



Built on botheredness . . .   
the **enquire**  
learning trust

## **Finance Policy**



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## Version History

<b>Approved by:</b>	Trustees
<b>Last reviewed:</b>	Sept 2023
<b>Next review due by:</b>	January 2025

Date	Author	Version	Comment
September 2019	JY		Updated
March 2020	JY		Updated
January 2021	JY		Updated
September 2021	JY		Reviewed and updated – Paperless requirements added
December 2022	JY		Reviewed and updated – <ul style="list-style-type: none"> <li>• Central Finance Team wording</li> <li>• Month end wording</li> <li>• Page 9 – Balancing the budget – Paragraph 2 added</li> </ul>
March 2023	JY		Reviewed and updated – <ul style="list-style-type: none"> <li>• Cash requirements</li> <li>• Bank reconciliations</li> <li>• Academy Support Fund</li> <li>• Staff Ratio</li> </ul>
Sept 2023	JO		Review and updated: <ul style="list-style-type: none"> <li>- Added Raising Orders – Section 5</li> <li>- Added Leases – Section 11</li> <li>- Updated CFO to DoF</li> <li>- Reference to Registered Business Interests being completed via MS Forms annually.</li> </ul>
Dec 24	JO		Review and updated: <ul style="list-style-type: none"> <li>- The limit for prior approval for related parties increased to £40,000</li> <li>- Accruals limit increased to £1500</li> <li>- Amend for central bank account</li> <li>- Retention increased to 6.8%</li> <li>- Use of post office cards for deposits</li> <li>- Change of internal scrutiny providers</li> <li>- Remove 6.8 – now included in retention</li> </ul>

## 1. Introduction

The purpose of this policy is to ensure that The Enquire Learning Trust (the Trust) maintains and develops systems of financial control which conform to the requirements both of propriety, efficiency and regularity and of good financial management. It is essential that these systems operate in accordance with the requirements of our Funding Agreement with the Department for Education (DfE)/Education and Skills Funding Agency (ESFA) and of that outlined in the Academies Trust Handbook. The policy – in conjunction with the Scheme of Delegation and Procurement Policy - acts as a financial framework for our academies to work within. We acknowledge that operational practices will differ within our academy structure, but processes must be set with the parameters set out below.

The Trust must comply with the principles of financial control outlined in the academies guidance published by the DfE/ESFA. This policy expands on that and provides detailed information on the academy's accounting procedures and systems.

This policy builds on the financial principles and requirements established and adopted in previous Finance Policies and reflects any organisational changes that have occurred over the last 12 months and includes key amendments outlined in the Academies Trust Handbook.

### **Values and ambitions**

We believe that all learners can be powerful learners given access to extraordinary learning experiences. We want children and the academies they attend to be confident, successful and ambitious.

We envisage a Trust where well led, highly skilled and committed professionals collaborate, learn and innovate together to ensure that all academies are successful and where all learners have access to effective and innovative provision that meets their needs and aspirations.

We want to add value to achievement and raise standards. We also want to change lives. We know this requires our provision and our practice to be world class – because of the distance we have to travel, we understand that good will not be good enough and that we need to develop a shared appreciation of excellence and then strive to enact this every day.

We take learning seriously and work together to create a vibrant culture in which this can happen. We know that it's what we do that counts and that our thinking must be visible in classrooms if it is to have leverage. Children are at the forefront of all that we do and aspire to do. We take serious steps to engage them, to hear their voice in authentic ways and then to use their insight and expertise to develop radical pedagogies that taps into their passions and interests and use the potential of emergent technologies

## 2. Organisation

### Members

Members are the ultimate layer of governance in the Trust. They appoint and remove Trustees, amend our Articles of Association and hold our Trustees to account.

### Trustees

The Trustees set the strategic direction and strategy for the Trust. They hold Directors to account, ensure financial efficiency and probity and ensure the Trust is legally compliant. The Board is governed by non-executive Trustees constituted under a Memorandum of Association and Article of Association. The Trustees are responsible for ensuring that high standards of corporate governance are maintained. The Trustees exercise their powers of functions with a view to fulfilling a largely strategic leadership role in the running of the academies. This affords greater opportunities for collaboration not only with regards to teaching and learning but also in terms of the management of each academy, including the procurement of goods and services.

