



FINANCIAL REGULATIONS MANUAL

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CAMPFIRE FINANCIAL REGULATIONS MANUAL

1.	INTRODUCTION	4
2.	GENERAL CONTROLS and TRANSPARENCY	4
3.	THE TRUST BOARD	5
4.	LOCAL GOVERNING BODY	5
5.	CHIEF EXECUTIVE OFFICER/ACCOUNTING OFFICER (CEO)	6
6.	CHIEF FINANCE OFFICER (CFO)	6
7.	HEADTEACHERS	6
8.	INTERNAL CONTROL	6
9.	ACCOUNTABILITY	7
10.	REGISTER OF BUSINESS INTERESTS	8
11.	RELATED PARTY TRANSACTIONS	8
12.	ESTABLISHMENT OF BANK AND INVESTMENTS ACCOUNTS	9
13.	BANK ACCOUNTS	9
14.	RESERVES POLICY and CASH FLOW	10
15.	BANK ACCOUNTS	10
16.	VAT	11
17.	BACS PAYMENTS and SECURITY	11
18.	CREDIT CARDS	12
19.	PURCHASING CARDS	12
20.	VALUE FOR MONEY	12
21.	ORDERING	13
22.	FINANCE MONITORING	13
23.	PAYROLL	14
24.	GIFTS AND HOSPITALITY	15
25.	OVERTIME/ ADDITIONAL PAYMENTS	15
26.	SEVERANCE PAYMENTS	15
27.	EX-GRATIA PAYMENTS	15
28.	TRUSTEES/GOVERNORS REMUNERATION & EXPENSES	15
29.	ALLOWANCES PAYABLE TO STAFF, TRUSTEES & GOVERNORS	16
30.	INCOME	16
31.	BAD DEBTS	16
32.	INSURANCE	17
33.	INTERNAL SCRUTINY	17
34.	PROCUREMENT: ORDERS, CONTRACTS AND TENDERS	17
35.	TENDERING	18

36.	ASSETS	20
37.	DEPRECIATION	20
38.	LEASING	21
39.	ANNUAL ACCOUNTS	21
40.	WRITE OFFS AND DISPOSALS	21
41.	DELEGATED EXPENDITURE LIMITS	23
42.	PURCHSING CARD HOLDERS	23

1. INTRODUCTION

- 1.1 The purpose of these Regulations is to ensure that the Trust maintains and develops systems of financial control, which conform to the requirements both of propriety and of good financial management.
- 1.2 It is essential that these systems operate properly to meet the requirements of the Trust's funding agreements with the Secretary of State for Education, through the Education and Skills Funding Agency (ESFA).
- 1.3 The Trust must comply with the principles of financial control outlined in the Academy Trust Handbook [Academy trust handbook 2024](#) and this manual will be reviewed on a regular basis and is subject to any changes as set out by the ESFA in the 'Dear Accounting Officer' letters to the Trust.
- 1.4 This manual expands on that and provides detailed information on the academy's accounting procedures and system manual should be read by all staff involved with financial systems.
- 1.5 This manual serves as an adjunct to the scheme of delegation providing information on the day-to-day operations and practicalities forming from this financial regulation manual.
- 1.6 The Trust must approve a written scheme of delegation of financial powers that maintains robust internal controls. The scheme of delegation should be reviewed annually, and immediately when there has been a change in trust management or organisational structure.
- 1.7 The Trust must make available for public inspection:
 - 1.7.1 the agenda for every meeting of the trustees, local governing bodies, and committees.
 - 1.7.2 the approved minutes of each meeting any report, document or other paper considered at each meeting.
 - 1.7.3 The Trust may exclude from any item any material relating to: a named teacher or other employee or proposed employee, a named pupil or student at the academy, or candidate for admission or referral to it or any matter which, by reason of its nature, the trustees are satisfied should remain confidential.

2. GENERAL CONTROLS and TRANSPARENCY

- 2.1 The trustees delegate the overall management of the budget for each Academy to the headteachers, subject to exceptions contained in these Regulations and provided that the Academy sets both a balanced in-year budget (3-year) and complies with the budget discipline approved by the Trust board and the executive (e.g. KPIs).
- 2.2 The Trust will have one computerised financial system on which all financial transactions by the Trust or individual Academies **must** be entered.
- 2.3 The Trust will have one central payroll system.
- 2.4 The Trust will have one Human Resources provider.

- 2.5 The Trust will ensure there is adequate insurance cover (or risk protection) in place. The Trust may utilise the DfE's (Department for Education) Risk Protection Arrangement (RPA).
- 2.6 Trustees should challenge pupil number estimates and review these termly, including the impact of lagged pupil-funding on the in-year and future budget forecasts.
- 2.7 The Trust uses Integrated Curriculum Financial Planning (ICFP) to ensure curriculum planning matches the best education with the resources available
- 2.8 Those employees whose benefits are more than £100k must be published on the Trust's website as an extract from the financial statements for the preceding accounting period.
- 2.9 Alcohol must not be purchased, however there is now an exception where it is for religious services.
- 2.10 Whistleblowing procedures must be published on the Trust website
- 2.11 The Trust's risk register must be reviewed by the board of trustees (termly) who retain overall responsibility for the register and should only receive support from the audit committee, not delegate responsibility to it.
- 2.12 The finance, risk and audit committee must also report to the board on the controls around non-financial risks as well financial ones.

