along with all the relevant order forms are then given to the Business Manager who will check the statement and sign an authorisation sheet. The Head of Finance and Operations will then check a sample of the transactions (minimum of 3 per statement or 20% whichever is the maximum), and sign the authorisation sheet. These are then filed away together in the credit card folder, until the end of the financial year, when they will then be transferred to the finance storage box for that year.

Investments and Cash Deposits

The Trust has adopted a Treasury Management Policy. Currently the Trust does not hold any investments.

Reserves

The Trust approves a Reserve Policy on an annual basis

Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year. – See Trust Reserve Policy

The Chief Executive Officer as Accounting Officer must inform ESFA immediately if a deficit is anticipated.

If the Trust is anticipating a deficit at the end of any financial year, The Board of Directors, the Local Academy Board and Head of Finance and Operations have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The governing body must ensure that a recovery plan is submitted and approved by the ESFA.

The academy trust undertakes to ensure that a contingency reserve of 4 weeks' worth of expenditure is kept.

Pooling of GAG (To read in conjunction with the Reserves Policy)

A Trust can amalgamate GAG for its academies to form one central fund. This can be used to meet the running costs at any constituent academies within the trust. In accordance with its funding agreement a MAT must not pool PFI funding.

The MAT must consider the funding needs and allocations of each constituent academy, and must have an appeals mechanism. If a constituent academy's Head Teacher feels the academy has been unfairly treated, they should appeal to the trust. If the grievance is not resolved, they can appeal to the Secretary of State, via ESFA, whose decision will be final and who can dis-apply the pooling provisions.

In line with the Reserves policy the Trust currently pools a proportion of each Individual Academy Reserves for the development of education of all pupils within the Trust. The Trust from time to time may also require Academies to contribute to Trust strategies.

Capital Reserves

Any overall surpluses at the end of the year are carried over to the following year.

It is the responsibility of the Head of Finance and Operations to keep accurate records of the capital funds, especially where grants have been received for capital projects.

Payroll

Staff Appointments

The Local Academy Board has recommended and the Board of Directors has approved the personnel establishment for each academy trust. Changes can only be made to this establishment with the recommendation in the first instance of the Local Academy Board and approval of the Board of Directors who must ensure that adequate budgetary provision exists for any establishment changes.

The Head teacher has authority to appoint staff within the authorised establishment except for Senior Management Positions whose appointments must follow consultation with the Governors/Directors. The School Business Manager / Senior Administrator maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to Xentrall immediately.

All appointments made must be line with Diocesan arrangements (where applicable)

The School Business Managers/ Senior Administrator is responsible for obtaining the relevant DBS checks and ensuring these are retained on file

Payroll Administration

The Trust payroll processing is administered through a contractual arrangement with an external payroll provider Xentrall Shared Services.

Staff are paid monthly on the last day of the month.

Xentrall hold the following employee details:

- salary
- bank account details
- taxation status
- personal details
- any deductions or allowances payable
- other legal and relevant details

The payroll provider will determine monthly payroll timetables for key processing dates.

New staff appointments and terminations must be notified to the payroll provider by completion of the appropriate form and authorised by the Head Teacher in each academy.

Each academy is responsible for notifying the payroll provider of sickness and absence during the month. These are authorised by the head Teacher before they are passed to the provider for processing.

Each academy is responsible for updating the local Sims data base with all personnel and pay related data.

Xentrall Shared Services provide a detailed spread sheet of monthly salary payments to each individual academy Run 1) and this is checked by the School Business Manager / Senior Administrator prior to the payments being made to staff.

If any amendments are required the Head Teacher must notify Xentrall before the final payroll is run. A record of these changes must be maintained for audit purposes

The Head teacher/ Head of school must also review and approve the reports.

The authorisation of payroll is notified to Xentrall by each Academy.

Staff Expenses / Mileage

The trust has adopted a Staff Expenses Policy

The trust staff may claim for reasonable expenses incurred to perform their duties. Reasonable expense are defined in the Staff Expenses Policy. Reasonable expenses include mileage at the agreed rate for trust business journeys.

