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## Preface

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### 1. Purpose

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The purpose of these regulations is to ensure Our Lady of Walsingham Catholic Multi-Academy Trust (OLW CMAT) maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management.

These financial regulations are aimed at academy members, Trustees and governors, the Chief Executive Officer (the Accounting Officer), Chief Financial Officer, clerks to the board of Trustees, academy local governing bodies and the academy auditors and must be read by all staff involved with financial systems and copies made available as necessary.

In approving these regulations, the Directors are establishing and formally adopting good working practices for proper financial management and accounting procedures in accordance with the guidelines from the DfE as set out in the 'Academies Financial Handbook' (AFH).

The Trust aims to operate in a transparent, ethical and accountable manner and first and foremost, it is to be acknowledged that all items within this set of regulations are subordinate to the need to ensure compliance with the **Nolan Principles**, as laid out below;

#### **Selflessness**

Holders of public office should act solely in terms of the public interest.

#### **Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

#### **Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

#### **Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

#### **Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

#### **Honesty**

Holders of public office should be truthful.

#### **Leadership**

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

## Preface

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## 2. Background

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OLW CMAT is a Multi-Academy Trust. The Trust is limited by guarantee (company registration number 08444133)

The Trust is an exempt charity by virtue of Schedule 2 of the Charities Act 1993.

For legal purposes, the full and correct name of the Trust is "Our Lady of Walsingham Catholic Multi-Academy Trust". The registered office and address for the delivery of legal documents is:

St Louis Catholic Primary Academy  
Fordham Road  
Newmarket  
CB8 7AA

## 3. Status of Financial Regulations

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This document sets out the Trust's Financial Regulations. It translates into practical guidance the Trust's broad policies relating to financial control. This document applies to the Trust, all component Academies and all its subsidiary undertakings where they exist.

These Financial Regulations are subordinate to the Trust's Articles of Association, Trust Board guidance and to any restrictions contained within the Trust's Funding Agreement with the ESFA and the ESFA's 'Academies Financial Handbook'.

The Funding Agreement between the Education and Skills Funding Agency (ESFA) and the Trust sets out the terms and conditions on which payment of funds is made. The Trust Board is responsible for ensuring that conditions attached to the use of the funds are met. As part of this process the Trust must adhere to the ESFA's 'Academies Financial Handbook' (AFH) and 'Academies Accounts Direction' (AAD) which require the Trust to have sound systems of financial and management control. The Financial Regulations of the Trust form part of this overall system of accountability.

## 4. Compliance with Financial Regulations

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Compliance with the Financial Regulations is compulsory for all staff connected with the Trust. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the Trust's disciplinary policy. Any such material breach will be notified to the CEO, and to the Trust Board through the Resources and Audit Committee.

It is the responsibility of the CEO and CFO to ensure that staff are made aware of the existence, and content, of the Trust's financial regulations. All Finance staff and Headteachers should make themselves familiar with both this document and The Academies Financial Handbook and confirm to the CFO that they have read both. The CFO will report non-compliance through to Directors as appropriate.

It is the responsibility of Headteachers to ensure that their staff are made aware of the existence and content of the Trust's Financial Regulations and that an adequate number of copies are available for reference within their Department, Centre, Unit or Section.

This document should be placed on each Academy's intranet, with access by all.

## Preface

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### 5. Amending Financial Regulations

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Terms of Reference of the Resources and Audit Committee include review of the Financial Regulations and advising the Trust Board of any additions or changes necessary.

Changes to the Schedules reflecting changes in the Trust's accounting and management structure can be made by the approval of the Senior Managers. Ultimate responsibility for ensuring compliance with the Financial Regulations rests with the CEO in his/her position as Accounting Officer.

### 6. Processes

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Sitting underneath this document, the Trust's detailed financial procedures set out precisely how the Regulations will be implemented. [Process documents to be developed 2019/20].

### 7. Links

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Academy Financial Handbook (AFH)

<https://www.gov.uk/government/publications/academies-financial-handbook>

Academy Accounts Direction

<https://www.gov.uk/guidance/academies-accounts-direction>

**Organisation, Roles and Responsibilities**

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**1. Organisation****The Trust**

The main financial responsibilities of the Trust are set out in the funding agreements with the ESFA. The key responsibilities include:

- Ensuring that grants from the ESFA are used only for the purposes intended
- Approval of the annual budget
- Balancing its budget from year to year
- Production of an annual report and accounts
- Appointment of auditors
- Appointment of CEO Officer (as Accounting Officer)
- Appointment of the CFO in conjunction with the CEO
- Ensure regularity, propriety and value-for-money in relation to management of public funds
- Ensure information submitted to the DfE and ESFA that affects funding is accurate and compliant
- Implement reasonable risk management recommendations that are made by the auditors

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

The Trust has defined the responsibilities of key committees and staff involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees and staff.

The committees that have responsibilities relating to the academy finances are as follows:

- Trust Board
- Resources and Audit Committee
- Local Governing Body

The main responsibilities of these committees are set out in the schemes of delegation and in written terms of reference. The following sections summarise the responsibilities of those individuals with key roles in the administration and accountability of the Trust finances.

**The Trust Board**

The Trust Board is responsible for the management and administration of the Trust. The financial responsibilities of the Board include:

- Ensuring the solvency of the Trust and the safeguarding of the Trust's assets
- Appointing, grading, suspending, dismissing and determining the pay and conditions of service of the CEO and other Senior Post Holders
- Setting a framework for pay and conditions of service of all other staff
- Ensuring that the financial, planning and other management controls, including controls against fraud and theft, applied by the Trust are appropriate and enough to safeguard public funds
- Approving the appointment of external auditors and an internal audit service
- Securing the efficient, economical and effective management of all the Trust's resources and expenditure, capital assets and equipment and staff so that the investment of public funds in the Trust is not put at risk

**Organisation, Roles and Responsibilities**

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- Ensuring that appropriate financial considerations are considered at all stages in reaching decisions and in their execution
- Planning and conducting its financial and academic affairs so that its total income is not less than enough, taking one year with another, to meet its total expenditure
- Approving an annual budget before the start of each financial year

The Chair of Trustees shall demonstrate their oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements.

**Resources and Audit Committee**

The Trust Board has ultimate responsibility for the Trust's finances, and has established a Committee structure to support the scrutiny and monitoring of financial matters. The committee accountable to the Trust Board on all financial matters is the Resources and Audit Committee.

A Resources committee will report upon the financial position and affairs of the Trust as appropriate to the Board.

The main responsibilities of the Resources Committee (which are further detailed in the Scheme of Delegation and its appendices) include:

- the initial review and approval of the annual budget for each Academy and the Trust as a whole
- the regular monitoring and scrutiny of the Trust's management accounts
- reviewing any Trust Procurement Policy and the Scheme of Financial Delegation
- reviewing and checking details of any contracts and purchases by the Trust
- authorising the award of contracts and purchases
- liaising as necessary with the Trust's Audit Committee (or the Trust Board if appropriate) to ensure accountability and propriety and to manage the level of financial risk within the Trust as well as review the effectiveness of the financial procedures and controls.
- examining annual estimates and accounts and recommend their approval to the Trust Board.
- ensuring that short-term budgets are in line with agreed longer-term plans and that they are followed.
- considering any other matters relevant to the financial duties of the Trust Board and make recommendations accordingly.
- ensuring that the Trust Board has adequate information to enable it to discharge its financial responsibilities.
- considering the Trust's capital programme before it can be recommended to the Trust Board for approval

An Audit Committee is established in accordance with funding body and statutory requirements. The audit requirements for academies are set out in the AFH and AAD.

The Audit Committee will be made up from members of the Board. Agreed Terms of Reference of the Audit committee are reviewed regularly and form part of the Scheme of Delegation.

The Committee will report to the governing body to assure that amongst other requirements detailed in the Scheme of Delegation:

- the financial responsibilities of the Board and Local Governing Bodies (LGB) are being properly discharged
- resources are being managed in an efficient, economical and effective manner
- sound systems of internal financial control and risk management are being maintained
- appropriate performance measures for internal and external audit are identified and approved

**Organisation, Roles and Responsibilities**

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The Board will ensure that there is a process in place for independent checking of financial controls, systems and risk. This will be done through an annual internal audit report from a suitably qualified external body or a peer to peer arrangement with other academy Trusts. The Board has considered the need for a specific internal audit function and has decided to appoint an external firm as internal auditors.

Given the current size of the Trust, the Audit Committee function is not a separate committee but forms part of the Resources and Audit Committee.

It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The Committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

**The Local Governing Body (LGB)**

Each Academy will have a LGB who will work in close collaboration with The Trust's central employees. The LGB's responsibilities are as set out in the scheme of delegation and include the following:

- Review the annual budget before sending for approval to the Trust Board
- Determining the Academy's financial priorities through the Academy Development Plan (SDP) and the Asset Management Plan (AMP).
- Receiving regular financial reports, to facilitate the monitoring of the Academy's actual financial performance compared with budgeted priorities and cash flow, and to take remedial action as necessary.
- Making decisions on expenditure within the LGB delegated powers
- Ensuring the local Register of Business Interests is kept up to date.
- Annually reviewing all on-going contracts
- Monitoring all spending and income received in the Academy
- Ensuring that funding from the ESFA, Local Authority and other sources is used only in accordance with any conditions attached.
- Receiving and commenting on the content of any audit report and monitoring the implementation of the agreed action plan.
- Agreeing and determining appropriate charges for lettings of the premises, in line with the Trust's lettings policy.
- Ensuring the Academy adheres to policies and procedures as specified by the Trust Board
- Ensuring the Academy has appropriate internal financial controls in place
- Reviewing and monitoring of budget projections / medium term financial plans to ensure the academy's budget is realistic and any financial decisions are sustainable.
- Declaring any connected party transactions or business interests
- Regularly updating and monitoring the local risk register and ensuring the implementation of any mitigating actions.

**2. Internal Roles and Responsibilities**

The Trust has defined the responsibilities of each person involved in the administration of Academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and employees. The financial reporting structure is illustrated below:

**Organisation, Roles and Responsibilities**

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**CEO**

The CEO is the Trust's designated accounting officer and is responsible for the financial administration of the Trust's affairs. As the designated officer the CEO may be required to justify any of the Trust's financial matters to the Public Accounts Committee at the House of Commons.

The CEO has overall responsibility for the Trust's activities including financial activities (with a specific responsibility to ensure that grant funding is applied in accordance with the funding agreement). Much of the financial control will be delegated to the CFO but the CEO maintains overall responsibility. As the Accounting Officer for the Trust, the CEO is personally responsible for propriety and regularity of the public finances for which they are answerable.

This covers:

- Standards of conduct, behaviour and corporate governance
- Keeping of proper accounts
- Prudent and economical administration
- Avoidance of waste and extravagance
- Ensuring value for money
- Efficient and effective use of all available resources
- Management of opportunities and risks

The role of CEO and therefore accounting officer must not rotate. The essence of the role is a personal responsibility for:

- Regularity - dealing with all items of income and expenditure in accordance with legislation, the terms of the Trust's funding agreement and the Handbook, and compliance with internal Trust procedures. This includes spending public money for the purposes intended by Parliament.
- Propriety – the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of parliamentary control. This covers standards of conduct, behaviour and corporate governance
- Value for money – this is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the Trust's charge through the avoidance of waste and extravagance, and prudent and economical administration.

The CEO:

- Confirms new staff appointments within the authorised establishment
- Authorises orders, contracts and signing cheques / releasing payments in conjunction with other authorised signatory in accordance with the agreed scheme of delegated financial authority
- Prepares budget plans in conjunction with the CFO / Headteachers
- Reviews reports to the Trust giving details of income, expenditure and commitments to date  
Ensuring any actions resulting from the annual audit are implemented

**CFO**

Day to day financial administration is controlled by the CFO, who is responsible to the CEO for:

- preparing annual capital and revenue budgets and financial plans;



## Organisation, Roles and Responsibilities

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- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations;
- ensuring that the requirements of all statutory and regulatory bodies including the Charities Commission, DfE and HMRC are met;
- preparing the Trust's annual accounts and other financial statements and accounts which the Trust is required to submit to other authorities;
- ensuring that the Trust maintains satisfactory financial systems;
- providing professional advice on all matters relating to financial policies and procedures.
- issuing and keeping up to date, detailed financial procedures for the implementation of these Financial Regulations.