The Trustees are also governed by the terms of any Funding Agreement that are in place and the Academies Trust Handbook.

### Academy Improvement Committee

The Academy Improvement Committees are a sub-committee of the Trustees. The role of the Academy Improvement Committee is to carry the Trust's vision, values, policies, priorities and in addition, to develop the local community links.

The Academy Improvement Committees are made up of members who are expected to question, challenge and support the academy's leadership.

### Directors

The Trust Directors are appointed to manage the business and Academy improvement strategies of the Trust within the parameters set by Trustees as outlined in the Scheme of Delegation. Working within these parameters, Directors have the responsibility for the day to day management of the Trust's operations and Academy improvement.

Directors are invited to attend termly Trustee meetings as and when required.

### Register of Interests/Related parties

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 Trustees, Directors, Members and staff with significant financial or spending powers are required to declare any financial interests they have in companies and/or individuals from whom the Trust and Academies' may purchase goods or services. The register is open to public inspection; the form is completed via Microsoft Forms at the beginning of each academic year.

Academy Improvement Committee Members are reminded that completion of this form does not remove the requirement upon them to disclose orally any interest at any specific meeting and to leave the meeting for that agenda item.

**For the guidance of AIC members, a summary of the relevant part of the regulations about withdrawal from meetings and disclosure of interest can be found in Appendix 1.**

The register should include all business interests such as directorships, share holdings and/or other appointments of influence within a business or organisation which may have dealings with the Trust or individual academy. 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 or a member of staff by that person.

The following employees/members of the trust are deemed to be a related party:

- Members
- Trustees
- Trust Leadership team
- Trust Finance team
- Principals
- Academy Business Manager
- Any close family member of the above

The existence of a register of business interests does not, of course, detract from the duties of the Trust and its staff to declare interests whenever they are relevant to matters being discussed by the Trust or a constituted committee. Where an interest has been declared, Trustees, Directors, members and staff should withdraw from that part of any committee or other meeting and should not be involved in the procurement process.

All potential transactions with related parties must be reported to the Director of Finance (DoF), on the template attached to the back of this policy, prior to taking place and prior to being confirmed with the supplier.

The DoF will submit the appropriate details to the ESFA to declare the intention to enter into such agreements. **For transactions over £40,000 prior approval must be sought from the ESFA.**

An agreement must not be entered into until the confirmation has been received from the ESFA via the DoF.

Any related party transactions arising in the year must be recorded on a monthly basis and submitted as part of the month end procedure.

### **3. Accounting System**

All the financial transactions, both central and within the Academies, must be recorded on the computerised accounting system and in the agreed format.

The Trust has adopted the Access Education finance package for academies and has a standardised financial framework, processes and procedures that all academies must implement upon conversion.

## Back-up process

Back-up procedures are prescribed in the Trust IT Policy.

The Business Continuity Plan will be enacted in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by the Trust of the major risks to which the Trust and Academies are exposed and the systems that have been put in place to mitigate those risks.

## Transaction Processing

All transactions must be posted to the computerised accounting system and authorised in accordance with delegated levels of responsibility and authority. Appropriate levels of segregation of duties must be in place. The Trust adopts a paperless operating system from September 2021. All transaction processing must follow Trust guidelines to ensure the paperless process is adhered to.

Detailed information on the operation of the computerised accounting system can be found in the user manuals. Full user training is delivered on the system and Trust requirements via the Trust Finance Manager and Trust Finance Officer.

All transactions must be processed in a timely manner. Transactions must be in real time.

All academy financial statements and reports are prepared under the Accruals Basis of accounting which requires that income and expense **over £1500** must be recognized in the accounting periods to which they relate rather than on cash basis.

## Transaction Reports and Reconciliations

The Academy Business Manager will be responsible for ensuring the following is completed by the agreed deadlines, the deadlines are circulated at the beginning of the financial year and can be found on the access dashboard –

- All income entered onto the finance system
- All invoices entered onto the finance system
- Charge card transactions entered and reconciled
- Payroll journal entered onto the finance system.