3. THE TRUST BOARD

- 3.1 The Trust Board is responsible for ensuring compliance with these Financial Regulations, the Academy Trust Handbook, the Trust's funding agreements and all and any other statutory guidance applicable to academies and academy trusts.
- 3.2 The Trust Board's responsibilities are set out in the Trust's Scheme of Delegation, of which this Financial Regulations Manual forms part.
- 3.3 The Trust Board approves all annual budgets, including capital expenditure, and will review annually the delegation limits set out in these Financial Regulations.
- 3.4 The Trust Board appoints external auditors and has established an internal risk and audit committee who also appoints an internal auditor. The terms of reference of the finance, risk and audit committee are appended to the regulation's manual.
- 3.5 Members must not also be employees of the Trust, including being an employee on an unpaid voluntary basis.
- 3.6 As well as members continuing to receive the annual accounts, they must also be kept informed regarding trust business through a regular dialogue between the trust board and members throughout the year
- 3.7 The Trust must appoint a professional clerk to support the board.
- 3.8 The Register of Interests, including related parties, must be kept up to date on a regular basis as part of a standing agenda item on business interests

4. LOCAL GOVERNING BODY

- 4.1 The Local Governing Body's responsibilities are set out in the Trust's Scheme of Delegation.

5. CHIEF EXECUTIVE OFFICER/ACCOUNTING OFFICER (CEO)

- 5.1 The CEO undertakes the role of the Accounting Officer, as noted in the Academy Trust Handbook. The CEO will have full access to all financial reporting.
- 5.2 The Accounting Officer should be an employee or obtain DfE approval prior to the appointment e.g., an interim replacement.
- 5.3 The Trust is required to inform the Regional Schools Commissioner of any change to the senior executive officer in the Trust.

6. CHIEF FINANCE OFFICER (CFO)

- 6.1 The CFO (Chief Finance Officer) undertakes the role of the Chief Finance Officer, as noted in the Academy Trust Handbook. The CFO will have full access to all accounting systems and Academies are required to liaise with the CFO regarding the monitoring of school budgets.
- 6.2 The CFO is an employee of the Trust.
- 6.3 The CFO holds a business and accountancy qualification for a relevant professional body.

7. HEADTEACHERS

- 7.1 The Trust Board delegates the day-to-day financial management of each Academy to the Headteacher subject to the exceptions contained in these Regulations. and the scheme of delegation.
- 7.2 The Headteacher, while remaining responsible for the Academy's financial position, should delegate day to day financial management including assisting in budget preparation and the preparation of financial reports to the Academy's School Business Manager (SBM) in liaison with the central finance team and CFO.
- 7.3 The Headteacher is responsible for ensuring the Academy's agreed contribution to the Trust's shared costs is accounted for in the 3-year budget presented to the Trust Board for ratification.
- 7.4 The management-fee (top-slice) will be set out in the Trust central support and appeals policy document and includes an appeal process for individual academies.
- 7.5 In the absence of the Headteacher, the Deputy Head will have responsibility to fulfil the functions of the Headteacher and he or she will comply with all aspects of these Regulations.

8. INTERNAL CONTROL

- 8.1 It is the responsibility of the CFO to ensure that financial internal controls are in place and duties are properly segregated between individuals in school and within the central team.
- 8.2 The objectives of internal control are to give management confidence that, as far as reasonably possible, the accounting records are complete, genuine and achieve best value.
- 8.3 Functions to be separated between staff include:
 - 8.3.1 Execution – the placing of an order, receipt of goods and services or charging and receipt of a fee.

- 8.3.2 Authorisation – the authorisation of a transaction such as a purchase order or payment.
- 8.3.3 Payment – the completion of batching procedures.
- 8.3.4 Custody – the holding of goods and services.
- 8.3.5 Recording – the completion of the accounting records.
- 8.3.6 Post transaction management checking– reviewing previous transactions to identify errors or intentional manipulation.
- 8.4 Examples of internal control include:
 - 8.4.1 Internal checks – one person checking another person’s work.
 - 8.4.2 Separation of duties – distributing the work so that key tasks are assigned to separate members of staff.
 - 8.4.3 A system of authorisation – each transaction is authorised before passing on to the next stage of the process.
 - 8.4.4 Systems manuals – clear descriptions of how systems work, and who does what and when, and the systems of internal control.
 - 8.4.5 An audit trail that makes it clear who has been involved – this tracks all stages of a transaction, for example from copy order to invoice, to accounts, to payment record. This can act as a control.
 - 8.4.6 Wherever possible, all payments are made via BACS. Petty cash is not used. All purchases will be made through the school’s purchase order system or claimed back via an authorised expense claim form and reimbursed through payroll.
- 8.5 These controls are there to safeguard trustees, executive officers, academy governors, and staff alike. They ensure that:
 - 8.5.1 payments are made only to genuine employees and suppliers.
 - 8.5.2 payments are made for goods and services received.
 - 8.5.3 income is recorded, collected, and banked promptly.
 - 8.5.4 cash transactions, whether income or petty cash expenditure, are secure in all respects.
 - 8.5.5 proper records are kept for management information and for accountability purposes.
 - 8.5.6 value for money is achieved.