Specific individual Academy facing roles of the CFO;

- Overseeing the financial operations of the academies, providing support and ensuring that Academy Finance Managers and other managers comply with the Trust financial regulations
- Oversight of the Budgeting and Forecasting requirements of the Academies
- Ensuring efficient financial operations within the Academies
- Ensuring the finance system is fit for purpose and supports the developing needs of the Academy
- Co-ordinating the internal audit programme

The CFO reports to the CEO, and has direct access to the Trust Board via the Resources and Audit Committee.

### **Trust accountants, finance managers, finance officers, school business managers**

Other members of staff, primarily the Trust accountants, finance managers, finance assistants and departmental budget holders, have financial responsibilities and these are set out in their job descriptions.

For the purposes of these regulations the term Finance Officer (FO) refers to the person responsible for the day to day management of each individual Academy's financial operations. Each Academy should employ a suitably experienced FO to support the Headteacher and LGB to manage and protect resources appropriately or alternatively make use of the support services provided by The Trust.

The FO will work with the Headteacher and Senior Leadership Team to ensure the Academy's financial processes and finance policies are followed. They will be responsible for the effective use of resources within their organisation and will notify the Headteacher of any issues.

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.

### **Headteachers**

For the purposes of these regulations, the term Headteachers applies to Headteachers, Heads of Schools and Executive Heads. Where Executive Head / Head of School structure applies, responsibility rests with the Executive Head. Headteachers are responsible for financial management of the areas or activities they control. They are line managed by the CEO for consistency of approach and day-to-day operations. They are advised by the CFO in executing their financial duties. The CFO will also supervise and approve the financial systems operating within the Trust including the form in which accounts and financial records are kept. The Headteachers are responsible for establishing and maintaining clear lines of responsibility within their organisations for all financial matters.

**Organisation, Roles and Responsibilities**

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Where resources are devolved to budget holders, they are accountable to their Headteacher (who may be aided by the Finance Officer) for their own budget.

Headteachers shall provide the CFO with such information as may be required to enable:

- compilation of the entity's financial statements
- implementation of financial planning
- implementation of audit and financial reviews, projects and value for money studies.

Budget holders are responsible for the budgets delegated to them. Budget decisions made by budget holders will be made in accordance with the Trust's internal rules on procurement outlined in this Policy.

The Board, governors and staff of the Trust will declare any relevant business or pecuniary interests relating to themselves or close family members. This will be recorded on a pro forma of business interests and will be reviewed and updated regularly. It is the responsibility of individuals to notify the CFO if situations that require a disclosure arise.

**Budget Holders**

Members of the Senior Management Team and Headteacher, as primary budget holders are responsible to the CEO for financial management in their own areas. They are advised by the CFO in executing their financial duties.

The Senior Management Team is responsible for establishing and maintaining clear lines of responsibility within their Department, Centre, Unit or Section for all financial matters. Accountability remains with the Senior Management Team member.

Where resources are devolved internally within a Department, Faculty, Unit or Section, the member of staff is accountable to their Manager for that part of the budget allocated to them and for following all financial procedures.

## Accounts & Audit

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### 1. Purpose

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The purpose of this procedure is to ensure that the accounts are complete, accurate, timely, and that they are afforded sufficient statutory oversight to ensure compliance with external laws and regulations and funding body requirements.

### 2. Keeping of Records

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The Resources and Audit Committee, under the powers delegated to it by the Trust Board, shall regulate and control the finances of the Trust and, through the CEO and CFO, shall ensure that the Financial Regulations are complied with.

The CEO and the CFO shall be responsible, under the general direction of the Resources and Audit Committee, for the regulation and control of all financial and accounting matters.

The CFO is responsible for keeping the accounting records and cost records of the Trust.

The Trust financial year will run from 1 September to 31 August the following year. The CFO is responsible for the preparation of the annual statutory accounts of the Trust. The accounting policies can be found in the Notes to the financial statements for the Trust.

The CEO, with the assistance of the CFO, shall be responsible for submission of financial returns as required by the ESFA

The Trust will comply with all relevant accounting policies/audit requirements published by the ESFA.

The Trust will operate an integrated accounting system.

It is recognised that the Trust may be subject to audit or investigation by other external bodies such as funding bodies, National Audit Office, European Court of Auditors, HMRC or Department of Social Security Inspectors etc.

In every case where any loss or misuse of money or property of the Trust or other financial irregularity is discovered or suspected, the responsible officer shall immediately inform the CFO.

### 3. Internal Audit

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Whilst the appointment of an independent internal audit service to carry out the evaluation 'of internal financial and other controls' is neither mandatory under the articles of Government, nor under the Funding Agreement, Trust Boards still have an unalterable responsibility for the effective and efficient use of resources, the solvency of the institution, and the safeguarding of their assets.

Every academy must have in place a process for independent checking of financial controls, systems, transactions and risks. The Trust employs an outside provider to undertake Internal Audit function in order to provide independent checks and ensure that procedures are being adhered to.

The CEO and CFO are responsible for ensuring an internal audit service is provided to carry out a systematic internal audit, and for the keeping of audit records for the purpose of providing an independent evaluation of compliance with internal control procedure and use of resource.

**Accounts & Audit**

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Internal audit shall be undertaken by appointed agents and will be an independent review function within the organisation. The agents shall have authority to:

- Enter all Trust land and premises
- Have access to all records, documents and correspondence relating to any financial and other transaction of the Trust
- Require the production of all cash, stores and other property
- Require such explanations as are necessary concerning any matter under examination

The CFO should ensure that the letters of engagement for the Trust's internal audit providers reflect current funding body advice. Where necessary the internal audit providers should be requested to update their letters in line with updated guidance from the funding body.

The Trust's internal audit providers should ensure that appropriate assurance is obtained on the state of internal control within any Trust contracted out services.

The Trust Board, on the advice of the Resources and Audit Committee, should review any additional work that is proposed to be undertaken by the internal audit service to ensure that it does not compromise the internal audit service's objectivity or independence.

The Resources and Audit Committee shall monitor the effectiveness of the internal audit service and advise the Trust Board on internal and external matters of report.

**4. Audit of Financial Statements and Regularity Audit**

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The terms of reference regarding the appointment of the financial statements auditors should be in accordance with the funding body guidance as set out in the 'academies financial handbook'. It is for the Trust Board to appoint the auditors. The funding bodies have determined that the criteria for eligibility as financial statements' auditor must be the same as set out in Part 42 of the Companies Act 2006,; in essence, a firm or individual holding membership of a relevant supervisory body and allowed to carry out audits under the rules of that body. There is no legal restriction on qualified financial statement auditors also providing internal audit services.

The CFO is responsible for arranging the financial statements and regularity audit of the accounts and presenting the audited accounts to the CEO.

The CEO and CFO are responsible for presenting audited accounts to the Trust Board and for circulation and distribution to all interested parties, including funding bodies.

**5. Financial Statements and Funding Body returns**

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The Chief Finance Officer will be responsible for ensuring that the financial returns required by the Education and Skills Funding Agency and other government agencies are prepared and submitted in the required timescales.

The Trust Board is responsible for approving the Academy's annual accounts and annual report and ensuring the annual accounts are audited and submitted to the Education and Skills Funding Agency by the required deadlines. Details of the all financial information required are as set out in the latest Accounts Direction for the year being reported.

## Accounts & Audit

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In addition to submitting accounts to the Education and skills Funding Agency, under section 442 (2a) of the Companies Act 2006, accounts must be filed with Companies House within 9 months of the end of the accounting period.

The ESFA requires the Academy to publish its Annual Accounts and Annual Report. This will be done via the Trust's website.

## Budgets & Monitoring

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### 1. Purpose

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This regulation is concerned with ensuring financial sustainability and providing Trust leadership with a comprehensive financial position of the Trust.

### 2. Annual Budgets

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Annual budgets will reflect the best estimate of the resources available to each academy in the Trust for the forthcoming year and how those resources are to be utilised.

There should be a clear link between the Academy objectives and the budgeted utilisation of resources.

Budgets are submitted to the ESFA at the end of July each year.

The budgetary planning process will incorporate the following elements:

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

All Trust Academies will be required to set a balanced in-year budget. The Handbook requires that the Trust Board must approve a balanced budget (where balanced can include reserves brought forward in exceptional circumstances). Individual academy plans and budgets will need to be revised until income and expenditure are in balance and approved by the relevant LGB.

In exceptional circumstances, if approved by the Trust board, a Academy may draw on any Academy-based reserves, in line with Trust Reserves policy and in agreement with the Resources and Audit Committee. Where reserves are not available, the Academy will seek to liquidate any Academy based assets. Where this is not available, the Trust board may consider a request to offer a short-term loan to the Academy from broader Trust reserves. (See FR70: Trust Reserves policy). In such instances, the Academy will be required to submit a detailed deficit recovery plan to the Trust board for approval.

The CFO and CEO are responsible for obtaining approval for the annual budget of each academy in the Trust. The budget must be approved by the Trustees and the Local Governing Board. In order to meet the internal and external reporting requirements, it is essential that the CFO prepares an annual budgeting timetable and that this is adhered to by the constituent Academies and LGBs.

Benchmarking should be used where possible when preparing Budgets, both across the Trust and against other bodies. KPIs should be provided for benchmarking purposes, for example staff costs as a % of Income

**Budgets & Monitoring**

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**3. Budget planning process**

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The Academy's overall budget plans (both one-year annual and multi-year forward financial plans) will be prepared by the Headteacher and Finance Officer in consultation with the LGB. The budget will be prepared having regard to all known needs of the Academy including the Academy Improvement / Development Plan and the Asset Management Plan. It is the responsibility of the Headteacher to ensure that all the required budgeting paperwork is signed by the LGB and submitted to The Board in accordance with the published timetable.

The CFO and Finance Officers will be responsible for ensuring that the Academy has budget business plans in place for all trading activities e.g. catering, uniform sales, lettings etc. The business plan should clearly show the anticipated operating surplus or deficit. If a subsidy is required from the Delegated Fund to cover a budgeted deficit, then this must be formally approved by the LGB and recorded in the minutes of the meeting at which it was discussed and agreed.

The Academy budget will be reviewed for comment by the LGB and submitted to The Board for final approval.

The approved budget should be promptly loaded onto the Academy's financial accounting system (normally by the Trust Accountant). Detailed records will be kept of all information used in preparing the budget, including estimations of staffing requirements and calculations of all costs, cross referenced to the assumptions made. A copy of the signed budget plan is to be placed in the local minute file and a further copy retained by the Headteacher.

**4. Monitoring of Budgets**

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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. The monitoring report must take a form suitable to the readership, largely non-financial staff and Trustees.

Headteachers can vire Budgets as they see fit within Payroll or within NonPay expenditure codes provided there is no change to the 'bottom line'.

Where material increases to core Payroll spend are requested (such as recruitment or TLRs), approval must be sought from the CFO or CEO, as these by nature tend to have greater than one-year cost implications.

The report should include, but not necessarily be limited to

- Income and Expenditure Account showing latest forecast, variance to Budget and movement on prior period
- Balance Sheet
- Cash-flow
- Contextual narrative

Monitoring should take place monthly (with the exception of period 1 where it may not be practical to produce meaningful numbers).

Management Accounts should be reviewed by the Chair of the Trust Board monthly, and by other Directors 6 times a year, as per the AFH.

**Budgets & Monitoring**

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Reforecasts and scenario planning will be generated where necessary across the Trust if there are fundamental changes to circumstances. Regular management accounts information will be prepared throughout the year to allow accurate monitoring of position against budget.

**5. Financial Planning**

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The Trust prepares both medium-term and short-term financial plans. Medium-term financial plans are calculated for the next three years.

