Every Child Every Day Academy Trust

MAT Financial Procedures Policy

Template last updated: September 2023
Date Reviewed by Trust/ School: September 2024
Date due for Review: September 2025
Author: The School Bus
Stored: Trust website

Contents:

Statement of intent

It is important for **Every Child Every Day Academy Trust** to demonstrate that they do not benefit personally from decisions they make with regards to the spending of public money. To ensure that the financial standing of the trust cannot be brought into disrepute, this policy will be implemented by all academies within the trust, guaranteeing consistency in financial procedures across the academies.

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

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

1. [Updated] Legal framework

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

- Employment Relations Act 1999
- Companies Act 2006
- Equality Act 2010
- The Education (School Teachers' Appraisal) (England) Regulations 2012
- UK General Data Protection Regulation (UK GDPR)
- ESFA 'Academies financial handbook 2023'
- ESFA 'Declare or seek approval for related party transactions: summary guidance' (2023)
- DfE 'Good estate management for schools'

1.2. This policy operates in conjunction with the following school policies:

- Teachers' Pay Policy
- Support Staff Pay Policy
- Charging and Remissions Policy
- Conflicts of Interest Policy
- Tendering and Procurement Policy
- Gifts, Hospitality and Anti-bribery Policy
- Data Protection Policy
- Anti-fraud and Corruption Policy
- Articles of Association
- Whistleblowing Policy
- Cyber Response and Recovery Plan
- Cyber-security policy
- Declared Conflicts of Interest Policy

2. Roles and responsibilities

2.1. The members are responsible for:

- Appointing, by special resolution, new members or removing existing members other than, where there is one, the foundation/sponsor body and any members it has appointed.
- Appointing trustees in line with the trust's Articles of Association.
- Where necessary, by special resolution, issuing direction to the trustees to take a specific action.
- Appointing the trust's auditors and receiving (but not signing) the trust's audited annual accounts.
- Conducting the business of the trust in accordance with company and charity law and adhering to the trust's funding agreement with the Secretary of State.
- Members will not be employees of the trust or occupy staff establishment roles on an unpaid voluntary basis.

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

2.2. The board of trustees is responsible for:

- Applying the highest standards of conduct and governance and taking full ownership of their duties.
- Complying with the trust's charitable objectives, with company and charity law, and with contractual obligations under the trust's funding agreement.
- Overseeing the financial performance of the trust.
- Ensuring that the trust's practices reflect the 'seven principles of public life' (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).
- Ensuring that funds are received according to the academy's funding agreement and are used only for the purposes intended.
- Ensuring the trust complies with any financial notices to improve (FNtI) issued to it by the ESFA and that these are published on the trust's website within statutory timeframes.
- Identifying the skills and experience it needs, including sufficient financial knowledge to hold the executive to account
- Approving the annual budget, consolidated budget, central budget and each academy's budget.
- Ensuring the trust has sound internal control, risk management and assurance processes.
- Ensuring that their decisions about levels of executive pay, including salary and benefits, follow a robust evidence-based process and are a reasonable and defensible reflection of the individual's role and responsibilities.
- Overseeing the financial performance of the organisation and making sure its money is well spent.
- Approving the trust's three-year financial plan.
- Ensuring an appropriate scheme of delegation is in place.
- Ensuring assets are effectively managed.
- Approving purchase orders, invoices and contracts over £100,000.
- Ensuring accurate accounting records are maintained.
- Ensuring regularity and propriety in use of the trust's funds, and achieve economy, efficiency and effectiveness.
- Taking ownership of the trust's financial sustainability and its ability to operate as a going concern.
- Appointing key positions and roles relating to finance, including business managers, accountants and auditors.
- Appointing an audit and risk committee to advise on the adequacy of financial and other controls and risk management arrangements, direct a programme of internal scrutiny, and consider the results and quality of external audit.
- Receiving the annual audit report.
- Providing the members with the trust's audited annual report and accounts.
- Approving the mandates for the operation of academy bank accounts and credit cards.

- Appointing, in writing, a senior executive leader who may be appointed as a trustee.
- Appointing an appropriate accounting officer that is the chief executive leader or equivalent.
- Obtaining prior approval from the ESFA if it is proposing, in exceptional circumstances, to appoint an accounting officer who will not be an employee of the trust.
- Ensuring the roles of senior executive leader and accounting officer do not rotate.
- Appointing an appropriately qualified and/or experienced chief financial officer (CFO).
- Considering a range of accountancy qualifications available from professional bodies when filling a CFO vacancy.
- Obtaining prior approval from the ESFA if it is proposing, in exceptional circumstances, to appoint a CFO who will not be an employee of the trust.
- Referring to the competency framework for governance to determine if any skills gaps are apparent and taking steps to mitigate these.
- Appointing the headteacher for each academy or delegating this responsibility to the relevant committee.
- Referring and adhering to the six features of effective governance
- Keeping the trust's approach to internal scrutiny under review, considering any changes to the trust's size, complexity or risk profile.
- Taking advice from the audit and risk committee and ensuring there is an appropriate, reasonable and timely response by the trust's management team to findings by auditors, taking opportunities to strengthen systems of financial management and control.
- Appointing a clerk to support the board.
- Ensuring financial plans are prepared and monitored, satisfying itself that the trust remains a going concern and financially sustainable.
- Taking a longer-term view of the trust's financial plans consistent with the requirement to submit three-year budget forecasts to the ESFA.
- Explaining its policy for holding reserves in its annual report.
- Approving severance and compensation payments up to £50,000, after which they must seek the ESFA's approval.
- Approving property lettings over one year and/or £25,000.