9. ACCOUNTABILITY

- 9.1 The CFO is accountable for financial management including the preparation of the annual budgets and financial reports as required by the Trust.
- 9.2 The CFO delegates the responsibility of preparation of the annual budgets and financial reports to the school business managers and the central finance team.
- 9.3 The Academy SBM (School Business Manager) and central finance team must inform the CFO of any financial concerns that could adversely affect the Trust or the Academy.
- 9.4 The SBM is responsible for maintaining the register of Business/Financial interests for each Academy.
- 9.5 The Trust Administrator is responsible for maintaining the register of Business/Financial

interests for the Trust.

- 9.6 The individual Academy SBMs and the central finance team report to the CFO on financial matters.

10. REGISTER OF BUSINESS INTERESTS

- 10.1 All staff and members/trustees/governors have a statutory responsibility to avoid any conflict between their business and/or personal interests and the affairs or interests of the Trust and the Academies.
- 10.2 All members/trustees/governors are required to complete a Declaration of Business or Financial Interest form at least annually. Any member/trustee/governor having direct or indirect involvement in a business, which is providing goods or services to the Trust or any individual Academy, must declare his or her interest. Familial relationships between trustees/governors/headteachers and finance officers is discouraged.
- 10.3 There must be an item on the agenda of every Trust Board, Board Committee and LGB meeting for such interests to be reviewed.
- 10.4 All budget holders are required to complete a Declaration of Business or Financial Interest form at least annually or when taking up such responsibilities. Any budget holder having direct or indirect involvement in a business, which is providing goods or services to the Trust or any Academy, must declare his or her interest.
- 10.5 Each budget holder is required to notify the SBM promptly of any relevant change to personal circumstances.
- 10.6 A register of business interests must be maintained for all members/trustees/governors and all budget holders by each individual Academy's SBM. A central copy of all registers of interest to be held centrally by the Trust and updates to be sent when changes occur to the CFO. The register must be freely available for inspection by members/trustees/governors, auditors, staff, parents and the DfE.
- 10.7 This register must include all business interests such as directorships, shareholdings, and other appointments of influence within a business or other organisation that may have dealings with the Academy. The disclosures should also include business interests of relatives or business partners and other individuals who may exert influence. Signed and dated, nil returns are also required.
- 10.8 The existence of a register of business interests does not, of course, detract from the duties of members/trustees/governors and staff to declare interests when they are relevant to matters being discussed by the Trust Board or an LGB or appropriate committee. Where an interest has been declared, members/trustees/governors and staff should not attend that part of any Trust Board/LGB/Committee or any other meeting.

11. RELATED PARTY TRANSACTIONS

- 11.1 Academy trusts must declare their intention to enter into a new agreement before confirming the transaction with a related party supplier. This includes agreements being renewed with a related party supplier.

- 11.2 Academy trusts do not need to declare income transactions with related parties. For expenditure related party transactions with a new supplier, academy trusts must confirm whether they have previously received a donation from the related party.
- 11.3 In line with the Academy Trust Handbook, salaries and other payments made by an academy trust to a related party under a contract of employment, through the academy trust's payroll, are not in scope of this reporting requirement.
- 11.4 Academy trusts must continue to report all related party transactions, regardless of value, in their annual financial statements as set out in the Academies Accounts Direction
- 11.5 Academy trusts must seek prior approval from DfE when:
- a single proposed contract or agreement with a related party exceeds £40,000.
 - a proposed contract or agreement of any value means the total value of contracts or agreements with the same related party exceeds £40,000 in a financial year.
- A series of intended transactions with the same supplier can be submitted as a single request for approval, if sufficient detail about each transaction is included in the evidence provided.

12. ESTABLISHMENT OF BANK AND INVESTMENTS ACCOUNTS

- 12.1 The opening of all bank accounts must be authorised by the Trust Board, including the arrangements covering the operation of accounts and any transfers between accounts are contained within these regulations.
- 12.2 The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control. Any changes to these details require referral back to the Trust Board.
- 12.3 The SBM of each individual Academy shall have oversight of the state of all bank accounts operated in the names of the academy and ensure monthly reconciliation of all accounts.
- 12.4 Investments must be made only in accordance with written procedures approved by the Trust Board.
- 12.5 It is a DfE requirement that investments can only be made following the Trust Board taking advice from an appointed financial expert.
- 12.6 All investments must be recorded in sufficient detail to be identifiable and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

13. BANK ACCOUNTS

- 13.1 Trusts must avoid using bank overdrafts.
- 13.2 The Trust will appoint one bank for the Trust's normal financial transactions but may appoint separate investment banks as appropriate.
- 13.3 The Trust accounts will have the following minimum structure:

- Main Trust Bank Account
- Subsidiary Bank Accounts for each Academy, comprising:
 - Current Account

13.4 All grants including any funds received from the DfE will be paid directly into the central team main account.

13.5 The Trust CFO is responsible for transfers between accounts and authorisation is made by the CFO.

14. RESERVES POLICY and CASH FLOW

14.1 The Trust will set a balanced in-year revenue budget every year.

14.2 The Trust's reserves balance should only decrease due to capital investment and/or other organisational needs which shall always be approved by the Board of Trustees.