**6. Strategic Development Plan**

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The Trust Development Plan (TDP) is concerned with the future aims and objectives of the Trust and how they are to be achieved. That includes matching the Trust objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

Academies can decide their own SDP's independently but are encouraged to show regard to annual DfE guidance. Each year the CEO will propose a planning cycle and timetable which allows for:

- A review of past activities, aims and objectives – "Did we get it right?"
- Definition or redefinition of aims and objectives – "Are the aims still relevant?"
- Development of the plan and associated budgets – "How do we go forward?"
- Implementation, monitoring and review of the plan – "Who needs to do what by when to make the plan work and keep it on course"
- Feedback into the next planning cycle – "What worked successfully and how can we improve?"

Academy improvement plans (SIP) will outline objectives for the following one to two years. The plans will also include the estimated resource costs, both capital and revenue, associated with each objective.



## Budgets - Departmental

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### 1. Purpose

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The purpose of this procedure is to ensure that decision makers are provided with sufficient financial information in good time to allow them to carry out their responsibilities.

### 2. Local Budgets

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Headteachers are responsible for all budgets within their area. They may delegate control of individual budgets, but maintain that responsibility.

Budget Holders (approved by the Headteachers) are responsible for monies allocated under their control and will be advised of the amount allocated to them as early as possible in the financial year.

Once advised of their allocation, budget holders will be expected to project their expenditure in advance of the new financial year. This is to enable the Leadership Teams to see where any pressure points may arise during the new financial year. Departments should review their spending for the current financial year when planning for the next one.

Budget Holders can only submit requisitions and are not authorised to place orders. Regular checks will be put in place to ensure that procedures are being followed and reported as appropriate.

Budget monitoring reports are prepared by each academy on a monthly basis as part of the month end process and budget variance reports sent to budget holders for review. The monitoring process should be effective and timely in highlighting variances in the budget. Differences should be investigated and action taken where appropriate.

Each Budget Holder is responsible for ensuring that their department spending (actual and outstanding commitments) remains within their allocated budget. Overspending is not allowed.

Virements within an Academy overall Budget are at the discretion of the Headteachers.

Help and advice on the management of budgets can be sought from the Finance Officers and the CFO.

Where there are a number of budget holders in any Academy, The Finance Team will keep an up to date listing of those budget holders and their areas of responsibility, limits and codes against which they can spend.

### 3. Review

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The CFO or delegated should review monthly packs and latest outcome/forecast monthly with the relevant Academy Finance Officer on a monthly basis.

The CFO or delegated should review the latest outcome/forecast for each Academy with the relevant Headteacher on a monthly or quarterly basis as appropriate.

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**Income**

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**1. Purpose**

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The purpose of this regulation is to ensure compliance with Funding body regulations and correct accounting treatment of Funding Body Income.

**2. Income / Receipts from Funding Body**

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All income received must be accounted for and entered onto the accounting system. Income streams should be reconciled on a monthly basis.

The main source of income for the Trust is grants from the ESFA. The receipt of these sums is monitored directly by the CFO who is responsible for ensuring that all grants due to the Trust are collected.

The GAG remittance should be held within the monthly pack from the Academy to the Trust and should be agreed to forecast on receipt by the Academy with differences notified to the CFO immediately. Other ESFA remittances should also be copied and sent to the CFO on a monthly basis.

Accrual for non-receipt of Funding Body Income should not be made but rather be shown as a shortfall against forecast in the management accounts to ensure adequate sight of the discrepancy.

Shortfalls or non-receipt of funding against Budget should be followed up immediately with the funding body by the Academy Finance Officers.

In addition to GAG funding from ESFA, the Trust may be awarded specific grants for other projects (e.g. condition improvement funds, character bid funding, additional special education needs funding etc.). It is ultimately the responsibility of the CEO that all government funding is spent in accordance with the terms and conditions imposed, and for the CFO to ensure it is accurately recorded as government income (restricted) and audited externally annually. Locally, Headteachers must monitor that the funding is being spent in accordance with its stated purpose.

**3. Other Grant Funding**

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This funding may be from the DfE, LA, Sports Council etc.

Responsibility for spend and accounting are as above.

In addition, all applications for additional external grant funding must be approved by the CEO and if over £100k, by the Resources and Audit Committee.

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**Income**

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**4. Academy Meals**

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The Trust operates two different models for catering.

A Cashless Catering system which is managed and maintained by the individual Academy Finance Office (to be rolled out across all schools in due course). A Finance Assistant receives cheque, cash and on-line payments through the Cashless System and enters daily onto the accounting software. A Finance Assistant checks the cash received and prepares the cash for banking.

A Cashless Catering system whereby the money goes straight to the external provider, when the parents/students/staff pay money via the parentmail system and the finance department are not required to process anything.

**5. Sales Invoices**

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Sales Invoices are generated on The accounting software and must be:-

- Dated.
- Numbered sequentially
- State that cheques should be made payable to the Trust or Academy.
- State that remittances should be forwarded directly to the Trust or Academy

The invoiced amount should be checked by the Finance Officer.

**6. Trips**

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A lead teacher must be appointed for each trip to take responsibility for the collection of sums due.

A receipt must be issued for all cash collected over £50 and the value of the receipt and the number of the receipt recorded against the student making the payment.

All Academies should use ParentMail (or other relevant software) to collect payments from parents/carers for trips and activities. Any income collected will be notified to the lead teacher whose responsibility it is to ensure that all income is collected in a timely manner.

**7. Receipts**

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Unless impractical to do otherwise (sponsorship monies may be an example), no staff, save for finance staff, should accept Academy goods, meals, trips or any other payments from students. Students should be directed to the finance office and encouraged to use the cashless payments systems.

Any monies collected through Academy based charity events should be managed by members of the finance team and identified for recording/receipting.

Under no circumstances should cash be left unattended.

All monies (cash, cheques) should be kept in the safe pending banking.

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**Income**

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Cash Floats required for Academy Trips/Visits will be limited and prepaid travel cards should be requested well in advance of the date required - please advise the Finance Office Staff.

In the event of an emergency, e.g. attempted theft, evacuation of premises etc., no member of staff should put themselves at any risk to their own person by delaying evacuation due to the management of cash being left in the office or responding to a theft.

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**8. Banking**

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The Finance Officer will be responsible for making sure that the banking of all monies is performed on a regular basis. Banking routines must be varied in order to reduce, as far as possible, any risks.

The Finance Officer will be responsible for making sure that all monies banked via a Cash Collection Service are recorded, and receipts attached to the Record Sheet for each collection. Security procedures issued to the Trust by the Cash Collection Service Provider should be followed at all times.

Any unusual circumstances should be reported immediately to the CFO or Trust Accountant.

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**9. Online Receipts**

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Online Payments Systems are used by the Trust. The Academy Finance Office is responsible for issuing Login details and passwords to users.

The Finance Assistant is responsible for running regular reports to confirm receipt of monies and uploads new payment options once they have been authorised by the Finance Officer.

Refunds can only be made by the Finance Officer. The Finance Office is responsible for ensuring the relevant postings are made on the accounting system and for deleting online accounts when staff/students leave.

**Income - Debt Collection and write offs**

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**1. Purpose**

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The purpose of this regulation is to:

- State the Trust's policy regarding debts
- Identify arrangements for minimising risk that amounts owed to the Trust will not be paid
- Identify responsibilities for debt collection arrangements

**2. Policy**

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Credit facilities are not to be offered to organisations or individuals who are known to have a record of poor/non-payment.

All debts will be pursued with the aim of securing prompt payment.

Amounts owed to the Academy by employees should be repaid before ceasing employment, or where this is not possible, written confirmation of an agreed schedule of repayments prepared.

Debts will only be written off as a last resort following approval from the CFO.

Amounts owed to the Academy are generally payable immediately upon receipt of invoice. Where specific details of payment terms and credit control actions in respect of students are made these should be set out clearly in writing.

Any other credit arrangements must be approved by the CFO or Head of Academy.

**3. Bad/Doubtful debts recording, chasing and writing off**

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Outstanding debts will be monitored on a regular basis by Academy Finance staff and issues reported to the Head of Academy in a timely fashion.

Significant debts three months past due date will be reported in the Management Accounts.

Swift and effective action will be taken in collecting overdue debts. The Trust may engage the services of external debt collection professional if appropriate. The Trust may, where appropriate, pursue outstanding debts through the County Courts.

The Academies Financial Handbook is prescriptive on this issue, its guidance is set out below.

The academy Trust must obtain ESFA's approval for write-offs beyond the delegated limits set out below:

"The delegated limits, subject to a maximum of £250,000, are:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction – so for OLW CMAT, £45,000
- cumulatively, 5% of total annual income in any financial year per category of transaction for any Trusts that have submitted timely, unqualified audited accounts for the previous two financial years – so for OLW CMAT, £1,250,000

In practice, however, there will be practical and legal limits to how cases should be handled. The Trust should only consider writing-off losses after careful appraisal of the facts, including whether all reasonable action has been taken to effect recovery from the debtor, the Trust's

**Income - Debt Collection and write offs**

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insurers, or the risk protection arrangement, and should be satisfied there is no feasible alternative.”

Subject to the above, bad debts will only be written off when there is no prospect of recovering economically any of the amount outstanding from the debtor. Bad Debts below £2,500 may be authorised by the Head of Academy. All other bad debts must be authorised by the Head of Academy and CFO. Debts over £5,000 are to be reported to the Resources and Audit Committee.

**Purchasing – Ordering Goods and Services**

**1. Purpose**

The purpose of this regulation is to ensure that the Trust seeks to achieve the best value for money from all its purchases. It will procure what it needs in the correct quality, quantity and time at the best price possible. A large proportion of purchases are funded by public money and the Trust will 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.

No alcohol may be purchased by the Trust under any circumstances.

CEO approval required for any staff entertaining expense.

**2. Budgets**

Any spend should be against a pre-approved budget. Budget holders will be informed of the budget available to them at the start of the academic year. It is their responsibility to manage the budget and to ensure that the funds available are not overspent. Budget holders will receive budget reports monthly or quarterly as required.

**3. Approval Limits**

<u>Total Value</u>	<u>Requirements</u>	<u>Shortlisting</u>
Under £1,000	<ul style="list-style-type: none"> <li>• 1 quote</li> </ul>	Budget Holder / Headteacher
£1,000 to £5,000	<ul style="list-style-type: none"> <li>• 2 written quotes</li> </ul>	Budget Holder / Headteacher
£5,001 - £10,000	<ul style="list-style-type: none"> <li>• 3 written quotes</li> </ul>	Headteacher
£10,001 - £50,000	<ul style="list-style-type: none"> <li>• 3 written quotes</li> </ul>	CEO or CFO.
£50,001 to OJEU thresholds (c€165,000)	<ul style="list-style-type: none"> <li>• Formal invitation to tender is advertised and at least three contractors from those that respond must be contacted.</li> <li>• Alternatively, an approved framework must be selected and a mini-tender process carried out where possible.</li> <li>• The Trust Board (or Resources and Audit Committee) would have oversight of this process.</li> </ul>	Trust Resources and Audit Committee / Trust Board

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**Purchasing – Ordering Goods and Services**

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Above OJEU thresholds	<ul style="list-style-type: none"><li>Advertisement and selection in line with current guidelines.</li></ul>	Trust Resources and Audit Committee / Trust Board
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Orders should not be processed without the correct number of quotes. If the correct number of quotes cannot be obtained, explanation must be provided e.g. emergency, limited number of suppliers, and approval provided by the CFO or CEO for items under £50,000 and the Resources and Audit committee for items over £50,000.

The order must be approved as detailed above by the appropriate person or committee.

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**4. Contracts**

All contracts over £5,000 must be in writing.

All Agreements/Contracts must be signed as per the Approval Limits above or someone 'higher'. Under no circumstances should any other member of staff sign any contract document provided by a supplier. Such documents can create legally enforceable obligations and financial commitments on the Trust (examples below):

- Service Level Agreements
- Hire & Lease documents
- Maintenance Agreements
- Standing Orders & Direct Debits

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**5. Requisitions**

A requisition should be raised for all goods/services and orders placed by the local Academy finance office. This is done through the accounting system.