If employees use their own vehicle for trust business, they will be required to provide appropriate documentation to ensure that the vehicle:

- Insured for business purposes
- Has a current MOT certificate (where applicable)

Each academy will be responsible for maintaining a record of the checks carried out to verify these requirements.

The Staff Expenses Policy outlines the process for making expense claims, the mileage and subsistence rates and the authorisation levels.

Payroll Payments

All payroll reports and paying out reports are downloaded from Egress by the School Business Manager / Senior Administrator and stored on the network with restricted access.

All net salary payments are made by BACS and are the responsibility of the payroll provider as per the contract arrangements.

The payroll provider calculates the schedule each month of statutory and voluntary deduction due from payroll, e.g. Income Tax, National Insurance contributions and pensions. Details of the amounts payable and due dates are received by The Trust from the payroll provider and these payments are made and administered by the payroll provider from the Trust account.

Postings are made directly to the payroll control account and cost centres in Agresso by the central finance team

On an annual basis, as part of the budget setting process, the finance lead in each academy must check for each member of staff that the pay scale and point on the pay scales held in the payroll system agrees to the contract of employment held on the personnel file.

Salary advances

The trust does not award salary advances.

Overtime

Overtime is recorded by the individual and submitted on a claim form by 2nd of each month to School Business Manager / Senior Administrator for authorisation. The School Business Manager / Administrator completes the claim forms and copies of the time sheets in the main office.

Claim forms must not be submitted prior to work having been undertaken.

No payments for work undertaken will be made other than via the payroll system.

Special Payments

Non-contractual payments at the end of employment can only be paid if it can be reasonably considered that the proposed payment is in the interests of the Trust. Such consideration must take into account whether such a payment is justified, based on a legal assessment of the chances of the trust successfully defending the case at an employment tribunal. If there is a significant prospect of losing the case then a settlement may be justified, especially if the costs incurred in maintaining a defence are likely to be high. Where a legal assessment suggests that the Trust is likely to be successful, then a settlement should not be offered.

The business case for such payments must be fully documented and the guidance issued by the ESFA as set out in the AFH must be complied with.

The Trust, following prior consultation with both the respective Head teacher may approve non-contractual payments up to £50,000 (gross payment value i.e. before income tax or other deductions).

Non-contractual payments over £50,000 require approval in advance from ESFA who will refer the payment to HM Treasury Department.

Income

ESFA grants

The main sources of income for the Trust are the grants from the ESFAs. The receipt of these sums is monitored directly by The Head of Finance and Operations who is responsible for ensuring that all grants due to the academy are collected.

Revenue funding is largely driven by pupil numbers. Census returns will be completed and authorised in each academy as follows:

Completed by: School Business Manager / Senior Administrator

Authorised by: Head teacher and Head of Finance and Operations

Other grants

The receipt of these sums is monitored directly by The Head of Finance and Operations who is responsible for ensuring that all grants due to the academy are collected.

Applications for any significant additional grant funding will be subject to approval from the CEO

Trips

A lead member of staff must be appointed for each trip and liaise with the office staff so that this can be set up on parent pay.

Cash for trips should not be taken in school.

The Finance Department should run weekly reports from parent pay and will chase any outstanding monies due.

Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents. If the school decides to subsidise the school trip the amount of subsidy must be approved by the Chief Executive Officer in advance of the booking being made.

Catering

School meal payments are collected via Parent Pay. Each academy must establish procedures to ensure that;

- Payments are adequately monitored and debts chased up
- Debts up to £50 can be written off at the discretion of the Head Teacher

- Income is reconciled against the number of meals provided
- Parent pay transactions must be recorded promptly in the Agresso system
- Each reconciliation must be documented and signed.

The numbers through parent pay must be reconciled weekly with the catering numbers from the kitchen and copies of the parent pay reports must be attached to the monthly catering invoice.

Ad-hoc cash collection

Cash income may be very occasionally collected for events/fundraising etc. In such cases cash will be held securely at all times in the academies safe and counted in the presence of two member of staff promptly recorded and reconciled to banking.