14.3 All reserves are currently seen as the Trust's pooled reserves, however, individual school reserves balances are reported to facilitate administrative requirements and for the purposes of statutory accounting.

14.4 The Trust's general reserves balance may be comprised of restricted general reserves or unrestricted reserves.

14.5 The Trust monitors cash flow in the management accounts that are reported to the Chair of the Board of Trustees each month, and shared with the finance, risk, and audit committee at its meetings, which number at least 3 times per year. This is to ensure that immediate financial commitments can be met (payroll and payment runs) and that the liquidity account has adequate balances to meet forthcoming commitments.

14.6 The Trust's policy for reserves is linked to and part of its formal consideration of the Trust's going concern presumption. The Trustees considered the level of reserves appropriate for the Trust to hold to demonstrate appropriate financial management and sustainability.

14.7 Reserves held will be reviewed by the Board on a regular basis and an appropriate range of options will be considered which include releasing an annual amount to a school improvement fund, an intervention fund, a capital project fund, and a growth fund. Wherever possible, the Trust is also actively engaging with the DfE regarding potential additional resources available through the Condition Improvement Fund (CIF).

15. BANK ACCOUNTS

15.1 The CFO/SBM must ensure that:

- 15.1.1 All bank accounts in the name of the Academy are regularly monitored and operate within the guidelines of these Financial Regulations.
- 15.1.2 All prime records are retained for six financial years plus the current year and be labelled and secured.
- 15.1.3 All income due to the delegated budget is banked promptly and intact to the approved account and that any errors or delays are promptly reported to the

Headteacher and CFO, and are thoroughly investigated.

- 15.1.4 Bank reconciliations are performed at least monthly on all accounts, any discrepancies that indicate fraudulent activities must be immediately reported to the Headteacher and CFO to be thoroughly investigated.

15.2 Additionally the SBM and the Central Finance Team is responsible for:

- 15.2.1 ensuring bank charges are consistent with the banking terms and agreed between the Academy and the bank.
- 15.2.2 ensuring that payment details on BACS payments are correct and that any changes are confirmed before payment is made.
- 15.2.3 ensuring the Academy will not operate an overdraft. This requires the approval of the Trust Board and the Secretary of State. If an account goes overdrawn the circumstances must be immediately reported to the Headteacher and CFO.
- 15.2.4 regularly examining samples of payments to monitor that:
 - transactions have been properly authorised.
 - no payments have been made which could be classified as fee payments to individuals.
 - taxation regulations regarding non-payroll contractors including the Construction Industry Tax Deduction Scheme (CITDS) has been complied with, where appropriate.

16. VAT

- 16.1 The central finance team is responsible for submitting the monthly VAT reports to the CFO who will consolidate them into one report to be sent to the HMRC (Section 126).

17. BACS PAYMENTS and SECURITY

- 17.1 When the BACS payment is prepared by the school's finance team it is passed to the headteacher who checks to ensure all details are correct and that bank sort codes and account numbers have been entered and then approves payment.
- 17.2 Individual payments over £15,000 **must** be authorised by the CFO, except for payroll, pension and HMRC payments which can be authorised by the Headteacher or Deputy Headteacher.
- 17.3 The SBM is responsible for ensuring any changes in bank details are confirmed before being actioned. An annual review of all payment bank account details is to be made.
- 17.4 A record is to be kept of all checks and be available to internal audit on request.
- 17.5 Any cards or equipment used to authorise BACS payments by academy staff are to be kept in the Academy safe.
- 17.6 The CFO has dual Administration and is authorised to amend settings, protecting both individual users and business.

- 17.7 Profile sharing should be strongly discouraged and NEVER shared between staff. Ensure only staff with valid business requirements have access to Commercial Online Banking.
- 17.8 User passwords are changed every 28 Days by default. Use strong passwords including combinations of unrelated words, lower/upper case, and special characters. Frequent changes to passwords reduce the risks in the event of comprises such as malware exploits, which monitor keystrokes going undetected for longer periods.
- 17.9 Commercial Online Banking Golden Rules:
- We will NEVER ask for your full PIN (Prior Information Notice) and password to log in to online banking
 - We will NEVER ask you to provide PIN and password or smartcard codes over the telephone
 - We will NEVER ask for any Smartcard codes over the telephone to complete log-in. These are only used to authorise payments*

18. CREDIT CARDS

- 18.1 The Trust will not sanction the use of credit cards.

19. PURCHASING CARDS

- 19.1 Purchasing cards are not considered to infringe the borrowing restrictions imposed on Academies, providing any balance is cleared in full at the end of each month and as such the Academy may use them. A direct debit must be set up between the bank and charge card provider to clear the monthly balance in full.
- 19.2 All cards must be kept in the school safe when not in use.
- 19.3 The SBM will administer the signing in and out of cards and the Trust CFO will decide who the authorised card holders are.
- 19.4 The Academy purchasing card is only used when not practical to use the purchase order system. It is mostly used for internet purchases.
- 19.5 Staff issued with cards and the limits for each card are set out in the appendices.
- 19.6 Any department wishing to make a purchase on the purchasing card must complete a purchasing card expense form and pass to the finance department. The order form must be signed by the budget holder.
- 19.7 When the statement is received it will be reconciled against the signed order for each entry by the finance staff and entered onto the system.