Requisitions must be signed by the budget holder responsible for the cost of the goods/services. (The budget holder must ensure that they have sufficient resources to do so) and the Finance Officer will check that sufficient budget is available before processing.

The budget holder or finance team will always endeavour to seek the best value for money when securing supplies and services. Staff can suggest a preferred supplier if they have a valid reason, but quotes for services must be in line with purchasing approval requirements.

Where a new supplier is to be used, care will be taken to ensure the bank details are checked and double checked, and vouched in an appropriate security-conscious manager (this also applies to any changes of bank details for a current supplier).

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**6. Orders**

All orders originate from a Budget Holder. Paperwork must be completed in full and bear the Budget Holder's approval.



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**Purchasing – Ordering Goods and Services**

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Orders must be placed by the finance teams who are responsible for ensuring that approved procedures are met. Orders are raised through the accounting software. Finance Officers check that budget remaining is sufficient to cover the expenditure including any other committed orders.

Where Internet Orders are placed and payment is required at the time of order, the Finance Office will seek approval from the Budget Holder or Headteacher, using a Academy credit card so long as budgets expenditure approval has been confirmed in line with purchasing / sign off requirements (up to a maximum spend of £5,000).

If purchase needs payment over £5,000 limit permission should be sought from the CFO to obtain temporary exemption with the Bank.

Staff are not permitted to use Trust Orders for private purchases.

Budget Holders must advise the Finance Office if they wish to cancel an order so that it can be cancelled on the accounting software.

For some items it may not be pragmatic or cost-efficient to raise an order, a list of acceptable exceptions is kept by the finance office (see indicative list as appendix), to include such as rates, utilities.

In addition, it is appreciated that where dedicated resource is limited, it may not always be convenient to place an order. It is very labour intensive to 1. place an order; 2. get it authorised; 3. place the goods received note; 4 place the invoice – when inputting a non-order invoice is one step that is then signed manually. For this reason, orders < £250 are not mandatory.

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**7. Petty Cash**

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Petty cash may be used to purchase small items of expenditure for Academy resources where it is not practical or cost-effective to pay through the normal creditors system. It is expected that payments to regular suppliers will be made through the normal creditors system.

Claims for petty cash must be accompanied by adequate documentation for expenditure incurred and petty cash paperwork completed in all instances and approved by the Budget Holder. Claims must be made within 3 months of the expenditure having been incurred.

In general, all staff should avoid purchasing items using their own resources, and Finance Officers should try and dissuade them from doing so.

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**8. Review of old/incomplete orders**

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As part of month-end procedures, the Finance Officer will review the listing of current commitments (not delivered or incomplete) and remove old/duplicate items as appropriate.

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**9. Deliveries**

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No deliveries may be made to a member of staff's home address unless in exceptional circumstances.

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**Purchasing – Ordering Goods and Services**

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**10. Suppliers**

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Suppliers should be credit checked where the supply;

- Is material (>£10k)
- Requires payment (in whole or in part) in advance
- Is for an on-going service or where maintenance would be problematic if not delivered by them

Upon making the initial order and then where the finance team receives notice that bank or other supplier details have changed, this should be corroborated using a known contact or number gleaned from other than the relevant notification correspondence. These checks should be evidenced. The checks will be audited by either internal audit or trust finance staff from time to time.

Where possible fraud is identified, the CFO should be notified immediately.

**11. Tenders**

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**Introduction to Tendering**

Approval of contracts over £50,000 will only be made following the Academy's tendering procedure. If the Academy undertakes a high-value or EU-Qualifying purchase an Invitation to Tender will need to be issued as part of the process. An Invitation to Tender (ITT) is a pack of documents sent out to potential suppliers inviting them to submit a bid.

For more specialist or complex works and purchases, the Academy may choose to appoint a professional third party to carry out the tender process on their behalf i.e. consultant, architect etc.). If a third party is used, it is expected to apply these regulations with the same rigour and ensure that the principles of the Office of Government Commerce (OGC) Procurement Policy and Standards Framework are adhered to.

**Forms of Tenders**

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

**Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the School Business Manager/Finance Manager how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

**Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- there is a need to maintain a balance between the contract value and administrative costs,
- many suppliers would come forward or because the nature of the goods is 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:

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**Purchasing – Ordering Goods and Services**

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- the above methods have resulted in either no or unacceptable tenders,
- only one or very few suppliers are available,
- extreme urgency exists,
- additional deliveries by the existing supplier are justified.

**Preparation for Tender**

Full consideration should be given to the objective of the project, overall requirements, technical skills required, after sales service requirements and form of contract. It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

**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;
- implementation of the project;
- terms and conditions of tender
- form of response.

**Aspects to Consider****Financial**

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

**Technical/Suitability**

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

**Other Considerations**

- Pre-sales demonstrations
- After sales service, warranties
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

**Tender Instructions**

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**Purchasing – Ordering Goods and Services**

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The invitation to tender should state the date and time by which the completed tender document should be received by the Academy. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

**Tender Opening Procedures**

All tenders submitted should be opened at the same time and the tender details recorded. A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening. Two people from the list below should be present for the opening of tenders

- Chair of Board of Directors
- Chair of Resources and Audit Committee
- Chief Executive Officer
- Headteacher

**Tendering Evaluation and Acceptance**

The Board has set a minimum requirement of 3 tenders for fair evaluation purposes and in the interest of achieving best value. In any consideration of less than that number being received, The Board should consider whether this is enough and consider re tendering. Decisions to go ahead should fully document the justification.

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 deciding 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 a report should be prepared for the Trust Board highlighting the relevant issues and recommending a decision.

Where required by the conditions attached to a specific grant from the DfE / ESFA, their approval must be obtained before the acceptance of a tender.

The accepted tender should normally be the one that is economically most advantageous in terms of best value to the Academy that meets all the requirements. All parties should then be informed of the decision. Where a tender other than the lowest has been accepted, the reasons for its acceptance must be documented and reported to the Trust Board. All decisions made must be justified and recorded as such in the minutes of that meeting for future reference.

A copy of the tender documentation should be held on site for easy reference as required.

Acceptance of any tender will be confirmed to the contractor in writing and no work shall be started until this has been done.

Any contracts awarded will include a paragraph to the effect that any contractor will be prohibited from transferring or assigning, directly or indirectly, any portion of the contract to any other person or contractor, without the written permission of the Trust Board.

**Purchasing – Ordering Goods and Services**

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**Appendix: Items not requiring PO**

- Capital work
- Utilities; gas, electricity, water, phone
- Rates
- Ad-hoc Purchases made by caretaker using store card eg Screwfix, Buildbase
- Charitable monies
- Milk supplier for monthly supply of free school milk (as have no idea of amounts served)
- Charges for pre-employment checks (HAQ, DBS)
- Internal (to trust) salary and other recharges
- Charges from Parentmail re payments made by parents by card
- Copy charges for photocopying
- IT support - hours each month vary
- Outsourced catering and other catering invoices
- Childcare vouchers for staff

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**Purchasing - Payments**

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**1. Purpose**

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The purpose of this regulation is to ensure that payment is only made for bona fide Trust purchases and that payment is adequately controlled.

**2. Purchase Invoices and Credit Notes**

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All Purchase Invoices will be matched to the purchase orders and delivery note or other evidence of delivery (i.e. a three-way match). Invoices for goods received which will have been authorised (using the requisition form) and checked (recorded on the Purchase order copy) will be immediately processed by the Finance Office. No additional approval is required.

For invoices for services or where appropriate delivery has not been confirmed an invoice will be passed to Budget Holders. They should ensure that the person who checked the delivery has signed to confirm that the goods have been received and the invoice can be paid.

Signed Invoices are returned promptly to the Finance Office for processing and payment.

Copy Invoices are not accepted for payment except in exceptional circumstances, e.g. the original has been lost or mislaid. Finance Officers / Finance Assistants must check that the original has not been duplicated or entered on to the accounting software twice.

Purchase Invoices received by the finance office where the Finance Officer does not have a Requisition and Official Order, may be refused for payment.

Once the invoice has been matched, the Finance Assistant will record the match, and then initial and date the front of the invoice to show that the matching is complete. Any significant variances will be investigated and documented.

The completed documentation will be reviewed by the Finance Officer to check that it is complete and that the matching is correct. The Finance Assistant will post the invoice on to The accounting software. They will then initial and date the front of the invoice stating that the invoice has been posted.

Finance Officers should ensure invoices are presented for payment with the finalised BACS / 3-day payments in accordance with the Bank Mandate, together with all backup documentation for approval.

**3. Ordering of Goods and Services**

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It is expected that most items acquired by the Trust will have followed a standard ordering process as set out in FR30. There may be occasions where it is not practical for such to be actioned, such as for utilities as an example. The Finance Office will keep a schedule listing those items where it is acceptable not to have an individual order in place prior to receipt of goods/services. All other cases will be reported (in summary) to the Trust Leadership Team for action as appropriate.

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**Purchasing - Payments**

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The Trust's standard payment terms are 30 days. Approval is required from the CFO/FC to amend these terms.

**4. Invoice approval**

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Invoices will normally be approved by the person approving the order of the goods and services or budget holder (or passed automatically by the system if set up in that fashion and invoice within certain parameters against original order).

Where the amounts exceed certain values further approval is required. (Approval also exists at the BACS/cheque approval stage)

Total ValueRequirements

Over £10,000	CFO
Over £100,000	CEO

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**5. Bank Accounts and Mandate**

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Please see FR50: Bank and Cash

**6. Charge Cards**

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Business Charge cards are held by named cardholders in each academy. Each cardholder is personally responsible for the safe custody of their card. Cards must be kept on the Academy site in a lockable safe or cupboard. The cardholder is liable for the integrity of all transactions and proper and controlled use of the procurement card.

Approval to hold a Trust card rests with the CFO. Cards would normally be held in the names of Headteacher, Finance Managers, Site Managers.

Staff wanting to place orders using payment by Academy debit cards must follow the standard ordering procedures, making it known that an online payment is required. The Academy Finance Officer will check budget approvals and limits on card payments. Payments below £250 do not require an order form.

Card limits are to be set at:

- £5,000 for Secondary Academies
- £2,500 for Primary Academies

Payments above these limits, or revised limits, need to be approved by CEO or CFO. Approval must be sent via email with details and copies of the order and budget holder's approval.

The cards must be reconciled and paid off monthly. Cash may not be withdrawn using a Trust card and the system with the Bank should be set up by the Trust to preclude this.

**Payroll - Salaries**

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**1. Purpose**

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The purpose of this regulation is to ensure that any salaries paid are:

- Complete
- Accurate
- Correctly authorised
- Correctly recorded in the Nominal Ledger
- Paid promptly

**2. Payment of Salaries**

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The payroll system is currently operated for the Trust by a service level agreement with

Education Personnel Management Ltd.  
St Johns House, Spitfire Close,  
Ermine Business Park, Huntingdon,  
Cambridgeshire, PE29 6EP

The payment of all salaries, wages, compensation and other emoluments, shall be made and controlled by the CFO under arrangements approved by the Resources and Audit Committee.

The individual Academies Headteacher is responsible for maintaining records of all personnel matters which directly affect the payment of salaries, wages, statutory sick pay, maternity pay and any other emolument.

The Headteacher shall notify the Finance Officers and Payroll Bureau, as appropriate and as soon as possible, of all matters affecting the payment of such emoluments, particularly:

- appointments, resignations, dismissals, suspensions, secondments and transfers
- absences from duty for sickness or other reasons, apart from paid leave
- changes in remuneration, other than normal increments and pay awards and agreements of general application
- information necessary to maintain records of service for superannuation, income tax, national insurance etc.

Payroll claims (including monthly absence data) are entered onto the EPM Portal by each Academy.

All time-records or other pay documents shall be appropriately approved.

The CFO, supported by the Academy Finance Officers, will ensure that all statutory and other returns relating to such payments and, deductions made from such payments, are submitted within the time periods allowed.

The Headteacher (Deputy in exceptional circumstances) will review the payroll reports from the Trust's payroll bureau for completeness and accuracy as a pre-requisite of overall approval. This



**Payroll - Salaries**

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will be undertaken against a clear set of guidelines as to what is required of the Head of Academy, including exception reporting review.