Once the above is completed, the Academy Business Manager will submit the month end spreadsheet to the Finance Officer by the deadline. The Finance Officer will then lock down the month end and perform the appropriate month end reconciliations and close down. Consolidated reports and individual academy reports will be prepared. Academy reports will be submitted to the business manager and principal within 12 working days of the month end deadline.

Once the month end procedure is complete the Academy Business Manager and Principal must review the financial performance and position of the academy and the principal must sign the month end disclaimer to confirm the reports have been read and understood.

The consolidated monthly management accounts will be prepared by the Finance Manager and then shared by the DoF on a monthly basis.

## 4. Financial Planning

The Academy in conjunction with the Trust will prepare both medium term and short-term financial plans.

The medium-term financial plan is prepared as part of the development planning process. The development plan indicates how educational and other objectives are to be achieved using the expected level of resources over a three-year period.

The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Academy and the planned use of those resources.

The development planning process and the budgetary process are described in more detail below.

### Evaluation and Document Planning

- The development plan outlines the future aims and objectives of the Academy and how they are to be achieved; that includes matching the objectives and targets to the resources expected to be available. They are the “big picture” within which more detailed plans may be integrated.
- The form and content of the development plan will be inclusive and drawn from discussion and agreement across the Trust. Due regard will be given to the matters included within the guidance to academies and any annual guidance issued by the DfE.
- The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.
- For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned.

### Annual Budget

The DoF, in conjunction with the Academy Principal and Academy Business Manager, is responsible for preparing and obtaining approval for the annual budget. The submission of the annual budget must also include a balanced forecast for the following two years. The three year forecast must be approved by the Trustees.

The approved budget must be submitted to the ESFA by the deadline each year and the DoF is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

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

The budgetary planning process will incorporate the following elements:

- Forecasts of the likely number of pupils to estimate the amount of ESFA grant receivable



- Review of other income sources available to the Academies to assess likely level of receipts
- Review of past performance against budgets to promote an understanding of the Academies cost base
- Identification of potential efficiency savings
- Review of the main expenditure headings in light of the development plan objectives and the expected variations in cost, e.g. pay increases, inflation and other anticipated changes
- A staffing structure that fulfills statutory requirements and supports academy improvement – the staffing costs, including agency supply, must not exceed 75% of the total in year funding without the approval of the DOF.

## Balancing the Budget

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

All budgets submitted to the central finance team throughout the year are to be balanced prior to submission. If in exceptional circumstances the budget is not balanced in any given year a detailed plan is to be submitted alongside the budget detailing the reason for the deficit and the intended recovery plan to revert the academy back to a balanced budget.

The Trustees may request that a percentage of academy surpluses are held centrally as a contingency measure in order to fund emergency or extraordinary items/costs, aid cash flow or used for collaborative initiatives and projects.

Although 'GAG pooling' has ensured that funding is distributed fairly across the Trust, there are still factors that have a significant impact on an academies ability to remain effective within their funding envelope:

1. Decrease in pupil numbers - due to local demographic
2. Low levels of pupil premium
3. Static workforce
4. High levels of SEND

As part of the budgeting process, Trustees have the option to set up a central fund, that will be used to allocate funding - additional to the Trust's standardised GAG pooling model - to academies that are in proven financial difficulties. Poor financial management will not be a determining factor and will be dealt with in line with Trust policies.

This will be managed centrally and funds distributed on a case by case basis. Recommendations will be presented to Trustees via the Finance Committee and fully ratified by the Board.

## Finalising the Budget

Once the different options and scenarios have been considered, a draft budget should be prepared by the Academy Business Manager and consolidated by the DOF for approval by Trustees. Once agreed, the budget should be communicated to appropriate staff members so that everyone is aware of the overall budgetary constraints.

The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

The Trust finance team will work with each individual Academy to formulate their annual budget requirements and complete the Budget Forecast Return to submit to the ESFA by the deadline.

## Monitoring and Review

Monthly budget monitoring reports will be prepared by the Trust Finance Officer as part of the month end process. The reports will detail actual income and expenditure against budget. Budgets are to be monitored at academy level by the Academy Business Manager and Principal.