20. VALUE FOR MONEY

- 20.1 The Academy should achieve the best value for money from its purchases.
- 20.2 This means that the purchase should be at the correct quality, quantity, and time and at the best price possible. A large proportion of purchases will be paid for with public funds and to maintain the integrity of these funds, Academies must follow the general principles

of:

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

21. ORDERING

- 21.1 The budget holders are responsible for raising orders for processing by the finance team. No telephone orders should be placed except by the finance team.
- 21.2 It is the responsibility of the budget holder to manage the budget and to ensure that funds are not overspent.
- 21.3 The financial management system is a commitment financial accounting system and therefore official orders will be raised and authorised to cover all expenditure for which a financial commitment has been made. Thus, all budget monitoring reports will include actual as well as committed expenditure.
- 21.4 The official order is placed on the system, given a unique reference number, sent to the supplier, and must be copied to the budget holder.
- 21.5 Orders are to be authorised as set out in the relevant appendix.
- 21.6 The Academy is not obliged to accept the cheapest quotation for supply of goods, materials or services but must, instead, look for best value in all levels of ordering.
- 21.7 For orders over £3,000 three quotes must be obtained.
- 21.8 All transactions input to the accounting system must be authorised in accordance with the procedures on expenditure limits set out in the appendices.
- 21.9 A sequence of orders all within the limit to cover a larger order is not permitted.
- 21.10 No goods or services must be ordered to include any element of private use by staff members.

22. FINANCE MONITORING

- 22.1 The SBM will monitor actual spend against budget monthly, and report to the Headteacher and Trust CFO any significant variances.
- 22.2 Each Academy will produce a monthly report on the Academy's financial position for the Trust Board in a format as prescribed by the CFO.
- 22.3 Each academy will provide a finance management and a cashflow report each month, which will be available concurrently to both the trust board and the trust executive, including a variation report and a report on any breach to the agreed KPIs for the academy.
- 22.4 Each Academy headteacher or business manager must report any financial

concerns to the CEO/CFO immediately they are identified.

23. PAYROLL

- 23.1 The Trust will use a centralised payroll system supplied by one provider as agreed by the Trust Board.
- 23.2 All staff are paid monthly through the payroll provider. A master file is created for each employee which records:
 - Salary
 - Bank Account Details
 - Personal Details
 - Deductions or Allowances payable
 - Other legal and relevant details
- 23.3 All notifications of appointments and promotions must be notified by the SBM/CFO and approved by the headteacher/CEO. No changes to payments are to be made without written authorisation by the headteacher or delegated person.
- 23.4 The headteacher is required to submit a business case regarding staff appointments, including for temporary and parental leave, so that the impact on the budget can be evaluated. The individual schools should not breach the key performance indicator for staffing expenditure without the approval of the Trust Board.
- 23.5 All personnel records are to be kept in a locked cabinet and only accessed by the following personnel:
 - The Headteacher
 - The SBM
 - The CEO Personal Assistant
 - The CEO and CFO
- 23.6 Only the Chair of Trustees, CEO, CFO, Chair of the LGB and the Clerk to the Governors of the LGB or Trust Board will have access to the paper records of the headteacher. These files will be kept with the governors' papers in a locked file.
- 23.7 Access to the computerised personnel records will only be granted to the staff mentioned above and they must ensure confidentiality of all such records. Personnel records are to be kept for 7 years after the individual has left.
- 23.8 Monthly payroll is to be reconciled to agree Salary, Income Tax, National Insurance, Superannuation, and all other deductions. The CFO will require that a visual check of all payroll records and authorisation prior to the authorisation of the payroll run is carried out.
- 23.9 All salary payments are made by BACS.
- 23.10 Each term, the headteacher/SBM/CFO will check the calculation of gross to net pay to ensure that the payroll system is operating correctly.
- 23.11 After the payroll has been processed the nominal ledger will be posted. Postings will be

made to both the payroll control account and the individual cost centres and the balance of the payroll control should be NIL at the end of each month.

- 23.12 The internal auditor will carry out an annual check to confirm gross pay agrees with contracts of employment.

24. GIFTS AND HOSPITALITY

- 24.1 All gifts or hospitality received or provided to staff, governors or third parties that is believed to be of the value of £25 or over must be declared. Declarations must be made in the record book held in the SBM's office. Please refer to the 'Gifts and Hospitality Policy' for further guidance.

25. OVERTIME/ ADDITIONAL PAYMENTS

- 25.1 Overtime is recorded by the individual or line manager and submitted at the end of the month. No overtime claims should be submitted prior to the work having been undertaken.
- 25.2 No payments for work undertaken will be made other than via the payroll system or without written authorisation.
- 25.3 No additional payments will be authorised for teachers on the leadership scale without the consent of the Board.
- 25.4 Bonuses are discretionary and are not automatic, and the policy may change depending on the Trust's financial position or educational performance.