The CFO or Head of Academy will approve the payroll on the Payroll Bureau site after having reviewed as appropriate.

The designated employee for checking the payroll will not be the same person with responsibility for authorising appointments, terminations and alterations to contract.

The Academy Finance Officer will review and make the posting to the accounting system of all payroll journals to ensure complete and accurate input to the Nominal Ledger (using the standard template where available).

**3. Payment of Additional Hours**

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Regarding employee overtime and additional hour payments, the Head or SBM (or line manager in a secondary school) is authorised to incur expenditure up to the level agreed within the annual budget. Beyond this limit, authorisation can only be made by the LGB for a material 'overspend'.

No overtime should be undertaken without the prior documented approval of the Headteacher or their Deputy.

**4. Staff Appointments**

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There is an approved, fully budgeted, annual staffing plan which clearly sets out the structure and costing in each academy in the Trust. The Headteacher must ensure that adequate budgetary provision exists for any establishment changes in year.

The Trust must satisfy the conditions in the handbook and obtain the required approval before making a binding commitment to staff. Headteachers must seek approval from the LGB and CEO for any appointments that cause salaries to exceed budget limits set.

OLW CMAT Directors have the authority to appoint the CEO, CFO, Headteachers.

All personnel changes must be notified to the Finance Officers, local HR staff or Trust Accountant immediately.

The CEO is responsible for ensuring that the Trust's pay policy is implemented.

The CEO is responsible for ensuring that the statutory obligations around the safer recruitment policy and procedures are administered and nominated staff in each Academy will be responsible for maintaining accurate records of all staff employed at their Academy.

Personnel information access is strictly limited to authorised officials only.

**5. Employee Status**

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The underlying presumption is that most appointments will require to go through the Trust payroll.

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**Payroll - Salaries**

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Any budget holder wishing to appoint a resource through the Purchase Ledger which may have employee status implications is required to liaise with the Finance team in advance to ensure that the resource would not be considered as appropriate for Payroll processing.

On receipt of a PO coded to Agency costs / Contract Tuition, the Finance Team will review for appropriate treatment and then in conjunction with the requisitioner, will undertake an employee status review, along the lines of the HMRC web-based model (IR35).

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**6. Payment date**

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All staff are paid directly into their bank account by monthly bank transfer

Payment date is the last working day of the month

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**7. Late/incorrect payment**

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Where it transpires that a payment has been made incorrectly, the HR and Finance teams will make every reasonable effort to ensure a salary advance or other solution is found to minimise inconvenience and distress to the member of staff.

Where delays occur regularly as a result of tardiness on the part of an approver, this will be made known to the relevant line manager / CEO for action as required.

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**8. Loans and Advances to Employees**

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Save for circumstances arising from point 7 above, The Trust will not under any circumstances lend monies to employees.

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**9. Recovery of Overpayment**

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Rarely, employees can be overpaid. This is usually due to either a change in their contract details that occurs after the pay run for that month has closed, or they depart from the Trust with immediate effect (again after the pay run has closed). The Trust will, in all but the most exceptional circumstances, seek to recover the full value of the overpayment.

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**10. Coding to Accounts**

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To permit easy reconciliation, it is important that only payroll costs are posted to the payroll codes, and that agency and other similar costs are posted to separate codes.

**Payroll - Expenses**

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**1. Purpose**

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The purpose of this regulation is to ensure that any expenses paid are:

- Complete
- Accurate
- Correctly authorised
- Paid promptly

**2. Payment of Expenses**

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**Introduction and General Principles**

Expenses must be submitted to the finance office for reimbursement within three months of incurring the expenditure. Items claimed after three months may be rejected by the Finance Team as it is considered less likely that approval can be sensibly provided by the Budget Holder given so late after the event.

Staff expenses will be paid by BACS, in arrears, with their monthly salary payment.

Expenses must be approved by the employee's line manager or cost centre budget holder.

So,

- CEO by Chair of Finance Committee or main Board.
- CFO/Exec Head by CEO.
- HeadTeacher by Exec Head or CEO as appropriate

All staff have a responsibility to ensure that financial and other resources entrusted to the relevant Academy are used to best effect in order to further the best interests and the purpose of the Academy. This policy provides staff with detailed guidance on the procedures to follow when incurring/claiming expenses (e.g. travel and subsistence, course fees) which are required wholly, necessarily and exclusively for the performance of their duties. There is a fundamental requirement on all staff that they should not incur any personal financial benefit through their employment by the Academy other than their agreed salary. Any breach of this may lead to disciplinary procedures. Staff with budgetary responsibility are required to disclose any pecuniary or other links they may have with the Academy's suppliers by means of a completed entry in the Register of Interests which is held in the Finance Office.

Staff must also be aware that public relations and perceptions require that the Academy not only has a rigorous, effective and transparent policy in place, but also that no misleading or unfortunate impression can be created in the application of this policy. Accordingly, the Accounting Officer in conjunction with the external auditors will be requested to carry out periodic targeted reviews of the application of this policy.

The CEO, as the formally designated Accounting Officer, is responsible for ensuring compliance with all Financial Regulations, Policies and Procedures. Ultimately the Accounting Officer is answerable to Parliament via the Public Accounts Committee for all uses to which the Academy's income is used, and this policy contributes to that framework.

**Payroll - Expenses**

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**Scope**

The Academy will reimburse staff for all reasonable expenses wholly, necessarily and exclusively incurred in the execution of their duties, such as travel, subsistence and accommodation. Consideration should always be given to using the most practical and cost-effective methods of travel. HMRC requires that expense records are kept and to facilitate this all reimbursement claims must be recorded on official Academy claim forms.

**Authorisation, Responsibility & Procedures**

Before travel for a business journey is booked consider the following: only the necessary people should travel to an event; can cars be shared? rail tickets booked at least 2 weeks in advance are more cost effective, is hiring a car a cheaper option?

The Finance Officer will validate all claims and reject if not correctly prepared/approved.

This approval may be made via email.

A planned absence form must be completed for all courses and meetings attended and the estimated cost of travelling to the event entered onto that form. This will enable the authoriser to establish if the total cost of attending the course/meeting represents Best Value to the Academy.

**Travel Considerations**

Home to Academy travel - Staff are responsible for the cost of all travel between their home and their normal primary place of work.

Private cars - staff may use their private cars for Academy purposes if the use of a private car presents better value for money to the Academy than the alternatives, for example public transport, and will be reimbursed at the appropriate rates set out in the table below.

**Private Cars & Driving**

Private cars may be used for journeys provided there is benefit to the Academy and the private car represents the most cost-effective means of transport. It is generally more cost effective to use an alternate method for journeys greater than 200 miles. Where a journey of greater than a 200-mile round trip is to be undertaken in a private car, prior approval should be sought from the Finance Officer.

Alternative methods of transport should be considered i.e. train travel, hire car. Please see Finance for further details. Drivers undertaking long journeys must allow enough time for the journey and make regular stops to ensure their wellbeing and alertness.

Any Parking, Road Traffic Act fines, congestion fines or penalties incurred are the personal responsibility of the member of staff and will not be reimbursed by the Academy.

Drivers will be reimbursed for Toll Charges incurred subject to production of receipts, where available.

Staff driving on official business for the Academy must ensure that the vehicle they are driving/travelling in has a valid MOT (where required), is properly maintained and serviced and is insured. All staff members where travel is likely should ensure they have business insurance on their own policy. The Academy purchases 'Occasional Business Use car insurance through Zurich to cover staff members who do not normally use cars on business but may be asked to do so in an emergency or unexpected situation. If you do not have a business use extension on their own policy, you could

**Payroll - Expenses**

be uninsured. The member of staff should also hold a current UK driving license, fully valid at the time of the journey.

Documentation to support the above position will be requested by the Academy prior to any claim being paid. In practice this will normally be a once per year exercise.

**When travelling on business by car, directly from or to your home, you must deduct your usual home to work base mileage from your mileage claim. This is a requirement of HMRC.**

**All employees who use their car in connection with Academy business must provide written proof that business use is included on their car insurance policy.**

Mileage is paid as per HMRC guidelines, currently

A statutory system of Approved Mileage Allowance Payments (AMAPs) applies for employees using their own vehicles for business journeys, as follows:	
Cars and vans: on the first 10,000 miles in the tax year on each additional mile above this	45p per mile 25p per mile
Motorcycles	24p per mile
Bicycles	20p per mile

Rates of up to 5p per mile, per passenger, are also tax and NICs free when paid for the carriage of fellow employees on the same business trip.

**Taxis**

The Academy will reimburse the cost of a taxi only if this is the cheapest or most appropriate means of reaching or returning from a third-party location to the Academy or in conjunction with other travel methods. When travelling by taxi, a receipt must be obtained. Where possible, the claimant should obtain prior approval from the Finance Officer before using a taxi. The use of a taxi should only be considered for journeys between 0 and 10 miles.

**Rail**

The cost of standard class rail travel will be reimbursed. First class rail travel is only permitted where it can be demonstrated that it is the cheapest ticketing option of all available tickets.

Significant savings can be obtained by specifying outward and/or return journeys at the time of booking. Please be mindful that booking early will save money. Finance will book and pay for your rail ticket, but they do require enough notice.

**Air**

For travel within mainland UK and to/from Eurostar destinations rail is the default mode of travel over air unless it is a more cost effective (including time cost) method of travel. Staff should travel economy class and book directly with a low-cost carrier (e.g. EasyJet, Ryanair). All requests for air travel need to be discussed with the Headteacher.

**Payroll - Expenses**

**Subsistence**

Staff are responsible for paying for their own lunch and other meals, regardless of whether they are 'on site' or elsewhere. Subsistence is therefore not normally payable. It is however accepted that where a member of staff must incur additional costs because of an overnight stay then these costs should be covered by the employer. All claims must be supported by appropriate detailed VAT receipts or invoices.

**Domestic cost for meals in any case:**

<b>Meal</b>	<b>Limit (including VAT &amp; Service)</b>
Breakfast	£10
Lunch	£10
Dinner	£20

If certain meals have been provided for you, such as breakfast being included in the accommodation charge or location catering provided for lunch, only the other meals may be claimed.

If one member of a team pays a bill on behalf of other members of staff, details of the reason and location and the names and staff numbers of staff must be shown on the expenses claim of the individual submitting the claim. Alcoholic drinks will not be reimbursed.

**Overnight Accommodation**

Overnight stays must be pre-approved by the Headteacher. If you must stay away from base overnight because it is impractical for you to return home, the Academy will pay for the cost of a standard room. Employees are expected to ensure that the costs incurred are reasonable, taking into consideration the location and length of stay. All accommodation should be booked via the Finance Office once approval has been obtained from the Headteacher.

The cost of the room should not normally exceed the following limits. These limits will be the maximum claimable, with receipts.

<b>Overnight stay outside of London (and other similar lower cost destinations)</b>	Cost per night (Incl. VAT)
Room Only	£90
Bed and Breakfast	£100

<b>Overnight stay in London (and other similar high cost destinations)</b>	Cost per night (Incl. VAT)
Room Only	£140
Bed and Breakfast	£150

Minibar, alcohol, newspapers, phone, TV/DVD bills, tips and gratuities for any Academy related travel or event will not be reimbursed.

**Purchases of equipment, books or stationery**

Computer Hardware – equipment provided to employees remains the property of the Academy.

**Payroll - Expenses**

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Classroom or office resources – The purchase of items that become the property of the Academy are made centrally via the Academy's order processing and procurement system. All purchases must have the budget holder's approval before any purchase is made. **Staff members should not purchase such items using their own resources** except under exceptional circumstances such as the purchase of adhoc items for premises/food tech and science requirements.

Such purchases will only be reimbursed on presentation of a valid VAT receipt. Credit card slips or statements will not be accepted as evidence of business expenditure. The VAT receipt must include the name and address of the retailer, the retailer's VAT registration number, the date of purchase and details of what goods or services have been purchased and the value of the goods.