Lettings & Hire of Facilities

Each academy must establish procedures to deal with income from lettings. These procedures must ensure that;

- Adequate records are maintained for all bookings made and lettings agreements in place
- Payment should be made in advance wherever possible
- Sales Ledger accounts are raised through Agresso and invoices raised
- Debts will be monitored and promptly chased up
- Approval to write off debts must be obtained from the Finance and Premises committee

Copies of the organisations up to date relevant Public Liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept with the Letting Agreements and are reviewed at least annually.

Breakfast, After School Clubs and Additional Nursery Hours

Each Academy must establish procedures to deal with income received. These must ensure that:

- A register of attendance and record of payments is maintained
- Income is reconciled against the register
- Each reconciliation is documented and signed

Sundry income

Income from other sources (for example educational consultancy) is priced in consultation with The Head of Finance and Operations and the Chief Executive Officer. The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay in accordance with the agreed Consultants Policy. The Head of Finance and approves all credit agreements.

Bad debts

The Trust will always pursue recovery of amounts owed to it, including overpayments, or erroneous payments. In practice, however, there will be practical and legal limits to how cases should be handled.

The Trust will only consider writing-off losses after careful appraisal, including whether all reasonable recovery action has been taken with the debtor, the Trust's insurers, or the risk protection arrangement,

and should be satisfied there is no feasible alternative.

The Trust chases all monies due, and those that have not been paid within 30 days of an invoice being issued, by telephone or letter.

If the debt remains unrecoverable after 6 months, or it becomes clear that the debt will not be repaid, the School Business Manager submits a report to Head of Finance and Operations for approval of write off.

The following write off limits apply:

- Up to £150 – Accounting officer
- £151 to £500 – Finance, Audit and Resources committee
- Over £500 – Trust Board (consider potential referral to debt collecting agency)

Purchasing

The Trust must achieve value for money on all purchases. A large proportion of our purchases are paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:

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

Where a specialist service e.g architect / project manager is appointed to act as an agent on behalf of the Trust, the Trust may delegate the procurement process (including invitation to tender, receipt of documents and evaluation of tenders) where assurance of open and transparent procurement principles has been gained in advance regarding the processes involved by the outside agency. For contracts over £10,000 the final decision will be made by the Finance Audit Resources and Risk Committee; the agent will prepare a report containing recommendations for appointment, including the scoring process and details of all other submissions.

Financial Delegated Authorities and Authorisation Limits

The following financial limits apply;

Individual Academies

Purchases up to:

£0 - £1000	– Head Teacher
£1000 - £10,000	– CEO
£10,000 - £20,000	- Local Academy Board
£20,000 - £40,000	- Finance Audit Resource and Risk Committee
£40,000 +	- Full Director Board

Trust

£0 - £10,000 – CEO

£10,000 - £40,000 – Finance Audit Resource and Risk Committee

£40,000 – Full Director Board

Both the CEO and Head of finance and Operations must approve requisitions, purchase orders and contracts over £20,000 providing that prior approval of the expenditure by the relevant committee can be clearly documented.

Where it is pre-identified, at a committee or Director Board meeting, that a decision will be required between meetings, which would ordinarily require the Trust Board or committee approval, the members may delegate to any Director(s), committee member(s) or Head Teacher powers or functions they consider desirable. Where any committee Governor or Head Teacher exercises any power or function of the Directors, that person or committee shall report to the Directors in respect of any action taken or decision made at the meeting immediately following taking of the action or making of the decision.

At times approval for expenditure may be required from the Local Academy Board or Trust Board outside of scheduled meetings. In the event that a decision is required before the next scheduled meeting, email approval will be sought from the committee members. A date and time for response will be given and a quorate response taken as approval. In these circumstances quorum will be decided by each committee annually. The emails will be retained for audit purposes. This decision will be reported at the meeting immediately following taking of the action or making of the decision.