26. SEVERANCE PAYMENTS

- 26.1 The Academy can self-approve the non-contractual element of severance payments up to £5,000 (notification of such must be provided to the CEO and CFO), and only with the approval of the CEO and Chair of Trustees for any amounts between £5,000 and £50,000. A business case must be presented before agreeing to any payment, using the form provided by the DfE. Regard should be had to the requirements of the Academy Trust Handbook and HR/legal advice must be sought.

Where the non-contractual element is on or over £50,000 prior approval from DfE must be sought. Trusts must obtain prior approval for staff severance payments of £100k or more which include a non-statutory/non-contractual element, and/or where the employee earns over £150k.

- 26.2 The CEO must sign off and review each business case. The Chair of Trustees will authorise payment on receipt of an approved business case and DfE consent where appropriate.

27. EX-GRATIA PAYMENTS

- 27.1 Any ex-gratia payment must be submitted to the CFO and in turn the DfE for prior approval.

28. TRUSTEES/GOVERNORS REMUNERATION & EXPENSES

- 28.1 Trustees and Governors are entitled to claim actual costs which they incur only in accordance with the Academy Trust Handbook and the Trust's Articles of Association. The policy has been ratified by the MAT (Multi Academy Trust) with subsistence and car

mileage allowances payable to all staff based on the current rates used by HMRC. Expenses can include a wide range of costs including, for example, travel and other costs of attending meetings, specific telephone, and broadband charges, travelling on trustee business, and providing childcare or care of other dependants while attending to trustee business. Further details are covered in the DfE publication

<https://www.gov.uk/government/publications/trustee-expenses-and-payments-cc11/trustee-expenses-and-payments>

- 28.2 The CEO is both a trustee and a paid executive employee. The Trust Board has determined the pay and conditions of the CEO considering the role, responsibility, and affordability according to the principles of the DfE and NGA (National Governance Association) guidance.
- 28.3 Local governors are not permitted to receive any off-payroll payments for work provided for the Academy or any trust school, without informing the CEO and the Chair of Trustees and this must be declared to the LGB and the trust board.

29. ALLOWANCES PAYABLE TO STAFF, TRUSTEES & GOVERNORS

- 29.1 Subsistence and car mileage allowances are payable to all staff based on the current rates used by HMRC.

30. INCOME

- 30.1 The main source of income for the Trust is grants from the ESFA. The receipt of these sums is monitored by the individual Academy SBM who is responsible for ensuring that all grants due to the Academy are collected.
- 30.2 The receipt of other grant sums is monitored directly by the SBM who is responsible for ensuring that all grants due to the Academy are collected.
- 30.3 All monies from other income sources should be paid directly to the finance office with receipts being issued for cash payments made.
- 30.4 All cash and cheques will be properly accounted for and banked promptly. Payments are not to be made from income received prior to banking.
- 30.5 The SBM is responsible for the maintaining of records for lettings, taking all bookings and ensuring that all hirers have adequate insurance. This may be delegated to the site manager, with adequate checks in place.
- 30.6 The finance department will raise the relevant invoices and be responsible for collecting any monies owed.
- 30.7 Personal cheques will not be cashed from money received or due to the Academy or Trust.

31. BAD DEBTS

- 31.1 If a debt remains unrecoverable after 6 months or it becomes clear that the debt will not be repaid the headteacher is able to write off debts up to £500. Debts over £500 must be referred to the CFO. Please refer to the Trust's 'Bad Debt Recovery Policy' for further

guidance.

32. INSURANCE

- 32.1 The Trust reviews the insurance arrangements or risk protection cover annually. The Trust Board will ensure there is adequate cover in place.
- 32.2 The Trust is part of the Risk Protection Arrangement <https://www.gov.uk/guidance/the-risk-protection-arrangement-rpa-for-schools>

33. INTERNAL SCRUTINY

- 33.1 The internal scrutiny process should also have consideration for the non-financial risks an academy trust monitors.
- 33.2 Since 1st September 2020 accountancy firms who undertake both the external and internal audit can no longer offer both services to a trust in-line with the Financial Reporting Council's latest Ethical Standard.
- 33.3 The internal audit is not solely to be undertaken by persons with financial expertise, but a collective effort that considers governance and stewardship by the Trust.
- 33.4 The reports and findings of both the financial and non-financial risk reviews should then be included in the internal scrutiny summary document submitted to the DfE by 31st December annually.