2.3. The accounting officer is responsible for:

- Sharing the ESFA's 'Dear Accounting Officer' letter with the members, trustees, the CFO and other relevant stakeholders, arranging for it to be discussed by the board of trustees and taking action, where appropriate, to strengthen the trust's financial systems and controls.
- Achieving value for money and the best possible educational outcomes through the economic, efficient and effective use of resources.
- Ensuring regularity when dealing with items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement

and the 'Academies Trust Handbook 2024' (ATH), and with the trust's internal procedures.

- Ensuring propriety with regards to expenditure and receipts, including standards of conduct, behaviour and corporate governance.
- Completing and signing a statement of regularity, propriety and compliance each year and submitting this to the ESFA with the audited accounts.
- The trust's financial affairs.
- Keeping full and accurate financial records.
- The management of opportunities and risks.
- Assuring the board of trustees that the trust is compliant with the ATH and the funding agreement.
- Informing the board of trustees, in writing, of any action or policy under consideration that is incompatible with the terms of the articles of association, funding agreement or the ATH.
- Informing the ESFA, in writing, where they have advised the board of trustees that they are in breach of the articles of association, funding agreement or ATH but the board has continued with their actions.

2.4. The Director of Finance and Operations is responsible for:

- Acting as the principal finance officer for the trust.
- Ensuring that the trust's financial position is managed at a strategic level within the framework for financial control determined by the board of trustees.
- Ensuring that all financial matters focus on the wider needs of the trust, rather than on any individual academy.
- Working with internal auditors to provide assurance to the audit and risk committee and board of trustees.
- Ensuring the annual accounts are properly presented and adequately supported by the underlying books and records of the trust.
- Challenging staff to ensure that value for money is routinely obtained.
- Ensuring effective financial policies are in place across the trust.
- Acting as an authorised signatory of the trust bank account and the bank accounts of the academies within the trust.
- Ensuring that forms and returns for the trust are sent in line with statutory timeframes.
- Liaising with the Trust Finance Manager and the Headteacher and finance teams within each academy regarding financial matters
- Maintaining CPD and undertaking relevant ongoing training.
- Authorising limits as set out in Appendix 1

2.5. The Trust's Audit and Risk committee is responsible for:

- Reviewing the trust's consolidated budget, central budget and three-year financial plan, as well as making recommendations to the board of trustees regarding these key documents.
- Regularly monitoring expenditure and income against the budget and making any recommendations to the board of trustees.

- Reviewing the mandates for the operation of academy bank accounts and credit cards.
- Ensuring appropriate insurance arrangements are in place for the trust.
- Implementing appropriate accounting policies.
- Ensuring an appropriate framework of internal financial controls is established.
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and related ESFA guidance.
- Authorising changes to the personnel structure of each academy.
- Reviewing reports on the effectiveness of the financial procedures and controls of the trust and its constituent academies
- Ensuring the trust's annual summary report of the areas reviewed, key findings, recommendations and conclusions is submitted to the ESFA each year, and providing additional internal scrutiny reports if requested.
- Directing the trust's programme of internal scrutiny and reporting to the board on the adequacy of the trust's financial and other controls and management of risks.
- Ensuring that risks are being addressed appropriately through internal scrutiny.
- Reviewing the external auditor's plan each year.
- Reviewing the annual report and accounts.
- Reviewing the external auditor's findings and actions taken by the trust's managers in response to those findings.
- Assessing the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal or retendering.
- Producing an annual report of the committee's conclusions to advice the board of trustees and members, including recommendations on the reappointment, dismissal or retendering of the external auditor, and their remuneration.
- Authorising limits as set out in Appendix 1

2.6. Local governing boards are responsible for:

- Reviewing the budget for their school and making recommendations for approval to the board of trustees.
- Ensuring that any grants are used for the purposes intended.
- Reviewing the actual income and expenditure against the approved budget for their academy and making recommendations to the board of trustees.
- Making recommendations to the board of trustees in relation to the appointment, pay and contractual terms of members of the SLT in their academy.
- Approving recommendations from their academy's headteacher in relation to the appointment, pay and contractual terms of members of staff other than members of the SLT.

2.7. The clerk to the board of trustees is responsible for:

- Ensuring the efficient functioning of the board of trustees by providing:
- Administrative and organisational support.
- Guidance to ensure the board works in compliance with the appropriate legal and regulatory framework, and understands the potential consequences of non-compliance.
- Advice on procedural matters relating to the operation of the board.

2.8. The headteacher of each academy is responsible for:

- Ensuring budgetary control within approved budgets.
- Authorising payments from the academy's bank account and BACS payments.
- Approving new staff appointments.
- Making recommendations to the local governing board regarding staff pay and contractual conditions, other than members of the SLT.
- Ensuring that draft budget papers are prepared for the consideration of the audit and risk committee.