Transactions requiring approval from ESFA

Certain transactions may require prior approval from the ESFA. The following table is the Academies Financial Handbook (AFH) 2020, which summarises the schedule of freedoms and delegations. As stated in the AFH this is not a substitute for the full handbook. In all cases it is recommended that the most recent guidance is sort before entering into any of the following:

Novel, contentious and repercussive	Novel, contentious and repercussive transactions	ESFA agreement required
Borrowing	Loan, overdraft	ESFA agreement required
	Credit cards (for business use)	Trust has full discretion provided charges not incurred
Leasing	Taking up a finance lease	ESFA agreement required
	Taking up a leasehold on land and buildings	ESFA agreement if lease term seven years or more
	Taking up any other lease	Trust has full discretion
	Granting a lease on land and buildings	ESFA agreement required
Write-offs and liabilities (subject to £250,000 ceiling)	Writing-off debts and losses	ESFA consent required if exceeds: - 1% of total annual income or £45,000 individually; or - cumulatively 2.5% or 5% of annual income cumulatively
	Entering into guarantees, indemnities or letters of comfort	
Special payments	Staff severance and compensation	ESFA agreement required if £50,000 or more before tax

	Ex gratia payments	ESFA agreement required
Acquisition and disposal of fixed Assets	Acquiring freehold land/buildings	ESFA agreement required
	Disposing of a freehold on land/buildings	ESFA agreement required
	Disposing of heritage assets	ESFA agreement required
	Other Disposals	Trust has full discretion
GAG	Pooling by multi-academy trusts	No limits (except PFI) if trust eligible
	GAG carry forward	No limits if trust eligible
Related Party Transactions	Supplies to the trust from related parties	ESFA must report all contracts and agreements to ESFA in advance ESFA agreement required for a contract exceeding £20,000 or cumulative value of £20,000 in same financial year ESFA agreement required for all novel, contentious and/or repercussive related party transactions

Routine Purchasing

In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Finance Department. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with The Head of Finance and Operations. Copies of all quotes must be attached to the order form. Any additions made to the supplier data base are only made in accordance with the Supplier Amendment Procedure. Please refer to this procedure,

In purchasing all goods and services, Head Teachers should ensure that they review the use of existing resources, and consider the cost, quality, reliability and availability. Value for money should always be considered but no formal quotes are required for orders under £2,000. Established framework arrangements will be used wherever appropriate.

Goods and services for private use

No goods are ordered or services provided to include any elements of private use by governors and staff.

Orders

Official orders must be created for all purchases other than;

- Rent and or business rates
- Utility Costs & telephony bills
- Photocopying monthly charges
- Works and services executed under a contract and are irregular or one off payments, e.g annual subscriptions/stage payments on building works
- Works and services executed under a contract for regular monthly or quarterly payments e.g. catering and cleaning contracts*
- Teaching Supply Services
- Credit Card Transactions**
- Purchasing catering supplies

** in this instance an order will be raised but not a requisition*

*** See Credit Card Policy for further detail*

All orders must be made, or confirmed, in writing using an official order form, stocks of which are held by the Finance Department. Orders must bear the signature of the Head Teacher for amounts up to £1,000 and the Chief Executive Officer for orders above this amount. The order must be forwarded to the Finance Department where The Business Manager / Senior Administrator will check to ensure adequate budgetary provision exists before placing the order.

Approved orders will be recorded in the purchase order module of Agresso which allocates a reference number and commits expenditure. Orders will be dispatched to the supplier from the Finance Department by email

Incoming deliveries will be despatched to departments accordingly. On receipt the designated administrator in each school must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay. The goods receipt form should be filed with the invoice.

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

Non-order Purchase Invoices (excluding credit cards)

Non-order invoices are still subject to internal control processes. Where applicable, the contract will form the basis for agreeing the invoice.

Where an official purchase order has not been raised, the invoices will be processed on the finance system as a non-order invoice.

The invoice will be approved by the appropriate signatories in line with this Policy and Scheme of Delegation.

Segregation of Duties within Order Process

The Trust does not authorise one person to conduct any financial transaction from beginning to end independently. The only exception to this relates to orders raised by the head teacher, where it is not practical to have such segregation of duties, however there must always be a minimum of two people involved in processing financial transactions to ensure appropriate segregation of duties. Ideally more than two people will make up elements of the purchasing process.