34. PROCUREMENT: ORDERS, CONTRACTS AND TENDERS

- 34.1 All orders for goods and services should seek to obtain value for money, identify the best sources for goods/services and must comply with appropriate legislation including the Public Contract Regulations 2015. The procedures below which sit alongside the requirements and values for authorisation. Alcohol must not be purchased from Trust funds.
- 34.2 Where it is not possible to comply with quotation requirements e.g. limited number of suppliers in the market this should be clearly recorded and approved by the CFO. The rationale for a decision which results in the cheapest quote not being chosen should be clearly recorded. Orders should not be broken into multiple orders to circumnavigate the requirements. Copies of all quotes should be retained and where practical attached on the Access Finance system to the relevant purchase order.
- 34.3 For larger value contracts in particular, the Trust will explore the use of existing framework agreements arranged by the DfE (Deals for Schools), Crescent Purchasing Consortium (CPC) etc to support the process.
- 34.4 A list of all contracts will be maintained by the Trust with the relevant expiry dates. This will be used to support the review of contracts as part of the annual budget setting process.
- 34.5 All values below apply to the duration of any contract and are inclusive of VAT other than the 'Find a Tender' threshold which is net of VAT.
- 34.6 Orders up to £3,000

Where practical an alternative quote or a price comparison exercise should be carried out. Written (this can include email) details of quotations obtained should be retained and attached to the purchase order in the finance system.
- 34.7 Orders over £3,000 and up to £10,000

A minimum of 3 written quotations should be obtained in advance of the purchase decision being made and evidenced in writing/email. Except where: similar service was provided in the last 12 months and the supplier was selected using the above process; the supplier is under contract to maintain a system or the service is to maintain or extend a system the supplier has installed, there is a premises emergency, i.e., flooding. Where it is not possible to obtain similar quotes, the CFO will confirm this is the case and sign off that best value is still being achieved.

The above exceptions should not over-ride the aim of achieving value for money. All quotations should be retained attached to the purchase order in the finance system.

- 34.8 Three written quotes for medium contracts: £10,000-£15,000
- 34.9 Three written quotes for medium contracts with Trust Board approval: £15,001-£25,000
- 34.10 Major contracts threshold for tendering procedure, to be approved by the Trust Board: £25,001 and over
- 34.11 Trustee approval for capital and minor works: £15,000+
- 34.12 Trustee approval limit of contracts: £15,000+
- 34.13 CEO approval limit for capital and minor works: £15,000
- 34.14 CEO approval limit contracts: £15,000
- 34.15 Trustee approval for formal tender process: £25,000+
- 34.16 The trust schools are advised to refer to the DfE service to find ways to buy goods or services to achieve value for money and to comply with buying procedures and procurement law, including framework agreements.

35. TENDERING

- 35.1 All capital projects more than £15,000 must be approved by the Trust Board before the tender process is started.
- 35.2 All contracts for tendering over £10,000 must be approved by the CFO in advance.
- 35.3 All contracts for tendering over £25,000 must be approved by the Trust Board in advance.
- 35.4 Orders over £50,000 and up to £213,477 inclusive of VAT

When the order for goods or services or a series of contracts in total exceed £50,000 then formal tendering procedures and/or a government approved framework agreement must be followed. The threshold £213,477, inclusive of VAT, should be checked when considering which route to follow.
- 35.5 Orders over £213,477 inclusive of VAT

Orders over £213,477, inclusive of VAT, are subject to 'Find a Tender' procedures and publication. These processes must make use of existing government frameworks or be supported by other professional services and will be undertaken by the CFO.
- 35.6 All tenders will be submitted to the Academy or agent in a specially marked envelopes or electronically and remain unopened until such time the Academy and agent meet to open and consider.
- 35.7 All tenders submitted should be opened by the SBM at the same time and the tender

details recorded.

35.8 Tenders under £14,999 will be opened by the SBM in the presence of the headteacher or a senior leader within the Academy.

35.9 Tenders over £15,000 will be opened by the SBM in front of the CFO.

35.10 Tenders over £25,000 will be opened by the SBM in front of a trustee and the CFO.

35.11 No contractor will be allowed to amend the tender after the date and time fixed for the receipt of tenders. However, if genuine and obvious errors are found in tenders, contractors will be allowed to withdraw, confirm, or amend the tender as appropriate. Contractors may be requested to provide clarification of their tenders and to respond to any changes or clarification of requirements by the Trust/Academy.

35.12 Tender Acceptance Procedures

The tender invitation will specify the date and time that tenders need to be received by. Tenders should be date and time stamped on receipt and held in a secure place. Tenders received after the deadline should not normally be accepted unless approved by the CFO.

All tenders should be opened at the same time. Two people should be present at the opening of the tenders, one of whom should be the CFO or the CEO, this includes when a third party is used to run a tender process. A record of all the tenders should record for each tender received:

- the name of each supplier
- date and time of receipt
- date and time of opening
- the amount quoted

The record should be signed and dated by the two people present at the tender opening.

35.13 The accepted tender should be the one that is economically most advantageous and provide value for money to the Academy/Trust. All parties are then informed of the decision.

35.14 Tenders, quotations, and estimates may also be submitted electronically via secure email. The CFO will ensure that executive and non-executive authorities are included to replicate the manual process.

35.15 Use of a Third Party for Procurement

Where a third party undertakes all or any part of the procurement/tendering process on behalf of the Trust, the above processes will still apply.

The evaluation of tenders may be carried out by the third party; however, the final contract award decision must still be made/ratified by the Trust Board.

Those involved should declare all interests, business or otherwise that might impact on their objectivity. If there is a potential conflict of interest, then that person must withdraw completely from the process.

Those involved must not accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence. A full record of all criteria and scoring used in the evaluation of potential suppliers must be retained and a report should be submitted to the Trust Board, highlighting the relevant issues, and recommending a decision.