**Supplier loyalty schemes e.g. Tesco Clubcard or Sainsbury Nectar points**

Except in exceptional circumstances all purchases on behalf of the Academy should be made via the Academy's order processing and procurement system.

Where an exceptional purchase is made by staff using their own resources that are then reimbursed by the Academy, that staff member can receive points on their personal loyalty card as this is not considered to be a benefit in kind by HMRC.

For fairness, staff must not link their own loyalty cards to accounts held in the Academy's name.

**Interview expenses for candidates**

Mileage will be paid as per the rates detailed in this document or standard rail costs.

Additional costs incurred by applicants may be claimed in exceptional circumstances and only with the written agreement of the Headteacher prior to claiming.

**Payroll – Severance payments**

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**1. Purpose**

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The purpose of this regulation is to ensure that the Trust acts appropriately, in compliance with funding body guidelines, in respect of severance payments.

**2. Severance Payments**

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

Severance should only be an option if the chance of successes at a tribunal is lower than 50%.

The amount of severance must be justifiable. This figure must be less than what would be expected to be awarded if the claimant won the employment tribunal.

Severance should not be granted for gross misconduct, unless the claimant will win the tribunal due to procedural errors in employment law.

Severance should not be granted for poor performance if taking someone through performance management and improvement procedures would be cheaper. When severable compensation payment above £50,000 is entitled, prior approval is required from HM Treasury via the ESFA.



## Bank and Cash

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### 1. Purpose

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This document provides guidelines on Bank account set-up and approval requirements for cash leaving the organisation.

### 2. Bank Accounts and Mandate

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The name of the Bank Accounts shall begin: "OLW CMAT" or "Our Lady of Walsingham Catholic Multi Academy Trust". All bank accounts shall be in the name of the entity or subsidiary entities.

The Trust Board is responsible for selecting the banking institution. The CFO for negotiating any terms/conditions. The CFO must approve the opening of all bank accounts.

The signatories, as per the Bank Mandate are:

- Chair of Governors
- Chair of Resources and Audit
- CEO
- CFO
- Trust Accountant
- Executive Head / Head teacher / Head of Academy
- Designated Deputy Heads / Assistant Heads
- Academy Finance Officers

All Trust bank accounts will operate with the following control features:

- Two signatories are required on all payments. (AFH states that "the accounting officer must have appropriate oversight of financial transactions by ensuring that bank accounts, financial systems and financial records are operated by more than one person")
- Changes to the bank mandate must have Chief Executive Officer and/or Chief Financial Officer approval.
- There must be two signatories for each payment however made.
- A signatory cannot approve a payment made payable to themselves unless in exceptional circumstances and prior approved.
- Where the BACS payment is in excess of £50k, an approver cannot input the payment into the system (so effectively three persons are seeing a payment before it is made above £50k). Below this level the inputter may also be one of the approvers.
- Cheque Books/Cheque Stationery must be kept locked in a safe place and must not be pre-signed.
- All payment methods, including Bank Internet payments should be made in accordance with the overall mandate. For the avoidance of doubt, the Lloyds software used by the Trust allows the Trust to set its own rules. These must be set in accordance with the mandate.
- Over £100k, the CFO or CEO must be one of the signatories

### 3. Cash

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Cash handling will be kept to a minimum and whenever possible and practical transactions will be undertaken through the online payments system.

The academy petty cash limits are:

**Bank and Cash**

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- All secondary Academies: £500
- All primary Academies: £200

Cash will be held securely in the finance office within a locked safe. Individual (single) transactions are restricted to a maximum value of £25. Any payment over this amount will be made through BACS payment. Any one-off requirement above this amount will be approved by the Headteacher or the Trust CFO.

Exceptionally, for authorised Academy trips abroad when the amount of petty cash for foreign currency may be requested up to the sterling equivalent of £2,000. A minimum notice period of 10 days is required for foreign exchange petty cash for Academy trips. Any amount above this limit shall be approved by Headteacher or the CFO.

Staff security is paramount and should always be held more important than security of cash. Staff should lock the office door when cash counting for example.

Staff should be minded to insurance arrangements concerning amounts of cash held and transportation when conducting operations.

**4. Review**

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The CFO is responsible for ensuring that all bank accounts are subject to regular reconciliation, and that large or unusual items are investigated as appropriate.

## Bank and Cash - Treasury Management

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### 1. Purpose

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The Trust defines its treasury management activities as:

“The management of the Trust’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

The objectives of treasury management are:

- Security of cash deposited
- Maintenance of adequate liquidity to meet operational needs; and
- Gaining an appropriate level of investment return.

### 2. Overarching objective

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In any decisions over cash deposits, the security of cash deposited must take precedence. The complete avoidance of risk is neither appropriate nor possible and a balance must be struck with a keen responsibility for money held for charitable purposes.

### 3. Responsibility

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The CEO and Trust Board are responsible for the overall security and management of funds. The day to day management of the treasury function is controlled by the CFO.

Where necessary, the CFO will liaise with the CEO, Trust Board and the Trust's financial advisers (where applicable) in relation to strategy and market conditions.

### 4. Borrowing

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Academy Trusts must obtain ESFA’s approval for borrowing (including finance leases and overdraft facilities) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, and regardless of the interest rate chargeable. Credit cards must only be used for business expenditure, and balances cleared before interest accrues.

### 5. Investment of Surplus Funds

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The return on working capital should be optimised whilst allowing easy access of the funds. It should be stressed that in balancing risk against return, the CFO should be more concerned to avoid risk than to maximise return.

Monies surplus to the working capital requirements shall be invested in the name of the Trust and with the approved institutions set out herein. It should be authorised by the CFO and confirmed in writing by the institution with which the deposit is made.

**Bank and Cash - Treasury Management**

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Monies will only be paid into approved accounts allowing access to funds within a term not exceeding twelve months.

**6. Credit Risk**

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Credit risk will be minimised by ensuring that funds are spread across a range of institutions as appropriate.

**7. Cash Flow Forecasts**

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The CFO will prepare each July a cash flow statement for the following three years. This will be linked to the three year financial forecasts and highlight any long term borrowing requirements. The cash flow statement will be presented to the Trust Body as part of the Financial Forecast return.

The CFO will prepare an annual cashflow forecast by month and include within the management accounts – updating as required.

The CFO will note any pertinent facts relating to the workings of treasury management within the management accounts.

The CFO should be mindful of the need to ensure an adequate cash buffer is maintained for contingencies where possible.

**8. Approved Institutions for Investment**

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Security of investment is paramount. The Trust will undertake its treasury management activities within the limits and parameters defined in Appendix A. Appendix B provides a list of approved institutions. These Financial Regulations note the requirement in the Articles of Governance having “regard to the suitability of investments and the need for diversification”

At the time of placement, it is required that the CFO confirms the counter party remains

- A UK based entity
- Investment grade (Moody’s = Baa3 or above, S&P = BBB- or above, or a relevant applicable grade from such as Fitch)

At the time of placement, the CFO confirms the rates offered by the counterparty remain competitive comparable to other institutions and instruments of a similar risk profile

Any appointment of external advisors is to be made by the Trust Board. If appointed, the CFO shall consult as necessary with the professional external advisors.

All investments to be made in Sterling.

Where the Trust has placed funds on fixed term deposit and circumstances change such that there is a rating agency downgrade or the Trust receives adverse advice regarding the counterparty, no further deposits will be made with that counterparty. Existing deposits will be allowed to mature unless the change indicates a fundamental deterioration in the institutions position to the extent that the security of the deposit is considered at risk, when the CFO will

## Bank and Cash - Treasury Management

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seek the early return of the deposit where possible, attempting to minimise the breakage costs of the early return.

### 9. Limits and Authority

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#### Board of Trustees authority

The Board of Trustees reserve the powers to:

- Give prior approval to the opening of new bank current accounts
- Amend the list of approved institutions
- Give prior approval to any bank or building society deposit with a maturity date greater than twelve months
- Give prior approval to any investment product other than a bank/building society deposit or treasury deposit as below.

#### Board of Governors delegated authority

The Board of Governors delegates authority to the CFO to place deposits in the Trust's name, at approved institutions, subject to the limits set out in Appendix A.

Authorised payments signatories of the Trust are set out in Finance Regulation 50: Bank and Cash

### 10. Review, Control and Inspection

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#### Control and Inspection

The Trust will maintain full records of its treasury management decisions.

#### Management Accounts

The CFO will maintain a schedule within the monthly accounts of all deposits/investments held which will record:

- Institution with which the deposit was made
- Amount deposited
- Date of maturity
- Rate of interest obtained

Bank balances and all investments/deposits will be reconciled and balanced to the Trust's accounting records every month.

Investment Limits

These are the limits available to the CFO when investing Trust funds within the institutions authorised:

Placing deposits with clearing banks (individual placement limit) £1,000,000

Deposits are placed by email or over the telephone and confirmed in writing after the event by the bank.

Above this limit authorisation to be given in writing by the CEO in advance of the deposit being placed.

Placing deposits with other institutions

Where the transfer is made by BACS the authorisation and limits set out in the Financial Regulations will apply. This will be the case for all deposits with institutions other than the clearing banks.

Counterparty exposure

Where overall balances exceed £5,000,000 on a month to month basis, no more than 2/3rds of placements (by value) may be made with any one institution.

**Appendix B**

Approved Institutions for Investments: Clearing Banks/Building Societies

The following banks are authorised for the short term investment of Trust funds, subject to all investment bodies remaining in line with restrictions.

- Lloyds
- HSBC
- Barclays
- Santander
- HBOS
- Woolwich
- Alliance and Leicester
- Nationwide
- Clydesdale
- Royal Bank of Scotland

**Bank and Cash**

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**1. Purpose**

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This document provides guidelines on Bank charge cards to assist assurance of Trust assets.

To gain value for money, some purchases may be purchased online but only by the use of the Academy's corporate charge card and not by the staff's own credit/debit card.

**2. Bank Accounts and Mandate**

---

Charge Cards will only be issued to Academy employees i.e. those that are on the payroll.

Members of staff who are in receipt of a charge card must sign the attached form and return it to the Trust Accountant, giving confirmation that they understand the policy of use of a charge card.

Charge cards are issued by Lloyds Banking Group and the monthly transaction charges are debited from the individual Academy bank accounts in full by direct debit.

When charge cards are not in use they should be stored securely, perhaps in either the academy safe or a locked drawer.

Charge cards are held under the personal responsibility of authorised named personnel within the Academy.

The cards shall not be used for personal expenditure in any circumstances and cash withdrawals are not permitted.

Card holders must retain all receipts/delivery notes for all transactions made whether in person or via the internet, and attach them to the monthly statement received from the Bank and pass to the Academy Finance office for processing onto the accounting system.

A list of all staff holding Academy charge cards is maintained by Trust Accountant and all card requests, changes and amendments should be made to the Trust Accountant. Any staff member that leaves the academy should return the card to his/her line manager or Finance Office, after having cut up the card.



**Bank and Cash**

**CHARGE CARD CARDHOLDER CONSENT FORM**

I consent to be a cardholder on the following charge card account held by OLW CMAT [“the Trust”].

Card Number : \_\_\_\_\_

I confirm that I have read the Trust Charge Card Policy attached and that I will abide by its terms and conditions. In particular, I acknowledge and agree that:

- I will use the card only to purchase items/services on behalf of the Academy/Trust and not use for personal expenditure.
- I will only purchase items/services in accordance with the Policy
- I will take care of the card whilst in my possession to avoid its loss or theft.
- I will not disclose to any other person, or write down, the Card PIN number.
- I will only use the card security number for online purchases where a security number is requested and only on a secure (indicated by padlock symbol) Internet website.
- I will not use the Card to withdraw cash.
- I will provide all supporting receipts and documentation to reconcile with those on the statement to the Academy finance office.
- I will ensure that transactions do not exceed the authorised limit on the card.
- I understand that upon discovery of loss or theft of the Card, I must as soon as possible notify: 1) the issuing bank, 2) the finance office/Headteacher, 3) the police (only in the event of theft)
- I understand that I am personally liable for all charges on the account, which relate to transactions, which have not been conducted in accordance with the Policy.
- I agree that if I cease to be employed by the Academy I will return the card to the Academy finance office immediately and provide any outstanding documentation relating to transactions on the card.