2.9. The Trust Finance Manager is responsible for:

- Providing strategic management support to all the schools within the Trust
- Ensuring schools are compliant in terms of financial procedures and ready for internal and external audits
- Support integration of any new schools planning to join the Trust
- Developing financial controls and lead on monthly and year end closure
- Reviewing and updating the Financial Management Handbook
- Support the Assistant Trust Finance Manager in their budget preparation and monthly monitoring
- Authorisation limits as set out in Appendix 1

2.10. The Trust Finance Manager of each academy is responsible for:

- Managing day-to-day financial issues, including the establishment and operation of the accounting system.
- Maintaining effective internal controls.
- Managing their academy's financial position at a strategic and operational level within the framework for financial control determined by the local governing board.
- Drafting original and revised finance plans in cooperation with the headteacher and with the support of the CFO and Trust Financial Manager.
- Maintaining the accounting records.
- Ensuring that purchase orders are raised prior to ordering goods/services, wherever possible, to aid effective budget monitoring and management.
- Ensuring that payments are made to suppliers within their terms of trade.

- Monitoring the budget **monthly**.
- Ensuring the monthly completion of bank and other reconciliations.
- Monitoring cash flow during the month and liaising with the TFM regarding this, where necessary.
- Managing and processing online payments and payroll, subject to appropriate authority.
- Ensuring that proper checks and controls are in place to cover day-to-day activities in accordance with the financial regulations manual.
- Ensuring VAT is correctly accounted for.
- Liaising with the accountants in respect of any queries, and ensuring data is supplied for preparation of annual accounts within agreed timescales.

- Authorisation limits as set out in Appendix 1

3. Financial oversight

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

3.2. The board of trustees meets at least three times a year.

3.3. The audit and risk committee meets at least three times a year.

3.4. Where the board of trustees meets less than six times a year, it will explain in its governance statement how effective oversight of funds was maintained with fewer meetings.

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

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

4. Budget setting

4.1. The budget is a working document which may need revising throughout the year as circumstances change. Any significant revisions will be reported to the audit and risk committee and the LGBs, as well as the board of trustees.

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

- Planning
- Budget setting
- Monitoring
- Review

4.3. The budget process takes the following elements into account:

- Forecasts of likely pupil numbers to estimate the amount of DfE grant available

- Review of other income sources
- Review of past performance against budgets
- Identification of potential efficiency and budget containment actions
- An annual review of expenditure headings to reflect known changes and expected variations in costs, such as pay increases, inflation or other anticipated changes

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

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

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

4.6. A balanced budget for the forthcoming financial year will be approved by the board of trustees, and this approval will be minuted.

4.7. The annual budget will reflect the best estimate of the resources available to the trust for the forthcoming year and will detail how those resources will be utilised, establishing clear links to support the objectives identified in school development plans.

4.8. Both medium-term and short-term financial plans are prepared for the trust and each of the academies in the trust.

4.9. The medium-term plan indicates how the trust's and each academy's educational aims and other objectives are going to be achieved within the expected level of resources over the next three years.

4.10. The development plan provides the framework for the annual budget.

4.11. Draft budgets will be presented to the headteachers and local governing boards via the audit and risk committee, as well as to the DFO/ Trust Finance Manager and board of trustees, together with a supporting report for approval of the board of trustees.

4.12. Once budgets are agreed, this will be communicated to all responsible budget holders to ensure they are aware of the overall budgetary constraints.

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

5. Budget management and monitoring

5.1. To implement a smooth-running planning process, the Director of Finance and Operations will create a budget timetable which outlines important dates, such as when information will be collected, including salary information and estimated budget allocation.

5.2. A continuous review of the aims and priorities of the strategy will be undertaken based on the monitoring and analysis of performance.

5.3. The AFTMs are responsible for monitoring income and expenditure in their academy throughout the year.

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

5.5. The DFO will prepare monthly management accounts, setting out the trust's financial performance and position and including an income and expenditure account, variation to budget report, cash flows and balance sheet. The accounts will be shared with the chair of trustees every month and with other trustees six times a year, even if they do not meet in each of those months.

5.6. The board of trustees will consider the management accounts when it meets and will ensure appropriate action is being taken to maintain financial viability.

5.7. The board of trustees will select key financial performance indicators and measure its budgetary performance against these regularly.

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

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

5.10. The audit and risk committee will continually monitor the quality of the financial information presented to them to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative.

5.11. The trust will submit the following returns to the ESFA:

- A budget forecast return outturn each August
- A three-year budget forecast return included above

The returns will be approved by the board of trustees before submission to the ESFA.

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

6. Cash management

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

6.2. The Assistant Finance Manager of each school and DFO will prepare cash flow forecasts to ensure that the trust has sufficient funds available to cover day-to-day operations.

6.3. The Assistant Finance Manager will record all transactions regarding cash flow for their academy and the TFM will record transactions for the trust.

6.4. When producing cash flow forecasts, if significant balances can be foreseen, steps will be taken to invest the surplus funds.

6.5. All cheques and other instruments authorising withdrawal from any of the trust's bank accounts will bear authorising signatures/electronic signatures in line with the scheme of delegation.

6.6. Debit cards linked to a trust bank account are issued to personnel under the scheme of delegation to pay for goods and services when the normal ordering processes are not possible.

6.7. Payment via charge card requires the same authorisation as that of cheques.

7. Purchasing, procurement and returns

7.1. All academies within the trust will act in accordance with the trust's Tendering and Procurement Policy, and comply with the procurement rules and thresholds in The Public Contracts Regulations 2015 unless alternative arrangements to these regulations are introduced.

7.2. An accepted tender will be the one that is economically most advantageous, unless it can be demonstrated that this is not the best option for the trust and other factors outweigh any monetary savings.

7.3. To maintain integrity concerning the use of public funds, the following general principles will be adhered to:

- Probity – it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the trust.
- Accountability – the trust is publicly accountable for its expenditure and the conduct of its affairs.
- Fairness – all tenders dealt with by the trust are done so fairly and equally.