The accepted tender should be the one that is economically the most advantageous to the Trust based on the evaluation criteria and scoring. All parties should then be informed of the decisions.

36. ASSETS

- 36.1 Trusts must maintain a fixed asset register (FAR) and this is the responsibility of the SBM to complete for each academy.
- 36.2 The FAR must be kept on all items purchased with a value of £5,000 or over. These will be capitalised, permanently marked, and entered in the financial asset register.
- 36.3 A physical check must be undertaken at least once a year to ensure that the actual equipment and property of the Trust matches the FAR
- 36.4 Any assets that need to be disposed of valued at £1,000 or more at the time of disposal will be subject to agreement of the CFO.
- 36.5 Any assets that need to be disposed of valued at £5,000 or more at the time of disposal will be subject to agreement of the Trust Board.
- 36.6 The date of disposal and any receipts obtained for such disposal must be recorded in the Asset Register.
- 36.7 Financial records must be retained for six years plus the current year.

37. DEPRECIATION

- 37.1 Non-current Assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.
- 37.2 The depreciation will be calculated on an annual basis for preparation of the year end accounts.
- 37.3 The expected useful life of all assets will be assessed prior to depreciation
- 37.4 Groups of assets will use the same method of depreciation. There may very occasionally be an asset that does not completely fit into one of the categories below and the Finance, Risk and Audit Committee will discuss these items on an individual basis.
 - Buildings and building modifications: 2% (straight line)
 - Plant and machinery: 6.66% - 33% (straight line)
 - Furniture and equipment: 20% (straight line)
 - Computer equipment: 33% (straight line)
 - Software: 20% (straight line)

38. LEASING

- 38.1 Currently, academies are generally free to take out operating leases, while finance leases require approval from the Secretary of State under the terms of the Funding Agreement and Academy Trust Handbook. The implementation of IFRS 16 will end the distinction between operating and finance leases and in effect, all leases will be classified as finance leases.
- 38.2 Although the proposed effective date of the amendments will not be earlier than 1st January 2025, the ESFA have already considered the impact of the IFRS 16 leases implementation by updating their approach to lease approval procedures and have identified a list of particular classes of leased asset which have pre-approval from the Secretary of State:
- All existing leases already in place by 1st September 2022
 - IT equipment (including photocopiers)
 - Telephony
 - Catering equipment
 - Furniture
 - Bathroom/sanitary equipment
 - Gym equipment
 - Grounds keeping equipment
 - Minibuses and other vehicles for the use of the school
 - Temporary classrooms and equivalent structures

Leases not included on the above list will require approval from the Secretary of State.

39. ANNUAL ACCOUNTS

- 39.1 The audit committee must assess the effectiveness and resources of the external auditor to provide a basis for decisions by the Trust's members about the auditor's reappointment, dismissal, or retendering. This includes consideration such as:
- the auditor's sector expertise.
 - their understanding of the Trust and its activities.
 - whether the audit process allows issues to be raised on a timely basis at the appropriate level.
 - the quality of auditor comments and recommendations in relation to key areas.
 - the personal authority, knowledge and integrity of the audit partners and their staff to interact effectively with, and robustly challenge, the Trust's managers.
 - the auditor's use of technology.

The audit committee to produce an annual report of the committee's conclusions to advise the board of trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.

40. WRITE OFFS AND DISPOSALS

- 40.1 The Trust has a separate policy that details the procedure for reporting write offs and disposals

and novel, contentious and repercussive transactions to the board of trustees and ESFA.

41. DELEGATED EXPENDITURE LIMITS

Delegated Limits for CET Schools		
Within Approved Budget	Limit	Conditions
Head Teacher	£5,000	Audit trail and three quotes are required above £3,000.
CFO	£10,000	
CEO	£15,000	
Expenditure of £50,000 and above must be in the form of a tender process.		
Amounts agreed within Service Level Agreements (SLAs) or in contracts, where signed by the CEO, the payment can be approved by the Head, <u>unless</u> it is a review of the SLA/contract.		
Proposed expenditure, not within the approved budget, must initially be discussed with the CFO before the purchase is made.		
Expenditure above £15,000, not within the budget, must be approved by the CEO and Trustees, and a full business case must be submitted to them.		
All new staffing structure decisions must be discussed with the CFO and approved by the CEO, before the change or appointment is made. A full business case must be submitted to them.		
If replacement staffing arrangements incur more costs than budgeted, this must be discussed with the CFO and signed off by the CEO, before the change occurs.		

42. PURCHASING CARD HOLDERS

Academy	Name	Card Limit
Bourton Meadow	Zaneta Rexha, SBM	£2,000
Bourton Meadow	Sarah Green, Kitchen Manager	£5,000
George Grenville	Amy MacKenzie, SBM	£2,000
Lace Hill	Christina Day, SBM	£1,500
Spring Lane	Lucy Robinson, SBM	£1,500
Lumbertubs	Emma Young, SBM	£1,500
Moorland	Angela Garner, HT	£1,500
Central	Sarah Mitchell, CEO	£1,500
Central	Michele Lavelle, CFO	£1,500