Invoices

All invoices should be sent to the Finance Department. Invoice receipt will be recorded by the Finance Department (and the invoice scanned) into Agresso. The Finance Department will stamp invoices with a grid against which the following can be evidenced by the budget holder authorising payment:

- invoice arithmetically correct
- invoice posted to purchase ledger
- goods/ services received
- goods/services as ordered

- prices correct
- invoice authorised for payment
- payment authorised
- VAT treated correctly
- payment made

Payments are generated by Xentrall who act as a BACS Bureau on the Trust behalf. Prior to payments being generated Xentrall will pass a BACS listing to the academy, detailing individual invoices to be paid. The BACS run goes every Friday morning. The School Business Manager / Senior Administrator will review the listing and will raise any queries directly with Xentrall. They will sign this listing as evidence of review and the Head Teacher will review this listing and sign to evidence their approval.

In the rare instance where cheques payments are required these will be generated by the Academy Trust. The Cheques must be authorised by two of the nominated bank account signatories.

Competitive Purchasing Requirements and Limits

(The value of purchases is calculated as the value, excluding VAT for the full duration of the contract including any extensions or options)

For the avoidance of doubt, the following expenditure is excluded from formal tendering procedures: goods / services where the Trust is not the end user and contributions to the expenditure are made by or on behalf of the end user, for example school trips (where pupils are the end user)

Orders over £2,000 but less than £10,000

At least three written quotations should be obtained for all orders between £2,000 and £10,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by the finance office for audit purposes in the quotation files. Details of the quotations should be logged on the Trust quotations register. Telephone quotes are acceptable if these are evidenced and electronic confirmation of quotes has been received before a purchase decision is made and made in accordance with value for money principles.

Orders from £10,000 to £40,000

At least three written quotations should be obtained. All potential contractors invited to submit quotations shall be provided in all instances with identical information and instructions with specifications being signed off by the Head of Finance and Operations. Quotations should be evaluated against clear criteria.

Full records should be kept of all criteria used for evaluation and decision making in the quotations file and details stored on the Trust quotations register. If competitive quotes are not sought a report will be taken to the Finance and Premises Committee documenting the reasons why and how value for money has been otherwise assured. A report providing details of the quotations should be prepared for the relevant Committee.

Orders over £40,000

All goods/services ordered with a value over £40,000, or for a series of contracts which in total exceed £40,000 must be subject to formal tendering procedure detailed below and will be managed by the Head of Finance and Operations.

EU Procurement Thresholds

The current EU procurement thresholds for the transition period from the 1st January 2020-31st December 2021

Supplies and Services - £189,330

Lighter Touch Services - £663,540

Works - £4,733,253

Procurement above EU Thresholds must be carried out in accordance with the appropriate EU Procurement Directives, which the UK enforces through the Public Contracts regulations 2015. Now that the UK has left the EU this will be reviewed in January 2021.

Existing EU compliant framework agreements will be explored and used where appropriate.

For purchases above the threshold a procurement plan identifying the key tasks responsibilities and authorisation routes must be approved by the Board of Directors before the procurement commences and progress will be monitored and reported to Directors throughout the process. This process is likely to draw on external procurement, technical and legal advice

Tendering Procedures

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below. The Trust must seek tenders on the most appropriate basis.

Open Tender

This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with The Head of Finance and Operations how best to advertise for suppliers' e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical.

This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

Restricted Tender

This is where suppliers are specifically invited to tender. The Trust will normally invite at least four bidders. Restricted tenders are appropriate where:

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

Negotiated Tender

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

- the above methods have resulted in either no or unacceptable tenders,
- extending the scope of an existing contract
- Where market exploration has shown that only one or very few suppliers are available,
- extreme urgency exists,
- additional deliveries by the existing supplier are justified.
- Where the Diocesan Trustees (owners of the property) impose restrictions on whom they will permit to undertake capital projects for example, architects and construction advisers.

Framework Agreements

A framework agreement is an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price, and where appropriate the quantity envisaged. In other words, a framework agreement is a general phrase for agreement with providers that set out terms and conditions under which agreements for specific purchases (known as call-off contracts) can be made throughout the term of the agreement. In most cases a framework agreement will not itself commit either party to purchase or supply, but the procurement to establish a framework agreement is subject to the EU procurement rules.

The Directors may delegate the tender process to a relevant professional in their field of expertise. The suppliers chosen will be based on the quality of their services/supplies and ability to deliver in the timeframe.