7.4. There are three forms of tender procedure: open, restricted and negotiated.

7.5. Open tenders are where potential suppliers are invited to tender. This method involves the Assistant Finance Manager discussing and agreeing with the DFO/ TFM how best to advertise for suppliers.

7.6. Restricted tenders refer to where suppliers are specifically invited to tender. This method is appropriate where:

- There is a need to maintain a balance between the contract value and administrative costs.
- A large number of suppliers are likely to register an interest.

- The nature of the goods means that only specific suppliers can be expected to supply the trust's requirements.
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

7.7. Negotiated tenders mean that the terms of the contract may be negotiated with one or more chosen suppliers. This method is appropriate where:

- Other tender methods have resulted in either no or unacceptable tenders.
- Only one or very few suppliers are available.
- Extreme urgency exists.
- Additional deliveries by existing suppliers are justified.

7.8. When preparing for tender, full consideration will be given to the objectives of the project, the overall requirements regarding the technical skills necessary and after sales service requirements.

7.9. The tender evaluation process will involve at least two people who will disclose any conflicts of interest.

7.10. Full records will be kept of all the criteria used for evaluation and for contracts over £15,000.

7.11. The trust will aim to achieve the best possible value for money for all its purchases, ensuring that services are delivered in the most economical, efficient and effective way.

7.12. The TFM and Assistant Finance Manager of each academy are responsible for ensuring procedures are in place for testing the market, placing orders and paying for goods or services.

7.13. If a budget holder is pursuing a query with a supplier, the Trust Finance Manager will be informed of the query and periodically kept up-to-date with progress.

7.14. Where the value of an order is over £5,000, the requisition will be accompanied with evidence of discussion and appropriate quotes.

7.15. The DFO is responsible for ensuring that a value for money statement is published annually, on behalf of the board of trustees.

7.16. Routine purchases can be made by the budget holder for each academy.

7.17. Three written quotations will be obtained for all orders between £10,000 and £15,000, and two written quotations will be obtained for all orders between £5,000 and £10,000 to identify the best source of the goods/services.

7.18. Goods or services ordered with a value of £15,000 or more, or for a series of contracts which in total exceed £15,000, are subject to formal tendering procedures.

7.19. The headteacher of a school may authorise orders as set out in Appendix 1 if the correct written quotes are received.

7.20. Authorisation limits for all orders above £15,000, are set out in Appendix 1.

7.21. Orders over £100,000 will be authorised by the board of trustees.

8. Income and expenditure

8.1. The main source of income for the trust and its academies is through the grants received from the ESFA.

8.2. When allocating funding, the board of trustees will consider the funding needs and allocations of each academy within the trust.

8.3. The Trust Financial Manager and Assistant Trust Finance Manager monitors the receipt of grants, ensuring that all grants due to the academies within the trust are appropriately collected.

8.4. The trust collects income from parents via a number of methods including, but not limited to, the following:

- School meals
- Trips and residential visits
- Book bags and uniform
- Additional nursery places
- Breakfast and after school club lettings
- Reimbursements from various parties and activities

8.5. There are two main areas of expenditure:

- **Salaries** – this forms the largest element of expenditure. Salaries of all staff members will be reviewed on an annual basis by the headteacher, with effect from 1 September and no later than 31 October. Pay review recommendations are then given to the local governing board for discussion and authorisation. The audit and risk committee confirms pay awards, incremental progression and performance led pay increases, all of which the Trust Financial Manager/ Assistant Trust Finance Manager will cost, using known figures and estimates, when preparing the draft budget.
- **Premises maintenance** – a combination of maintenance surveys and historical costs will form the basis for planned maintenance. The TFM will incorporate an allowance for unexpected contingencies, as well as for any small new works which may be proposed in-year. Staff members will follow the procedure outlined in the Staff Handbook when requesting maintenance of premises or new work.

8.6. The AFM will keep an up-to-date record of the income and expenditure for their school.

8.7. The AFM is responsible for ensuring the entirety of any money collected in return for goods or services, such as a school trip, in the appropriate bank account.

8.8. The AFM is responsible for ensuring reconciliations are prepared between the sums collected, the sums deposited at the bank and the sums posted to the accounting system.

8.9. Reconciliations will be prepared promptly following the banking of money and will be reviewed and certified by the TFM.

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

9. Investments

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

9.2. When considering an investment, the board will:

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

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

10. Borrowing and debt

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

10.2. Charge and corporate cards will only be used for business expenditure.

10.3. Payment via credit card requires the same authorisation as that of cheques.

10.4. Credit card balances will be cleared before any interest accrues.

10.5. The trust will prepare and monitor financial plans to ensure ongoing financial health.

10.6. The trust will disclose aggregate figures for transactions of any amount and separate disclosure for individual transactions above £5,000 in its audited accounts for writing off debts and losses, as well as guarantees, letters of comfort and indemnities.

10.7. The AFM will contact individuals of any outstanding debts owed after 30 days of the notification of payment, e.g. an invoice being sent.

10.8. The AFM will issue payment reminders to any non-payments at the following intervals:

- 4 weeks from the invoice being sent – first reminder
- 6 weeks from the invoice being sent – second reminder
- 10 weeks from the invoice being sent – final reminder

10.9. If, after the final reminder is sent, payment is not received in full, the AFM will send a letter informing the individuals that if the trust does not receive payment within 14 days, they will refer the matter to a small claims court.