<b>Agreed by</b>	<b>Authorised by either CFO/CEO</b>
Name:	Name:
Signature:	Signature:
Date:	Date:

**Fixed Assets**

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**1. Purpose**

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The purpose of this regulation is to safeguard equipment and property through a sound Fixed Asset Accounting System.

This regulation is intended to ensure that the Fixed Asset system:

- Records promptly and accurately all properly authorised expenditure on Fixed Assets.
- Complies with external requirements as defined by the funding bodies and auditors.
- Maintains a high degree of quality and consistency in the recording, processing and handling of Fixed Asset transactions.
- Provides the mechanism by which Fixed Assets are properly maintained
- Provides the necessary information for Fixed Asset and Capital Grant accounting

**2. Asset Register**

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Each academy will be responsible for keeping an inventory of assets and equipment for items over £2,000. Those that are portable, valuable and desirable will be identified as Trust property with security marking.

The CFO must ensure that an up to date register of property and equipment is maintained for all items over the Trust threshold of £2,000. This record will be maintained by the Finance team on the accounting system or separate register and should contain details of date of purchase, description and 'owner/location', serial numbers or other label, and the date of disposal of any items.

Items purchased from other than official Trust funds should be able to be identified separately.

Any items subject to hire or lease agreements should be able to be identified separately

The asset register must be checked to the physical assets on a rolling basis (at least biennially).

The length of significant assets' lives will be reviewed at least annually to ensure they are still appropriate

All items capitalised within the accounts must be recorded on this register.

Accounting rates of depreciation of assets will be determined by the Resources & Audit Committee on advice from the CFO and will comply with any requirement from the external auditors and the funding body.

**3. General Security**

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The Trust Board shall be responsible for maintaining security of all Trust assets and delegates this responsibility to the CEO.

The CEO is, therefore, expressly responsible for all types of security in order to deter crime and to guard against fire and other hazards.

No property of the Trust shall be removed from Trust premises unless express permission from a responsible officer (part of SLT) is received.

**Fixed Assets**

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All employees must take precautions to prevent the theft of, or damage to, Trust assets in their charge:

- Portable items (e.g. laptops, hand tools) must not be left unattended and should be locked away when not in use.
- Teaching rooms containing computers and associated equipment must be locked when a member of staff is not present.

Large moveable items (e.g. trailers, machinery) should, wherever possible, be stored out of sight from public roads and immobilised when not in use.

Any member of staff who discovers the unexpected disappearance of a Trust asset should report it to the CFO. The latter will report the matter to the police, if theft is suspected, and inform the Senior Leadership Team of the Academy concerned. This will be reported to the Resources and Audit committee at the next meeting by the CFO.

**4. Stocks of Consumables**

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Budget Holders will be individually responsible for the security of stocks held of consumables purchased from their budgets. This must include secure control of issues from stock.

**5. Disposals**

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The approval of the CFO will be required before any assets of the Trust can be disposed of, with prior written authorisation of the CEO required for assets with a value in excess of £25,000 and prior written authorisation of the Trust Board for assets in excess of £50,000.

Details of assets disposed of over £25,000 should be notified to the Resources and Audit Committee at the next available meeting.

Once the disposal has been authorised it is the responsibility of the Budget Holder and CFO to ensure that a Sales Invoice is raised where applicable.

**6. Disposals of Land and Buildings**

---

Any disposal of land and buildings must be approved in advance by the Trust Board.

Written consent may also be required from the funding body and their rules and regulations (Academies handbook – currently section 3.5) should be consulted and adhered to prior to disposal.

Any disposal of fixed assets should produce the best consideration for the Trust without any subsequent liability being incurred.

**7. Title Deeds**

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The Trust's solicitors shall have custody of all title deeds of properties owned by the Trust and its subsidiaries

**Fixed Assets**

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**8. Property Register**

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An 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 external auditors to draw conclusions on the annual accounts and the Academies financial system
- To support insurance claims in the event of fire, theft, vandalism and other disasters

The CFO is responsible for maintaining a register of all property in which the Trust has an interest recording the following:

- Location
- Extent
- Plan reference
- Purchase details
- Nature of interest
- Tenancies granted
- Rents payable
- Purpose land held

The register will form the basis of the annual depreciation charge in the accounts.

Condition of the items should be reviewed biennially and timed to assist in the annual budget setting process.

**9. Insurance**

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Any item that is stolen or damaged must be reported to the Finance Officer or Trust Accountant immediately. A 'Claim Form' will be issued and must be completed as soon as possible.

The CFO will advise staff on what other procedures are required to meet the claims procedure and policy conditions. In all cases of theft or malicious damage, we are required to notify the Police.

## Fixed Assets – Leases and Tenancy Agreements

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### 1. Purpose

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Purpose of this document is to ensure compliance with funding body requirements.

### 2. ESFA Guidelines

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

Asset sales, leases and tenancy agreements. There are two types of lease:

- Financial leases involve borrowing.
- Operating leases do not involve borrowing.

The Trust must seek to obtain prior written approval from the Secretary of State, via the ESFA, for the following leasing transactions:

- Taking up a finance lease on any class of asset for any duration from another party, as this would represent borrowing
- Taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of more than five years
- Granting a leasehold or tenancy agreement on land or buildings to another party for a lease term of more than five years

Operating leases on assets that are not land and buildings do not require the Secretary of State's approval.

Leases should be disclosed in Trusts' annual accounts in accordance with the 'Academies accounts direction'.

The Trust must ensure that any lease arrangement maintains the principles of regularity, propriety and value for money, whether or not the approval of the Secretary of State is required

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**Reserves**

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**1. Purpose**

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To ensure the continued financial sustainability of the Trust by means of the holding of adequate reserves. Maintaining an appropriate level of financial reserves is considered essential in protecting the Trust from financial risk.

**2. Level of reserves**

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In general, it is considered prudent to maintain a level of useable reserves enough to cover unexpected and unplanned events so that The Trust's primary objective is preserved. At the same time the Directors wish to ensure that it uses its funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

In deciding the level of reserves Trustees will consider the following;

- Uncertainty, turbulence or expected reduction in funding arrangements
- The need for any large project spend to include facilities development, ICT investment or building condition needs
- Fluctuations in student numbers
- Cash flow issues due to delays in funding
- The academy's annual budget
- One month's salary bill

The Trustees have determined that the appropriate level of restricted reserves to be held for non-earmarked expenditure by each Academy should equate to 8% of total restricted funds to provide enough working capital to cover delays in the spending and receipt of grants and to provide a cushion for unexpected emergencies.

Any overall surpluses or deficits at the end of the year are carried forward against the relevant Academy (or group).

However, the Board of Directors reserves the right to

- recover balances held in excess of the limit above.
- use cash funds held to meet an urgent need elsewhere in the Trust

subject to the appeals process noted below.

**3. Deficit Position**

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The CEO as Accounting Officer must inform the ESFA within 14 days if an overall deficit is anticipated.

If a deficit is planned, a recovery plan is required as soon as possible.

The Trust will from time to time set a level of unrestricted reserves which it requires Academies to work towards for contingency, capital planning purposes.

**4. Reporting and Monitoring**

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**Reserves**

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The Board of Directors are responsible for ensuring that the level and use of reserves is monitored. They will do this for the receipt of financial reports prepared by the CFO. The CFO will maintain a medium-term financial forecast which will show how end of year reported reserves will be utilised.

**5. Appeals Process**

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If a local governing body feels that their Academy has been unfairly treated in relation to the top slicing of funds for the provision of central services or by the recovery of surplus balances, they should first appeal in writing to the CEO clearly stating their reasons as to why they feel the recovery of excess reserves or top slicing is not appropriate and with a supporting 3 year financial forecast. The appeal will be considered by selected members of the Board of Directors and a written response provided to the LGB within 30 calendar days. If this does not resolve the grievance, then the LGB may appeal to the Secretary of State for Education, whose decision will be final and who may dis-apply the provision for the pooling of reserves

**Conflict of Interest**

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**1. Purpose**

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The purpose of this regulation is to provide guidance where any member of Trust staff feels there to be a potential or actual conflict of interest. This disclosure is essential for the protection of both the Trust and the member of staff concerned.

**2. Context**

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An example of a potential or actual conflict of interest would be a link with contractors to the Trust

The existence of a register of business interests does not detract from the duty of disclosure whenever it may be relevant to do so. Where an interest has been declared, directors, academy councillors and staff should withdraw from that part of any committee or other meeting.

**3. Register of Interest**

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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 Trust directors, governors and employees with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which The Trust may purchase goods or services. The register is open to public inspection.

The Trust Register is maintained and updated annually by the CFO and is open for inspection by governors, staff, parents and is published on the OLW CMAT website.

The list should include all business interests such as directorships, share-holdings or other appointments of influence within a business or organisation which may have dealings with OLW CMAT. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a director, academy councillor or a member of staff by that person.

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

All directors, governors and Academy employees must be given the opportunity to verbally declare previously undeclared interests, and any previously declared interests that may be relevant to the agenda, at every Board or Local Governing Body meeting and their committees.

In accordance with the Academies financial handbook the business interests of the Trust's directors will be published on The Trust's website.



**Conflict of Interest**

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**4. Trading with connected parties**

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In accordance with the Academies Financial Handbook the following will apply to goods or services provided by individuals or organisations connected to The Trust:

The Trust must pay no more than 'cost' for goods or services provided by a connected party as defined by the Academies Financial Handbook.

The Trust must ensure that any agreement with a connected party 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 that their charges do not exceed the cost of goods or services.

The 'at cost' requirement applies to any transactions for goods or services exceeding £2,500 cumulatively in a financial year

## Taxation

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### Purpose

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The purpose of this procedure is to ensure that in respect of taxation matters

- Records are complete, accurate and timely
- The Trust ensures that it complies with all relevant tax laws and regulations
- The Trust does not incur more tax liability than it needs to

### Definition

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Included within the definition of taxation is:

- Trust Tax (including Deeds of Covenant)
- PAYE & NI (including P11D's)
- VAT

### Taxation Issues

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The CFO is responsible for maintaining the Trust's tax records (both as required by legislation and by professional advisors), making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

The CFO shall take professional advice where appropriate, and in all cases for material capital expenditure.

The CFO is responsible for advising Budget holders including other Directors, Heads of Departments, on all taxation issues, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies to the institution. Therefore, the CFO will issue instructions to departments on compliance with statutory requirements, including those concerning VAT, PAYE, National Insurance, Corporation tax and import duty.

The CFO will inform the CEO and Resources & Audit Committee of any material tax non-compliance immediately.

**Gifts and Hospitality**

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**1. Purpose**

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The purpose of this regulation is to help ensure that the Trust and its officers maintain the highest standards of regularity and probity.

**2. Gifts and Hospitality**

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The Bribery Act 2010 introduced new offences for acts of bribery by individuals, or persons associated with relevant organisations. The penalties are severe for any employee convicted under the Act, which could mean a criminal record with ten years' imprisonment and unlimited fines. The Trust's Anti-corruption, fraud and bribery policy can be found on the MAT's webpages.

The guiding principles to be followed by all members of staff must be:

- the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest
- the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

Thus, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the entity would be likely to provide in return.

When it is not easy to decide between what is and is not acceptable in terms of gifts or hospitality, the offer should be declined, or advice sought from the CEO or the CFO. For the protection of those involved, each School will maintain a register of gifts and hospitality received where the value is in excess of £100. Members of staff in receipt of such gifts or hospitality are obliged to notify the Head of School who will notify the CFO promptly.

**Retention of records**

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**Purpose**

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The purpose of this procedure is to ensure Trust Finance records are maintained for the correct time period in order to meet external compliance requirements.