Preparation for Tender

Full consideration should be given to:

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

The award criteria which are to be applied in evaluating tenders must be recorded in writing before the tenders are invited and must be stated in the documents sent to suppliers. It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

A tender brief must always be prepared by the Head of Finance and Operations and approved by the Finance Audit Resource and Risk Committee. In the case of urgency this can be done by email to the board in advance of the invitation to tender.

Invitation to Tender

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

An invitation to tender should include the following:

- introduction/background to the project
- scope and objectives of the project

- technical requirements
- selection criteria
- implementation of the project
- terms and conditions of tender
- form of response
- dates for decision and work to be delivered

Aspects to Consider

Financial

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

Technical/Suitability

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

Other Considerations

- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to commission a credit report.

Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document is received by The Trust. Tenders are submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening.

Tenders received after the submission deadline are not accepted, unless the Accounting Officer and Chair of Board are satisfied that the tender was posted or dispatched on time but that the delivery was prevented by an event beyond the control of the tenderer and that other tenders have not been opened.

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Tenders should be opened in the presence of a Director and the Accounting Officer (or other designated officer) unless the tendering

procedure has been delegated to a specialist agent.

A separate record details the names of the firms submitting tenders and the amount tendered. The record is signed by both people present at the tender opening.

Tendering Procedures

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

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

Full records should be kept of all criteria used for evaluation and for contracts over £40,000 a report should be prepared for the Finance Audit Resource and Risk Committee highlighting the relevant issues and recommending a decision. For contracts under £40,000 the decision and criteria should be reported to the Finance Audit Risk & Resources Committee.

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

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

In circumstances where the most economically advantageous tender is higher than the available funding, Directors may enter into discussions with the tenderer to reduce the scope of the tender to match available funding

Once a tender is accepted an order should be issued immediately to the supplier in the normal way.

Non-competitive tenders (applies to purchases under EU threshold only)

Instances of purchases that do not comply with the competitive purchasing requirements, for reasons such as sole supplier, specialist services etc. will require documenting and reporting for approval through the appropriate route depending on the value of the contract.

Key services renewed on an annual basis, for example Stockton Support Services ie Health and Safety will be considered on an annual basis. At minimum a benchmarking exercise will be undertaken to ascertain any % increases made year on year.

A more detailed review may be undertaken on a three to five year cycle to consider whether they still offer good value for money. Directors, taking into account the cost/benefit of undertaking such as exercise, will decide upon the format of this review. It is understood that a negotiated or restricted tender may be the most appropriate in these cases despite the value of the contracts

Specialist Purchasing Consortia

It is acceptable to use the services of specialist purchasing consortia that have already prepared purchasing frameworks and prices using the collective bargaining power of its members. For example, the Trust have experience of using NEPO (North East Purchasing Organisation). Pre written agreements from such framework

providers allows the Trust to place orders with suppliers in a way that meets necessary EU and UK procurement regulations.

Insurance

The Finance and Resources Committee reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for academy trust property when off the premises.

The Trust has opted in to the Department for Education's Risk Protection Arrangements.

All staff must ensure all valuable are kept under lock and key when not being used in a supervised manner.

Governors/Director Expenses (To be read in conjunction with the Governor/ Director Expenses document)

All governors/Trustees of this academy trust are entitled to claim the actual costs, which they incur as follows:

- childcare or baby-sitting allowances (excluding payments to a current/former spouse or partner)
- cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner)
- the extra costs they incur in performing their duties either because they have special needs or because English is not their first language
- the cost of travel relating only to travel to meetings/training courses at a rate of 45 pence per mile which does not exceed the specified rates for school personnel
- travel and subsistence costs, payable at the current rates specified by the Secretary of State for the Environment, Transport and the Regions, associated with attending national meetings or training events, unless these costs can be claimed from the any other source
- telephone charges, photocopying, stationery, postage etc.
- any other justifiable allowances

The Trust acknowledges that:

- Members Governors/Directors are not be paid attendance allowance
- Members Governors/Directors are not reimbursed for loss of earnings

Governors/Directors wishing to make claims under these arrangements, must complete a claims form from **Natasha White** together with the relevant receipts. The form must be submitted to the Finance Department within two weeks of the date when the cost were incurred, when they will be submitted for approval by the Chair of Governors/Trustees or Chair of Finance Resources & Risk to be presented to the Finance Committee for final approval.