10.10. Debts will not be written off without the express approval from the board of trustees and the ESFA.

10.11. The AFM will keep accurate records of the debt process, including:

- Logging invoices and receipts on the trust's accounting system.
- Keeping any emails pertaining to debt collection for **three months** after the payment has been made.
- Keeping emails of payment notifications, ensuring each email clearly states the number of the reminder and the date it was sent.

10.12. Only the DFC or the TFM can write off debt, with approval from the ESFA and the board of trustees (depending on amounts).

11. Fixed assets

11.1. The trust will obtain prior approval from the ESFA for the following transactions:

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

11.2. Other than the transactions outlined in 11.1, the trust does not need the ESFA's approval to dispose of any other fixed assets.

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

11.4. The board of trustees will refer to the DfE's 'Good estate management for schools' guidance to help them to manage capital assets and budgets.

12. Leasing

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

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

12.2. The trust will obtain prior approval from the ESFA for the following lease transactions:

- Taking up a finance lease on any class of asset for any duration from another party, which are subject to borrowing restrictions.
- Taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years.
- Granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

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

13. Gifts

13.1. The value of any gifts will be reasonable and within the limits set out in the Gifts, Hospitality and Anti-bribery Policy.

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

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

14. Related party transactions

14.1. All academies within the trust will act in accordance with the Conflicts of Interest Policy.

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

- Compliance with their statutory duties to avoid conflicts of interest, benefits are not accepted from third parties, and interests in proposed transactions or arrangements are declared.
- A Declared Conflicts of Interest Register has been completed.
- No member of the trust uses their connection to the trust for personal gain.
- All payments are permitted by the articles of association or by authority from the Charity Commission.
- The Charity Commission approves payments to a trustee where there is a significant advantage to the academy.
- Any payment provided to the persons referred to in 14.22 satisfies the 'at cost' requirements outlined in this policy.

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

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

14.5. The board of trustees and accounting officer will manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with 'The 7 principles of public life'.

14.6. The chair of trustees and the accounting officer will ensure their capacity to control and influence does not conflict with requirements.

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

- Transactions with individuals in a position of control and influence, including the chair of trustees and the accounting officer
- Payments to organisations with a profit motive, as opposed to those in the public or voluntary sectors
- Relationships with external auditors beyond their duty to deliver a statutory audit

14.8. The trust will keep up-to-date records and make sufficient disclosures in their annual accounts to show accordance with the high standards of accountability and transparency required within the public sector.

14.9. The trust will report all related party transactions made on or after 1 April 2019 to the ESFA in advance of the transaction taking place.

14.10. The trust will obtain prior approval from the ESFA for related party transactions that are novel, contentious and/or repercussive, regardless of value, using the ESFA's enquiry form.

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

14.12. The trust will obtain approval from the ESFA using the online form for contracts and other agreements for the supply of goods or services to the trust by a related party agreed on or after 1 April 2019, where any of the following limits apply:

- The contract exceeds £40,000
- The contract, regardless of the value, would exceed £40,000 in the same financial year ending 31 August
- The contract, regardless of the value, would exceed £40,000 individually or cumulatively with the related party in the same financial year ending 31 August

14.13. Before completing the ESFA's online form, all the information outlined below will be collected, as it is not possible to partially complete the form and return to it later.

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

- The name of the supplier
- The supplier's address
- The supplier's company number which can be found using the Companies House website (for limited companies)
- The statement which best describes the relationship between the supplier and the trust
- Confirmation that the supplier is listed in the trust's Declared Conflicts of Interest Register
- Confirmation that the trust has a statement of assurance from the supplier

- Confirmation that the trust has an open-book agreement with the supplier

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

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

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

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

Declared Conflicts of Interest Register

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

- Directorships, partnerships and employments with businesses.
- Trusteeships and governorships at other educational institutions and charities.
- For each interest: the name of the business, the nature of the business, the nature of the interest and the date the interest began.

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

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

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

'At cost' requirements

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

- Any member or trustee of the trust
- Any individual or organisation related to a member or trustee of the trust, namely:
    - A relative of a member or trustee: defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This

includes, but is not limited to, a child, parent, spouse or civil partner.

  - An individual or organisation conducting business in partnership with the member, trustee or a relative of the member or trustee.
  - A company in which a member or the relative of a member (taken separately or together), and/or a trustee or the relative of a trustee (taken separately or together), holds more than 20 percent of the share capital or is entitled to exercise more than 20 percent of the voting power at any general meeting of that company.
  - An organisation which is controlled by a member or the relative of a member (acting separately or together), and/or a trustee or the relative of a trustee (acting separately or together) – an organisation is controlled by an individual or organisation if that individual or organisation is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes.

- Any individual or organisation given the right under the trust's articles of association to appoint a member or trustee of the trust, or anybody connected to the individual or organisation.
- Any individual or organisation recognised by the Secretary of State as a sponsor of the trust, or anybody connected to the individual or organisation.

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

- Holding a greater than 20 percent capital share or equivalent interest
- Having the equivalent right to control management decisions of the body
- Having the right to appoint or remove a majority of the board or governing body

14.23. 'At cost' requirements do not apply to the trust's employees unless they are employed by one of the parties outlined in 14.22.

14.24. 'At cost' requirements apply to contracts for goods and services from a related party agreed on or after 7 November 2013.

14.25. 'At cost' requirements apply to contracts for goods and services from a related party exceeding £2,500, cumulatively, in any one financial year. Where a contract takes the trust's cumulative annual total with the related party beyond £2,500, the element above £2,500 must be at no more than cost.