Any potential overspend against the budget must in the first instance be discussed with the Academy Principal and the Trust DOF.

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 DoF must be made aware of significant budget variances as part of the monthly reporting process. Virements will be actioned as appropriate.

All academies presenting a year end surplus exceeding 5% of funding will be expected to reflect any spending plans in the three year budget forecast. The spending plan must be aligned to reducing identified risks and supporting academy improvement. Surpluses in excess of 5% can be retained centrally if:

- An academy does not reflect any spending plans in their working budgets
- The spending plan is not adequate – does not reduce risk or support school improvement
- The spending plan is not met
- There is a history of carrying excessive surplus funds

A 'working budget forecast' must be kept by the academy business manager to enable the year end financial position to be forecast and corrective action to be taken at the earliest opportunity if required. This should be made available to the DoF when requested.

## Financial Performance

Each academy's financial performance is monitored centrally on an ongoing basis. At key stages in the year the data is analysed and assessed according to financial and budgetary risk.

Indicators include:

- In year and future outturn position – surplus/deficit
- Salary costs as a percentage of funding – leadership structure, teaching staff, teaching assistants, other staff
- Benchmarking and comparative data – across the Trust, other MATs and national
- Pupil Teacher Ratios
- Projected numbers on roll
- External funding factors

If an academy is deemed to be at risk the Director of Business and Operations, DoF and development lead will meet with the Principal and Academy Business Manager to discuss the position and agree a timetabled recovery plan. This plan will be shared with Trustees. The plan will allow for budgetary improvements to be made over an initial 12 month period. The Director of Business and Operations and DoF will assess progress over this period.

If after 12 months there are no or little improvements made the academy will be issued with a letter of intent outlining financial expectations over the following 2 terms. If there are still no or little improvements or there is no confidence in the capacity to improve, the Trust will:

- Withdraw delegated financial control and manage the finances centrally *or*
- Withdraw delegated financial control and transfer the financial management to another academy *or*
- Impose a Trust lead recovery plan

## 5. Raising Orders

Following the raising of a requisition, official orders must be raised for all goods, works, services and/or consultancy required by the Trust or an Academy using the Access system, unless specifically exempted. The procurement procedure guidance documents the purchasing process and must contain adequate controls to ensure that:

- Official orders are raised in respect of all goods, services and works required by the Trust, its' academies and subsidiary companies, except for those specifically exempted.
- Only goods, services and works required by the Trust, its' academies and subsidiary companies are actually ordered.
- Competitive quotations or tenders are obtained for all orders where the value of goods, services or works, individually or for a series of contracts, would exceed the relevant financial thresholds.
- Orders for goods, services and works are placed with the most appropriate suppliers in terms of cost, quality and delivery.
- Goods, services and works received are in accordance with those ordered.
- Payments are made only in respect of invoices authorised in accordance with the approved Scheme of Delegation and the Trust's funds are adequately safeguarded.
- All payments are accounted for properly, promptly and in full.
- Relevant, timely and accurate management information on non-pay expenditure is produced and utilised.
- Adequate physical and logical security is in place.

Specific exemptions to the requirement to raise an official purchase order are limited:

- Rent or business rates
- Utility costs
- Works and services executed under a contract
- Purchasing catering supplies (food and drink only)

No orders shall be placed, or contracts altered or extended, with the intention of avoiding the relevant thresholds applicable within these Financial Regulations. In the event that the terms of any purchase order or contract have to be amended, an official variation order must be approved in accordance with the Scheme of Delegation and issued by the Academy Finance Team/Central Procurement Team as appropriate.

## 6. Payroll

### Staff Appointments

The Trust will annually approve a staffing structure for each Academy – the total cost of staffing, including agency supply, must not exceed 75% of the in year funding. Changes can only be made to this establishment with the express approval of the Trust who must ensure that adequate budgetary provision exists for any establishment changes.

The Academy Principal must consult with the DoF/HR Director and academy development lead before the recruitment process for any staff member, regardless of whether these result in a change to the existing staff structure. Appointment of Deputy Headteachers and Assistant Headteachers must follow consultation with the CEO/Trustees. The Principal/Academy Business Manager must ensure personnel files are maintained for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Principal.