**Retention periods**

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The following records are to be retained for the periods set out below:

		Minimum retention year (s)
<b>Employees</b>	Time sheets	Current + 6
	Overtime claims	Current + 6
	Contracts	Current + 6
<b>Expenditure</b>	Orders/requisitions	Current + 6
	Petty cash books	Current + 6
	Supplier Invoices	Current + 6
<b>Stocks</b>	Inventory details/valuations	Current + 6
<b>Income</b>	Bank statements	Current + 6
	Sales Ledger Invoices	Current + 6
	Receipt books, Till Rolls, Paying in books	Current + 6
<b>Other</b>	Tender documents	Current + 6
	Insurance claims records	Current + 6
	Personnel Records	10
	Student Records	10

**Director/Governor Remuneration and Expenses**

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**Purpose**

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To set out the terms on which Director/Governors may claim expenses, thereby ensuring probity, adding to the Articles of Governance which state "a Trustee may ... be reimbursed from the property of the Academy Trust for reasonable expenses properly incurred by him or her when acting on behalf of the Academy Trust, but excluding expenses in connection with foreign travel"

**Director / Governor Expenses**

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All Director/Governors of the 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 Academy 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:

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

Director/Governors wishing to make claims under these arrangements, must complete a claims form from the clerk or Finance Team and provide the relevant receipts. The form must be submitted to the Finance Department, when they will be submitted for approval by the Chair of Director/Governors or Chair of Resources and Audit

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

**Financial Systems**

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**Purpose**

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To ensure that accounting transactions are accurately and completely recorded and can be retrieved as required.

**Transactions**

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All financial transactions of the Trust must be recorded on the PSF accounting software system.

**System**

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The system should be reviewed for 'fit-for-purpose' on an annual basis.

All the Trust financial transactions must be recorded on the accounting software accounting system operated by the finance departments in each academy and the Trust Accountant. Financial records are required to be kept for at least six years. This is a requirement laid down by Her Majesty's Revenue and Customs (HMRC).

System Access

System access should be password protected. The CFO is responsible for ensuring that only the appropriate staff have system access and the level of access is appropriate to the work they undertake.

Regard should be given, in a multi-entity environment, to ensuring the system is adequately 'locked-down' so that only certain (central) staff are able to add new nominal codes etc.

The accounting software accounting system is protected by access permissions to authorised staff. Access permissions should be strictly controlled and individual log-ins and passwords should not be compromised. Access to the accounting software should be restricted and the CFO is responsible for determining the access levels for all members of staff. All leavers with previous access to the accounting software must have their access permissions formally removed by the Finance or ICT department as soon as they leave the organisation.

Backup Procedures

The CFO is responsible for ensuring that there are effective backup procedures for the system.

The system is hosted off-site. Trust backups should be undertaken monthly and stored by the Trust.

The CFO and the ICT lead will prepare an IT disaster recovery plan in the event of loss of accounting facilities or financial data. This links in to regular assessment by Trustees of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks.

PSF Financials Accounting Practice Policy

Never share either your RDP or PSF login details with anyone, sharing RDPs can cause data corruption and will allow others to see your desktop within PSF, which may contain confidential files.

When entering purchase invoices, always ensure the document date entered in PSF relates to the corresponding period where possible, i.e. an invoice dated 26 March will be posted in March Period 07. However, if an invoice is received after the period has been closed, then enter the invoice in the

**Financial Systems**

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current open period, dating as the first day of that period (so if the above invoice received mid-April, then date 1 April and post into Period 8).

PSF allows amendment of transactions. This is not advised and once the period has been closed not permitted. Once the period has been closed, correction must be by a reversal, either by way of credit/invoice or a reversing journal, to ensure an audit trail is available. (If the Change Document function is used, you must print out the journals that identify changes made to show an audit trail for future reference by auditors and Trust central staff).

Always print out sales invoices and journals, a hard copy is often required during an audit.

If for any reason staff expenses are to be paid outside of payroll, these should be entered into the Staff Ledger and payment made by BACS.

Ensure segregation of duties within PSF at all times where possible separation of functions to include posting orders, invoices and authorisations.

Annual budgets, approved by the Trust Board, should be uploaded by Trust central staff and should not be changed at any time by schools.

**Fraud and Financial Irregularity**

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**Purpose**

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For the purposes of this policy, fraud is defined as dishonest, irregular or illegal acts, characterised by a deliberate intent at concealment or false representation, resulting in the diversion of resources, whether or not for personal gain, for the benefit of an individual or group of individuals at a consequent loss to the academy and OLW CMAT.

The objective of this policy is to safeguard the proper use of finances and resources. The Trust derives the majority of its income from public funds, however its Academies may also receive charitable donations and income from parents, and so has a particular responsibility to ensure that income and resources are used solely for the purposes intended.

Fraud is a serious matter and the Board of Trustees is committed to investigating all cases of suspected fraud. Any member of staff, regardless of their position or seniority, against whom prima facie evidence of fraud is found, will be subject to disciplinary procedures that may result in dismissal. The Trust will normally involve the ESFA and the police, and may seek redress via civil proceedings.

Staff with a concern that fraud may be taking place are encouraged follow the Whistleblowing policy (see Trust and Academy website).

**Roles and Responsibilities**

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**Prevention**

As the aftermath of fraud is costly, time-consuming, disruptive and unpleasant, and may lead to unwelcome adverse publicity, a major thrust of this fraud policy is prevention.

**Leadership**

Trustees, governors and senior managers should ensure that their behaviour is demonstrably selfless and open, and should champion the Trust's policies on conflicts of interest, hospitality and gifts.

**Management procedures**

Fraud can be minimised through carefully designed and consistently operated management procedures, which deny opportunities for fraud. Staff must comply with the policies and procedures for the Trust and, in particular, should be aware of procedures relating to the following activities: (This list is not exhaustive)

- Cash management;
- Cheque management;
- Use of reputable suppliers;
- Purchasing;
- Conflicts of interest;
- Recruitment
- Risk management.

A continuous review of systems by internal audit will also be undertaken to deter attempted fraud and should result in continuous improvements.

**Checks and balances**

Checks and balances will be designed into all relevant systems and applied consistently, including segregation of duties, reconciliation procedures, random checking of transactions, and review of



**Fraud and Financial Irregularity**

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management accounting information, including exception reports. Systems should identify transactions which have not followed normal procedures.

In addition, Trustees have put in place arrangements for third parties to independently check the robustness of policies and processes. This includes commissioning external and internal auditors with a particular focus on financial activities.

**Behaviour patterns**

Suspect patterns of behaviour among staff dealing with financial transactions should be investigated, for example, living beyond apparent means, taking few holidays, regularly working alone out of normal hours and resistance to delegation. Any indication of addiction to drugs, alcohol or gambling should be addressed promptly, for the welfare of the individual and to minimise the risks to the Academy.

**Whistle Blowing policy**

Anyone suspecting fraud may use the Trust's Whistle Blowing Policy, which provides protection against reprisal for any such disclosure.

**Fraud Response procedure**

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**Purpose**

The purpose of this fraud response procedure is to define authority levels, responsibilities for action and reporting lines in the event of suspected fraud or irregularity. Those investigating a suspected fraud should:

- Aim to prevent further loss;
- Liaise with the Trust's insurer;
- Establish and secure evidence necessary for criminal and disciplinary action;
- Inform the police as appropriate;
- Notify the ESFA;
- Endeavour to recover losses;
- Take appropriate action against those responsible;
- Keep internal personnel and outside organisations with a need to know suitably informed, on a confidential basis, about the incident and the Trust's response;
- Deal with requests for references for employees disciplined or prosecuted for fraud;
- Review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud.

**Initiating action**

Members of staff, Trustees, governors or students may suspect fraud or irregularity in the Trust or within any of its academies. If so, they should report it as soon as possible to the Head teacher or Chair of Governors. The person to whom the suspected incident is reported should then ensure that it is made known without delay to the CEO. The CEO or CFO should, as soon as possible (and with the aim of acting within 24 hours), chair a meeting of the following group to decide on the initial response, using properly appointed nominees where necessary:

- Head of Academy
- HR/resources
- CEO

**Fraud and Financial Irregularity**

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If the actual or suspected incident concerns or implicates a member of this group, the Chair of Trustees or Chair of F&A will appoint a substitute.

**Responsibility for investigation**

The group, chaired by the CEO, will decide on the action to be taken. This will normally be an investigation led by the external auditors which may switch internal audit resources from planned audits.

**Prevention of further loss**

Where initial investigation provides reasonable grounds for suspecting a member or members of staff, directors, governors or others of fraud, the group will decide how to prevent further loss. This may require the suspension of the suspect or suspects, under the appropriate disciplinary procedure. It may be necessary to plan the timing of suspension to prevent suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.

In these circumstances, the suspect or suspects should be approached unannounced. They should be supervised at all times before leaving the Trust's premises. They should be allowed to collect personal property under supervision, but must not be able to remove any property belonging to the Trust. Any security passes and keys to premises, offices and furniture must be returned. The Head Teacher will be required to advise on the best means of denying access to the academy while suspects remain suspended, for example by changing locks and informing premises or reception staff not to admit the individuals to any part of the premises. Similarly, the ICT lead will be instructed to withdraw without delay access permissions to the academy's computer systems.

The group will consider whether it is necessary to investigate systems other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate the academy's assets.

**Establishing and securing evidence**

The Trust will follow appropriate disciplinary procedures against any member of staff, director or governor who has committed fraud and will normally pursue the prosecution of any such individual through the criminal courts. The HR lead will:

- Ensure that evidence requirements are met during any fraud investigation;
- Establish and maintain contact with the police;
- Ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

**Reporting lines**

The group will provide regular, confidential reports to the Chair of Trustees, which will include:

- Quantification of losses;
- Progress with recovery action;
- Progress with disciplinary action;
- Progress with criminal action;
- Estimate of resources required to conclude the investigation;
- Actions taken to prevent and detect similar incidents.

**Notifying the funding body**

**Fraud and Financial Irregularity**

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All instances of fraud or theft committed against the Trust, whether by employees or academy councillors or third parties, above £5,000 must be reported by the Trust to the ESFA. Any unusual or systematic fraud, regardless of value, must also be reported.

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

**Recovery of losses**

The external auditors will endeavour to ensure that the amount of any loss is quantified. Repayment of losses will be sought in all cases. Where the loss is substantial, legal advice should be obtained about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice may be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The Trust will normally expect to recover costs in addition to losses.

**Final report**

On completion of a special investigation, a written report, normally prepared by the external auditor, shall be submitted to the Chair of Trustees containing:

- A description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud;
- The measures taken to prevent a recurrence;
- Any action needed to strengthen future responses to fraud, with a follow-up report on whether the actions have been taken.

The final outcome will be reported to the complainant.

**References for persons disciplined or prosecuted for fraud**

Any request for a reference for persons disciplined or prosecuted for fraud must be referred to the Chair of Trustees or CEO for advice.

**Monitoring and Review**

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The Trust will review this policy in light of events and assess its implementation and effectiveness.

Trustees and governors will oversee the internal audit arrangements; providing the appropriate level of support and challenge to ensure that the agreed practice and procedure has been implemented through scrutiny of all reporting information requested and received.

Identify any associated risks, trends, underlying or contributory factors.

Any identified or attempted frauds will be recorded by the Trust Accountant in the Fraud Incident Register. All fraud or attempted fraud incidents will be reported to the appropriate Resources Committee and the Board of Trustees.

## Insurance

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### 1. Purpose

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The purpose of this regulation is to help ensure that the assets of the Trust are appropriately safeguarded

### 2. Insurance

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It is the responsibility of the CEO and CFO to ensure that adequate insurance arrangements are in place for the Trust.

Insurance cover for the Academy will be arranged at Trust Board level. Insurance will cover will include:

- Public Liability
- Buildings and Contents
- Terrorism
- Business Interruption
- Employer Liability
- Hirers Liability
- Governors Liability
- Academy Journey
- Personal Accident
- Motor
- Engineering

The Trust will normally look to the DfE promoted RPA scheme for its insurance. Motor and Engineering cover is not available under the RPA scheme and should be addressed separately.

If maternity or sick pay insurance is required, this will be arranged at local Academy level.

Business continuity plans should be established in each Academy by the Headteacher and reviewed annually.

Employees who travel more than would be covered under any Occasional Business Travel policy must provide evidence that they have acquired their own business use cover.