14.26. If any of the parties outlined in 14.22 are based in, or work from, the trust's premises, the trust will agree an appropriate sum to be paid to the trust for use of the premises, unless the party is conducting work on behalf of the trust.

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

14.28. The trust will ensure that any agreement with an individual or organisation referred to in 14.23 is procured through an open and fair process and is:

- Supported by a statement of assurance from the individual or organisation to the trust confirming their charges do not exceed the cost of the goods or services.
- On the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply.

14.29. The cost will be the full cost of all the resources used in supplying the goods or services and will not include any profit. Full cost includes:

- All direct costs – the costs of any materials and labour used directly in producing the goods or services
- Indirect costs – a proportionate and reasonable share of fixed and variable overheads

15. Payroll

15.1. Payroll forms the largest element of the school budget and it is, therefore, essential that financial procedures and internal controls in relation to payroll are properly implemented.

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

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

15.4. The main elements of the payroll system include staff appointments, payroll administration and payments.

15.5. Payroll is notified of any staff absence using the absence recording system.

15.6. The headteacher and AFM are responsible for ensuring that:

- Payments are made only to bona fide employees.
- Payments are in accordance with individuals’ conditions of employment.
- Deductions, including income tax, national insurance and pensions, are properly administered.
- Payments are made only in respect of services provided to the school.
- Amendments to the payroll are properly processed.

15.7. The AFM, is responsible for keeping the staff personnel database up-to-date via the designated recording system. This will include the following information about staff members:

- Salary
- Bank account details

- Taxation status
- Personal details
- Any deductions or allowances payable

15.8. During the Spring term each year, the staffing requirements for the following academic year will be reviewed. These proposals will be reviewed and approved by the audit and risk committee.

15.9. The audit and risk committee is responsible for authorising the following salary changes:

- Pay awards for support staff
- Staffing structure changes
- Performance-related pay progression

15.10. The TFM will randomly select one employee each month and check the calculation of gross to net pay, to ensure that the payroll system is operating correctly.

15.11. Payroll is continuously monitored and reviewed by the TFM to ensure any changes have been implemented correctly and the information is up-to-date.

15.12. Payslips will be produced on a monthly basis and administered to employees via secure payroll portal.

Executive pay

15.13. The board of trustees will ensure that executive pay and benefits, follow a robust evidence-based process and are a reasonable and defensible reflection of the individual's role and responsibilities.

15.14. No individual will be involved in deciding their salary.

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

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

- **Documentation** – the rationale behind the decision-making process, including whether the level of pay and benefits reflects value for money, is recorded and retained.
- A basic presumption that executive pay and benefits should not increase at a faster rate than that of teachers, in individual years and over the longer term.
- Understanding that inappropriate pay and benefits can be challenged by the ESFA, particularly in any instance of poor financial management of the trust.

15.16. The trust publishes on its website, in a separately readily accessible form, the number of employees whose benefits exceeded £100,000, in £10,000 bandings, as an extract from the disclosure in its financial statements for the previous year ended 31 August. Benefits for this purpose include salary, other taxable benefits and termination payments, but not the trust's own pension costs. For employees who are trustees, their salary and other benefits will also be disclosed in £5,000 banding in the trust's financial statements.

15.17. Information about the gender pay gap in the MAT is published on the trust's website and on the government's reporting website (https://www.gov.uk/report-gender-pay-gap-data).

15.18. Electric Vehicle (EV) salary sacrifice schemes will not require ESFA approval where no liability falls on the Trust if an employee does not fulfil their contractual obligations with the scheme provider. For other types of EV salary sacrifice schemes or where the Trust is under a Notice to Improve, prior ESFA approval needs sought

16. Charging and remissions

16.1. The local governing board is responsible for creating a Charging and Remissions Policy.

16.2. Each academy will act in accordance with the trust's Charging and Remissions Policy at all times.

16.3. Charging is permitted for education provided out of school hours, unless it is within the requirements of the national curriculum or to fulfil statutory duties relating to RE.

16.4. The local governing board, in conjunction with the audit and risk committee, can choose to remit charges wholly or in part.

16.5. The trust may charge parents for the cost to replace items broken, damaged or lost if it is due to pupil behaviour.

16.6. Payments for activities will be processed and recorded by the Finance Team.

16.7. The Finance team are responsible for ensuring that the correct invoices are sent to parents, and that payment is received.

16.8. The audit and risk committee will review the Charging and Remissions Policy annually, seeking advice from the DFO where necessary.

17. VAT procedures

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

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

17.3. A report is run for each of the schools within the trust, to provide the data necessary for the completion of the VAT reclaim form.

17.4. VAT is reclaimed monthly.

17.5. Only one return for the trust is required by HMRC; however, individual academies are required to produce their own return.

17.6. The trust is eligible to reclaim most of the VAT it pays on invoices from HMRC.

17.7. Any invoices for which VAT cannot be reclaimed, as the purchases were for business activity, are identified and deleted.

17.8. Where invoices relate partly to business activity and partly to non-business activity, only the proportion of the VAT relating to the non-business activity will be reclaimed.