### Salary Payments

The payroll grid is to be authorised and signed by the academy Principal, a signed copy of the grid is to be sent to the payroll department in order for the payroll to be finalised.

All salary related payments are processed via BACS – only when the payroll has been checked and authorised by the Academy. The BACS net pay file is uploaded to Barclays centrally and authorised for payment via the academy bank account. The DOF will authorise net salary payments on behalf of the academies.

The Academy Business Manager will post reconciled monthly payment transaction details to the computerised accounting system and reconcile to the budget. A payroll reconciliation on the IMP budget software must be completed and submitted as part of the month end process by the Academy Business Manager.

## 7. Income

The main sources of income for the Trust and associated academies is via grants issued by the ESFA, the receipt of which is monitored directly by the DOF who is responsible for ensuring that all grants due to the Trust are collected.

The academy ESFA grant or GAG will be received by the Trust at the beginning of the month in line with the funding profile. The Trust will allocate 93.2% of the funding to the academy. The Trust will retain 6.8% as agreed for central support costs. The Trustees will review the percentage of retention on an annual basis and can resolve to move the figure up or down depending on the current and/or projected circumstances of the Trust or academy.

Other forms of delegated funding will be received by the Trust and/or academy in line with ESFA guidance. This will mainly include:

- Top Up Funding – via LA
- Devolved Formula Capital
- Pupil Premium
- Early Years Funding – via LA

The academy will also secure income from other sources for various purposes and receipted and disbursed in accordance with the systems and processes outlined in the relevant academy policy. This could be in relation to:

- Trips and Visits
- Dinner money
- Letting of facilities
- Fund raising
- Donations
- Sponsorship
- Miscellaneous income

All academies are to be cashless and must use the Bromcom management information system. New academies should be cashless within 12 months of conversion. Only in exceptional circumstances, where the alternative would lead to a financial loss to the academy, should cash be accepted. Cash may be accepted at fund raising events where it is deemed that there will be a reduction in funds raised otherwise.

## 8. Debt Management

When an academy raises an invoice, unless specifically detailed on the invoice, the payment terms will be 30 days.

The following process shall apply where payment is not received:

- 30 days after original invoice – statement issued
- 2 weeks after statement issued – reminder letter issued
- 2 weeks after reminder letter – second reminder letter issued
- 2 weeks after second reminder letter – refer to DOF and seek legal advice if deemed necessary

The level in relation to the 'write off' of bad debts is outlined below:

- up to £1000 – DOF
- Over £1000 – Trustees

Any 'write off' of bad debts must be recorded and referred to the DOF.

### Parent debts

Academy Business Managers should ensure debts are not accrued by parents for school meals, school trips, wraparound care and any other chargeable activities.

Outstanding accounts should be reviewed and followed up on a weekly basis.

When deemed appropriate a hold should be placed on any chargeable activities when debts remain unpaid.

## 9. Cash Management

### Bank Accounts

The opening of all accounts must be authorised by the Trust; the DOF will be made aware of arrangements covering the operation of accounts including any transfers between accounts and signing arrangements. All Trust academies banking arrangements will be with Barclays Bank. The Trust DOF, Director of Business and Operations and Trust Finance Manager will be included as an official signatory on all Trust bank account mandates.

From 1<sup>st</sup> January 2025 the Trust will operate a single central bank account and all transactions, with the exception of childcare vouchers, will be through the central bank account. The bank account will be reconciled weekly by the Trust Finance Manager.

### Deposits

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

- The amount of the deposit
- A reference, such as the number of the receipt or the name of the debtor

In the event of a local Barclays branch not being available, banking can be done at a post office using the post office cards provided to the Academy Business Manager.

### Payments and withdrawals

Bacs payments must be made wherever practicably possible and cheques to be used only if bacs is not available.

All cheques and other instruments authorising withdrawal or transfer from academy bank accounts must bear the signature of at least two persons from the bank mandate.

### Cash

Petty cash is not to be held in any academy.

A separate school fund account is not to be held by academies, any school fund activities should form part of the academy budget.