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

Gifts (To be read in conjunction with the Hospitality, Gift, Bribery and Fraud Policy)

Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts

or hospitality in excess of £25 are reported to the Accounting Officer in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses (see Donations Policy for further details).

Gifts that have been reported are entered onto the gifts and hospitality register.

Energy Management

The Caretakers are responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be checked before authorising any invoices from the utilities providers. Any discrepancies or unusual readings should be raised with the [insert job title] immediately.

The Caretakers ensure that the school's heating system is operated and run as efficiently as possible.

The Head of Finance and Operations ensures that the school is purchasing energy at the most competitive prices available.

All staff have the responsibility to work in an energy efficient manner at all times (e.g. turning off computers, lights and heating when not required).

Fraud

The trust does not tolerate fraud. Where instances of fraud are found the Head of Finance and Operations / CEO will notify the ESFA.

Whistleblowing

Please refer to the Trust Whistle Blowing / Confidential reporting policy.

Leasing

Financial Leases represent borrowing and are not entered into by the trust. The Trust does occasionally enter into operating leases for the rental of equipment.

VAT 126 form

The Head of Finance and Operations is responsible for submitting the VAT 126 form every 2 months. The Trust is currently not VAT registered.

Fixed Assets - This section should be read in conjunction with the Assets & Disposal Policy.

All capital assets are recorded at historical cost as of the date acquired or constructed. If historical cost information is not available, assets are recorded at estimated historical cost by calculating current replacement cost and

deflating the cost using the appropriate price-level index.

Asset register

All items purchased with a value over the academy's capitalisation limit of £1,000 must be entered on the fixed asset register **manually** with the following details:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

The asset register helps:

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

Examples of items to include on the asset register include:

- ICT hardware and software (this list can be combined and used to identify software licences to ensure the school is complying with legislation)
- Reprographic equipment – photocopiers, comb binders, laminators
- Office equipment – fax machines, shredders, switchboard
- Furniture
- AVA equipment – TVs, video/DVD players, OHPs, cameras, speakers
- Cleaning equipment – vacuum cleaners, polishers
- Catering equipment – ovens, fridges, dishwashers, food processors
- Technology equipment – sewing machines, craft machinery
- Premises equipment – lawn mowers, power tools, generators
- Other equipment – musical instruments, PE equipment

Security of assets

All the items in the register are permanently and visibly marked as 'Property of 1 Excellence Trust' or predecessor school, as far as this is practical. Alpha Dots are in use on ICT equipment.

Equipment is, where possible, stored securely when not in use.

An annual count is undertaken at or about the end of the financial year. This count is performed by someone who is different from the preparer of the asset register. Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the Finance and Premises Committee in line with the scheme of delegation. Stores and equipment are secured by means of physical and other security devices.

Depreciation of Assets

All fixed assets will be depreciated using a straight line method of depreciation at the following rates:

- Land 125 years (length of lease)
- Buildings 50 years
- Plant and Machinery 7 years
- Furniture and Equipment 7 years
- ICT Equipment 3 years

Inventory Register

It is the individual academy's responsibility to maintain records for all items below the capitalisation thresholds that should be safeguarded from loss, for example computer equipment that falls below the capitalisation threshold but is 'attractive and portable'

Disposals

Disposals, where applicable, are in line with the Academies Financial Handbook.

Disposal of assets may be for a number of reasons e.g.

- Beyond repair
- No longer complying with health and safety requirements
- No longer required due to changed procedures or functions
- Not capable of running required software

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Trust Board.

Acceptable methods of disposal include

- Private sale by competitive tender if the value is significant
- Donation to an appropriate organisation
- Recycled or destroyed where the asset has no market value or use to another organisation.

The Trust will follow the Data Protection Policy when disposing of IT equipment with memory storage.

Acceptable methods of disposal are detailed in the Assets and disposals Policy.

Disposal Limits

Disposal of land and buildings must be agreed in advance with the Secretary of State.

Loan of Assets

Items of academy property must not be removed from academy premises without the authority of the Principal. A record of the loan must be recorded in a loan book and booked back in academy when it is returned.

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