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

17.10. Reclaimed VAT will not be debited to the individual academies, but to the VAT control account of the trust.

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

18. Risk management

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

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

18.3. The board of trustees will review the risk register at least annually.

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

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

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

19. Special payments

19.1. For the purpose of this policy, special payments include:

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

19.2. Where the trust considers making a staff severance payment above statutory or contractual entitlements, the following factors will be considered prior to making the commitment:

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

19.3. Under no circumstances will the trust make severance payments where the money could be interpreted as a reward for insubordination or failure e.g gross misconduct or poor performance: the only instance in which the Trust may offer severance payments in the event of gross misconduct would be where the claimant would be likely to succeed in an employment tribunal because of procedural or legal errors. In the case of poor performance, the cost of a severance payment will be considered against the time and cost of taking the individual through performance management and capability procedures.

19.4. For severance payments equal to or greater than £50,000, the trust will seek prior approval from the ESFA. The ESFA will refer the transaction to HM Treasury so the trust will allow sufficient time for this to be considered.

19.5. Value for money will be shown for all severance payments.

19.6. Compensation payments will take account of the facts of the matter ensuring value for money is achieved.

19.7. For compensation equal to or greater than £50,000, prior approval from the ESFA will be sought.

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

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

20. Annual accounts

20.1. The trust will maintain accounting records and prepare an annual report and audited accounts in line with the Charity Commission's Statement of Recommended Practice and the ESFA's 'Academies Accounts Direction'.

20.2. The audited accounts will be:

- Submitted to the ESFA by 31 December each year
- Published on the trust's website by 31 January
- Filed with Companies House in accordance with company law requirements, usually by 31 May

- Provided to every member (under the Companies Act)
- Provided to anyone who requests a copy

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

21. Auditing

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

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

Internal scrutiny

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

21.3. Internal scrutiny will focus on:

- Evaluating the suitability of, and level of compliance with, financial and non-financial controls, including assessing whether procedures are designed effectively and efficiently, and checking transactions to confirm whether agreed procedures have been followed.
- Offering advice and insight to the board on how to address weaknesses in financial and non-financial controls.
- Ensuring all categories of risk are being adequately identified, reported and managed.

21.4. The programme of internal scrutiny will be covered by a scheme of work, driven and agreed by the audit and risk committee and informed by risk.

21.5. The programme of work will be spread appropriately over the year to ensure higher risk areas are reviewed in good time.

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

21.7. Internal scrutiny will take account of output from other assurance providers to inform the programme of work.

21.8. Independence in internal scrutiny will be achieved by establishing appropriate reporting lines whereby those carrying out checks report directly to a committee of the board.

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

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

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

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

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

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

External auditing

21.15. The trust will appoint an external auditor to certify whether its annual accounts present a true and fair view of the trust's financial performance and position.

21.16. The contract with the external auditor will be in writing and be accompanied by a letter of engagement that only covers the details of the external audit including the requirements of the DfE.

21.17. The letter of engagement will also include details of the removal of external auditors, before the expiry of the term of office, in exceptional circumstances.

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

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

21.20. The statement on regularity, propriety and compliance will include a responsibility to ensure that:

- There is efficient and effective use of resources in their charge.
- Public money is spent for the purposes intended by parliament.
- Appropriate standards of conduct, behaviour and corporate governance are maintained when applying the funds under their control.

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

21.22. The ESFA will be informed within 14 calendar days if the trust appoints or terminates the contract of:

- An **accounting officer** or **DFO**, including their contact information.
- A chair of trustees, including their contact information.
- A member, trustee or governor, including their contact information.
- A headteacher, including their contact information.

22. Record keeping

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

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

22.2. The DFO is responsible for keeping up-to-date records of the trust's financial state.

22.3. The Assistant Finance Manager is responsible for keeping up-to-date records in relation to the finances of their academy.

22.4. Records will include the following information:

- Income and expenditure; identifying which transactions were cheques and which were cash payments
- The income and expenditure for each activity, with the activity recorded as a budget heading
- A balance sheet which identifies total income, expenditure and the balance for each budget heading
- The total income and expenditure for the year
- The balance and carry forward from the previous year
- Identified profit and loss – any causing concern is investigated

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

22.6. A record will be kept of all the monies kept on the premises prior to banking, as well as the amount which is kept as petty cash.

22.7. All financial records will be kept securely.

23. Financial notices to improve

23.1. Where the ESFA has concerns about the trust's financial management and/or governance, and has issued a FNtI, the trust will comply with this notice.

23.2. The trust will publish any FNtI issued by the ESFA on its website within 14 days of it being issued, and retain this on the website until it is lifted by the ESFA.

23.3. If a FNtI is issued, the trust will seek prior approval from the ESFA for all transactions outlined in section 19, specifically:

- Special staff severance payments
- Compensation payments
- Writing off debts and losses
- Entering into guarantees, indemnities or letters of comfort
- Disposals of fixed assets beyond any limit in the funding agreement

- Taking up a leasehold or tenancy agreement on land or buildings of a duration beyond any limit in the funding agreement
- Carrying forward of unspent GAG from one year to the next beyond any limit in the funding agreement
- Pooling of GAG

23.4. Where required, the trust will seek prior approval from the ESFA before entering into transactions with related parties.

23.5. The trust will submit additional information, such as monthly income and expenditure accounts, if required by the ESFA,

24. Whistleblowing and fraud

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

24.2. Where instances of fraud, theft or irregularity are suspected or identified the board of trustees will investigate it promptly and should any evidence of fraud be found, they will take appropriate action.

24.3. In any instance of fraud, theft or irregularity whereby the amount defrauded comes to a total exceeding £5,000 in a financial year, the board of trustees will report it to the ESFA as soon as they become aware of it.