### Investments

Investments of surplus funds across the trust are to be arranged only by the Trust and not by the individual academies and must be in accordance with the investment policy.

All financial and other risks must be considered before any investment is made.

The use of academies surplus funds for investment purposes is at the discretion of the trust.

### Charge card

The Trust recognises the benefits of charge cards as an alternative means of paying for goods and services. The advantages include reduced paperwork, reduced administration time and costs, opportunity to make online purchases and seek discounts from suppliers on the basis that they receive immediate payment.

Charge cards are particularly suitable for high volume, low value purchases, booking off site visits and for site staff to order building materials etc.

The academy principal and business manager will have a charge card for the academy with limits of £1000 and £2000 respectively. Under exceptional circumstances these limits may be increased as agreed by the DOF.

A purchase requisition must be raised and appropriately authorized for all charge card purchases.

Only the cardholder is to use the card for online purchases. Card details should not be stored on any website. Where considered appropriate by the academy principal, staff members may take the card out of school to purchase resources, following the completion of a purchase requisition. A signing in and out book must be completed and signed by the member of staff and countersigned by the card holder. The card must be kept in the academy overnight and when not in use should be locked away.

Personal reward cards must not be used by staff members when using the charge card.

The charge card transactions must be reconciled on Access on a monthly basis.

The charge card will be paid off in full monthly and payment is to be made by direct debit.

Cash withdrawals are not permitted.

## 10. Fixed Assets

### Asset Register

All items purchased with a value over £1000 must be entered in the academy fixed asset register as part of the month end process and accounted for accordingly on Access. The Trust Finance Officer alongside the Academy Business Manager will oversee the administration of the register and is required, on a yearly basis, to check the register and report any discrepancies to both the Principal and DOF. Each academy must also maintain an inventory of equipment, furniture, fixtures and fittings.

The asset register should include the following information:

- Asset description
- Date of acquisition
- Asset cost
- Relevant depreciation policy
- Depreciation to date
- Current book value

The asset register helps:

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

### Security of Assets

Stores and equipment must be secured by means of physical and other security devices and accessed by 'authorised' personnel only.

All the items in the register should be permanently and visibly marked as the academy's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Trust. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

### Disposals

The prior approval of the Trust will be required for the disposal of any assets and any disposal must be subject to a competitive tendering process or by sale by public auction.



Disposals up to the value of £5000 will require the approval of the DOF, anything above £5000 will require the approval of the Trustees.

The prior written consent of the Secretary of State for Education is required in accordance with section 89 of the School Funding Agreement as follows:

- Before the disposal of any asset for which a grant of over £20,000 was made, or land and buildings which had been transferred from the Local Authority at no cost to the School
- Before the sale or disposal by other means, or reinvestment of proceeds from the disposal of an asset or group of assets, for which a capital grant in excess of £20,000 was paid.
- As set out in section 93 of the School Funding Agreement the School will provide 30 days written notice to the Secretary of State for Education of its intention to dispose of assets for a consideration less than the best price that can reasonably be obtained, whether or not such disposal requires the Secretary of State for Education's consent as detailed above.

There are complications with the disposal of computer equipment, as the academy would need to ensure licenses for software have been legally transferred to a new owner. The Director of Information Technology is to be consulted in the disposal of any IT equipment.

The academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other academy assets. If the sale proceeds are not reinvested then the academy must repay to the ESFA a proportion of the sale proceeds.

### **Loan of Assets**

Items of academy property must not be removed from academy premises without the authority of the Principal. A record of the loan must be maintained by the academy.

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

### **Depreciation of Fixed Assets**

Depreciation will be recorded as follows:

- Plant and Machinery – 20% on cost
- Fixtures, fittings and equipment – 20% on cost
- ICT Equipment – 33% on cost
- Long leasehold buildings – 50 years straight line
- Long leasehold land – 125 years straight line

### **11. Leases**

The Trust cannot enter into a finance lease that is not on the DfE approved list. ESFA prior approval must be sought for any finance lease not on the approved list.