- When reporting to the ESFA on instances of fraud, theft or irregularity, the academy will include the following information:
  - Full details of the event(s) with all key dates
  - The financial value of the loss
  - The measures taken by the trust to prevent recurrence
  - Whether the matter was referred to the police and if not, the reasons why
  - Whether the insurance or the risk protection agreement have offset any loss

24.4. If a member of staff suspects their colleagues are involving them in matters of fraud, they have a duty, as an employee of the trust, to raise suspicions to a member of their Headteacher.

24.5. Reports of fraud will be treated in a fair and unbiased manner.

24.6. If the report of fraud is against a member of the Headteacher, the member of staff can go directly to the chair of Governors.

24.7. The Headteacherof the relevant school within the trust will be responsible for the initial enquiries of fraud, theft or irregularity – they will then pass on their findings to the board of trustees for further inspection.

24.8. Upon receiving the Headteacher initial findings, the board of trustees will:

- Determine whether further investigation is warranted.
- Determine the initial response to the alleged perpetrator when this is a member of school staff.
- Determine who will carry out the investigation.

- Determine which outside agencies will be involved.
- Assess the risk of the fraud and the perpetrator to the academy.
- Determine to whom day-to-day management of the response will be given.
- Allocate responsibility for damage limitation action.
- Determine the course of action to recover losses.
- Determine the course of action to be taken against the perpetrator.
- Evaluate the events which enabled the fraud to occur.
- Ensure preventative action is taken to prevent recurrence.
- Report any excessive fraud (over £5,000) to the ESFA.

24.9. The trust's Whistleblowing Policy outlines the procedures to follow in the event of a report being made by a member of staff, as well as the appeals process and what can be done in the event of a whistleblower being treated unfairly.

24.10. The headteacher will ensure all their staff are aware of the Whistleblowing Policy, ensuring that they understand the process of reporting a concern and what they can expect once they have brought a concern to the attention of the academy.

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

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

25. School resource management and self-assessment tool

25.1. The trust will complete the 'School resource management and self-assessment tool' and submit its completed checklist to the ESFA by the specified annual deadline.

26. Monitoring and review

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

26.2. The DFO will review and monitor all financial records continuously throughout the year.

26.3. The Assistant Finance Manager will review and monitor each school's financial records, raising any concerns with the DFO.

APPENDIX 1
AUTHORISATION LIMITS

To provide the Trust with the correct financial responsibilities and segregation of duties

Who	Element	Min value	Max Value
Board of Trustees	Approving purchasing orders, invoices, contracts and tenders	£213,477	
	Approving property lettings	For one year and/ or £25,000	
Trust Audit and Risk committee	Writing off bad debts	£10,000	
	Authorising virements to approved budgets	£50,000	
	Authorise orders	£150,000	£250,000
	Authorising formal tenders (services)	£150,000	£250,000
	Authorise contracts	£150,000	£250,000
CEO and DFO dual authorisation	Authorising disposal of assets	£40,000	
	Writing off bad debts	£5,000	£10,000
	Authorising virements to approved budgets	£25,000	£50,000
	Authorise orders	£100,000	£150,000
	Authorise contracts	£100,000	£150,000
	Authorising formal tenders (services)	£100,000	£150,000
DFO	Authorising disposal of assets		£40,000
	Writing off bad debts		£5,000
	Authorising virements to approved budgets		£25,000

	Authorise orders when correct written quotes	£25,000	£100,000
	Authorise contracts / Framework agreements	£25,000	£100,000
	Authorising formal tenders (services) - Framework Agreements	£15,000	£100,000
Trust Finance Manager	Authorising disposal of assets	£500 £0	£10,000
	Authorise Orders when correct written quotes	£25,000	£60,000
	Approving contracts when correct written quotes	£25,000	£60,000
	Authorising virements to approved budgets		£15,000
	Authorising formal tenders (services)	£15,000	£25,000
	Writing off bad debts		£250
Assistant Trust Finance Manager	Obtain two written quotes for orders	£5,000	£10,000
	Obtain three written quotes for orders	£10,000	£25,000
	Authorise Orders when correct written quotes		£5,000
	Authorise orders for approved requisitions if correct written quotes received		£25,000
	Approve contracts		£5,000
	Authorise Invoices where PO exists, or contract agreed		£25,000
Trust Finance Officer	Authorise Orders when correct written quotes		£2,000
	Authorise Invoices where PO exists		£5,000
Headteacher	Can authorise **requisitions**		£100,000

Subject Budget Holders	Can authorise **requisitions** not above budget limit		£2,000
SLT Budget Holders	Can authorise **requisitions** not above budget limit		£10,000
IT, Premises and Capital Budget Holders	Can authorise **requisitions** if correct written quotes received and not above budget limit		£15,000
Finance / Premises / IT Team requisition requirements **(non contracts)**	*No quote required*		*£250*
	Obtain one written quote from a known, recommended, preferred supplier or framework agreement. Otherwise, two quotes required	*£250*	*£5,000*
	Obtain two written quotes or framework agreement.	*£5,000*	*£10,000*
	Obtain three written quotes or framework agreement.	*£10,000+*	£40,000
Finance / Premises / IT Team tender requirements (contracts exceeding 11 months)	*Issue tender documents to a minimum of three companies. Tender documents to include: scope of works, specification, evaluation criteria, timescales, pricing schedule or framework agreement.*	£40,000	*£150,000*
	Third party consultation and advice required on tender documents	*£150,000*	
	PCR compliant buying process [unless lighter touch regime]	*£213,477+ [£663,540]*	