All operating leases must be referred to the appropriate Trust Director ie the Director of Information and Technology in relation to IT procurement, and authorised by the Chief Executive Officer or the Director of Business and Operations.

## 12. Tax

The Trust is registered for VAT purposes and accords with the statute. Regulation details are outlined on the website: [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

VAT claims are submitted to the HMRC on a monthly basis by the Trust Finance Manager.

Reimbursement of VAT will be made to the academies when the Trust receives payment from HMRC.

The Academy Business Manager will be responsible for applying VAT in line with HMRC requirements.

Any payments to contractors and subcontractors are made in accordance with the Construction Industry Scheme.

## 13. Audit

The Trust has appointed Ribchesters Chartered Accountants as its auditors. In addition to the statutory audit, a regularity audit will be undertaken at each academy within 3 months of conversion in order to determine the level of control, the effectiveness of systems and to provide the Trust with assurances in relation to regularity, propriety and compliance. This is commissioned via a separate letter of engagement which will specify the precise requirement of the work and fees that will be charged. The costs will be paid from the start up grant.

The Trust has appointed Keystone Knowledge to carry out the internal scrutiny work as outlined in the Academies Trust Handbook. All findings and reports will be presented to the Audit and Risk Committee and then shared with all Trustees.

The scope of the work will be reviewed and agreed by the Audit and Risk Committee and will be determined based on risk.

There must be an appropriate, reasonable and timely response to any findings by auditors, any recommendations outlined in the management letter require an appropriate management response and actioned.

## 14. Insurance

The academy and Trust will review all risks annually to ensure the cover available and the sums insured are adequate.

All academies are registered with the DfE RPA scheme on conversion.

The academy will notify the insurers of any new risks or any other alterations affecting existing insurance.

The Trust will not give any indemnity to a third party.

The academy will immediately advise its insurers of any accident, loss or other incident which may give rise to an insurance claim.

## APPENDIX 1

### FOR THE GUIDANCE OF ACADEMY IMPROVEMENT COMMITTEE MEMBERS, A SUMMARY OF THE RELEVANT PART OF THE REGULATIONS ABOUT WITHDRAWAL FROM MEETINGS AND DISCLOSURE OF INTEREST ARE SET OUT BELOW.

#### Withdrawal from Meetings - Having an Interest

The general principle is that no-one should be involved in a decision where his or her personal interests may conflict with those of the governing body.

- The regulations apply to all members of the governing body and the headteacher and any others in attendance at the meeting, though if a matter is to be voted upon, then only to the members of the governing body.
- The clerk to the governing body shall only be required to withdraw when the governing body is discussing the clerk's pay/contract or disciplinary action against the clerk.
- AIC Members have to withdraw when their own appointment, reappointment or removal as a member of the governing body or a committee is under consideration.
- Any AIC Member who is employed to work at the school (other than the headteacher), must withdraw from a meeting where the pay or performance appraisal of any particular person employed to work at the school is under discussion.
- The headteacher must withdraw from any meeting where his/her own pay or performance appraisal is under discussion.
- If a person has any pecuniary interest, direct or indirect in any contract, proposed contract or any other matter under discussion at a meeting s/he shall at the meeting disclose the fact and:
  - (a) withdraw from a meeting during the consideration or discussion of the meeting;
  - (b) not vote on any question with respect to that matter.
- A person has an indirect pecuniary interest if:
  - (a) s/he, or any nominee of hers/his, is a member of a company or other body with which a contract is under consideration or has been made;
  - (b) s/he is a partner in business or in the employment, of a person with whom the contract is made or under consideration.
- A person has a direct or indirect pecuniary interest in a matter if a relative (including a spouse) living with her/him, has a direct or indirect pecuniary interest.
- The headteacher (whether a AIC Member or not), a AIC Member who is a teacher or member of the non-teaching staff, or any teacher who is in attendance in an advisory capacity should not have an interest that is greater than the interest of the generality of teachers at the school.
- A person present at a meeting of a selection panel at which the subject for consideration is that person's appointment (or that of his/her relative or spouse) to a post as a teacher or otherwise at the school, a transfer or promotion or retirement or shall be a candidate for the resulting vacancy, s/he shall be deemed to have an interest.