



Company Number: 07338835

Finance Policy and Procedures

Incorporating Trust; Tender, Reserves, Depreciation, Anti-Fraud, Bribery, Gifts and Hospitality and Investment policies.

Approved by the Board of Directors on:

5th July 2024

Next review date December 2024

BEP Policy effective from 1st September 2024

Contents

Introduction	3
1 Financial Oversight.....	4
1.1 Delegated Authority.....	10
1.2 Conflict of Interests.....	16
1.3 Transparency.....	16
1.4 Funds.....	17
1.5 Central Services.....	17
1.6 Accounting System.....	18
2 Financial Planning & Monitoring	21
2.1 Medium Term Planning.....	21
2.2 Budget Preparation.....	21
2.3 Education Skills Funding Agency (ESFA) Returns	22
2.4 Budget Monitoring	22
2.5 Audit Requirements.....	23
3 Internal Control	24
3.1 Income.....	24
3.2 Purchasing.....	27
3.3 Invoice Processing.....	35
3.4 Payroll.....	35
3.5 Cash Management, Reserves & Investment Policies.....	39
3.6 Capital and Revenue Asset Policy.....	44
3.7 Anti-Fraud Policy	46
3.8 Bribery, Gifts & Hospitality Policy.....	48
4 Costing and Accounting for School Trips and Events.....	51
4.1 Accounting Principle	51
5 Appendices.....	53
5.1 Academy Trust Reporting & Business Cycle.....	53
5.2 Fund Codes.....	55
5.3 Corporate Card – Card Holder Agreement	57

Introduction

Blackdown Education Partnership (BEP, the Trust) will be formed in September 2023 when the ongoing legal entity of Uffculme Academy Trust merges with The Castle Partnership Trust. As an Academy Trust, the organisation has charitable status and is required to follow the Charities' SORP accounting practices and FRS 102 as well as meeting separate requirements laid out by the ESFA (Education Funding and Skills Agency) and in the Trust's Funding Agreement. In 2013, the Trust became a Multi Academy Trust.

This Finance Policy and Procedures manual follows the requirements and guidelines laid out in the ESFA Academies Trust Handbook (updated annually) and takes full account of Annex C to that document – Schedule of Requirements.

Abbreviations

ESFA	-	Education Skills Funding Agency
CEO	-	Chief Executive Officer (Accounting Officer for the Trust)
CFO	-	Chief Finance Officer
COO	-	Chief Operating Officer
HFA	-	Head of Financial Accounting
SBM	-	School Business Manager or Business Support Leader.
BEP	-	Blackdown Education Partnership the Trust.

Individuals who are Directors of the Trust are also Trustees. The terminology is interchangeable and both titles refer to the same role.

1 Financial Oversight

Organisation of the Trust is subject to the provisions of the Companies Act 2006, the Articles and any directions given by special resolution. The business of the Trust is managed by the Directors (Board of Trustees) who exercise all the powers of the Company.

The main business of the Trust is conducted by the Local Governing Committee for each school, the Trust's Board and its committees.

All Trustees will manage their affairs in accordance with the high standards detailed in "Guidance on Codes of Practice for Board Members of Public Bodies" and in line with the seven principles of public life:

Selflessness

Holders of public office should take decisions solely in terms of the public interest.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merits.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

The Trust has defined the responsibilities of each person involved in the administration of its finances to avoid the duplication or omission of functions and to provide a framework of accountability for directors and staff. The financial reporting and responsibility structure is described below:

1.1.1 The Board of Directors (The Board)

The Directors have overall responsibility for the administration of the Trust's finances. The main responsibilities of The Board are described in the Funding Agreement between the Trust and the ESFA. The responsibilities include:

- ensuring that grant funding from the ESFA is used only for the purposes intended;
- ensuring that funds from sponsors are received according to the Trust's Funding Agreement, and are used only for the purposes intended;
- approval of the annual budget;
- ensuring regularity, propriety and value-for-money in relation to the management of public funds.
- appointment of the Accounting Officer (CEO) and CFO.
- Managing risk. The Board are made aware of key financial risks as set out and reported to them in the Trust's Risk Register by the Audit and Risk Committee.
- The Board will approve and maintain a written scheme of delegation of financial powers setting out clear responsibilities for who is responsible for what.

Board Members are aware of their statutory duties as Company Directors and of the Charity Commissions guidance for Academies. The Trust arranges appropriate training / information briefings for both new and existing directors.

1.1.2 The Resources Committee

Overseeing the financial management of BEP is the Resources Committee. The specific responsibilities are delegated in the Terms of Reference which are reviewed annually.

1.1.3 The Accounting Officer

The Funding Agreement designates the Chief Executive Officer as the Accounting Officer. They have responsibility, under the Trust Board's guidance, for the overall organisation, management, and staffing of the Trust and for its procedures in financial and other matters, including conduct and discipline.

The Accounting Officer will be personally responsible for:

- the propriety and regularity of the use of public finances for which they are answerable;
- keeping of proper accounts;
- prudent and economical administration;
- the avoidance of waste and extravagance;
- ensuring value for money;
- the efficient and effective use of all the resources in their charge.
- advising The Board if any action or policy is incompatible with The ESFA Academies Trust Handbook.

1.1.4 Chief Finance Officer

The day to day financial management of BEP is delegated to the Chief Finance Officer (CFO). The CFO reports to the Trust's Board through the Resources Committee. The main responsibilities of the CFO are:

- the day to day management of financial issues including the establishment and operation of suitable accounting systems;
- the management of the Trust's financial position at a strategic and operational level within the framework for financial control determined by The Board;
- the maintenance of effective systems of internal and financial control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- the preparation of monthly management accounts;
- ensuring that Trust financial returns are sent to the ESFA in line with the published timetable.

1.1.5 Headteachers

The CEO is supported by Headteachers who provide the necessary assurance and retain similar responsibilities at individual school level including:

- the propriety and regularity of the use of public finances for which they are answerable;
- keeping of proper accounts;
- prudent and economical administration;
- the avoidance of waste and extravagance;
- ensuring value for money;
- the efficient and effective use of all the resources in their charge.
- advising the CEO and CFO if any action or policy is incompatible with The ESFA Academies Trust Handbook.

1.1.6 School Business Managers / School Business Support Leaders (SBM)

Headteachers are supported by their SBM. Their main financial responsibilities for their school(s), in close liaison with the Headteacher and CFO, include:

- the day to day management of and compliance with financial procedures and processes;
- the management of the school's financial position within the agreed budget;
- the preparation of monthly financial reports and forecasts;
- the management of approved capital expenditure works;
- contract monitoring and management;
- ensuring that school DfE returns are sent in line with the published timetable.

1.1.7 Head of Financial Accounting & Central Finance Manager

The CFO is supported by the Head of Financial Accounting (HFA) who manages the accounting functions and processes of the Trust. The HFA is supported by the Finance Manager who leads the Central Finance Team who are responsible for purchase and sales ledger transactions.

1.1.8 Other Staff

Other employees, primarily central and school based Finance and HR staff, school Leadership staff and budget holders, have financial responsibilities and these are detailed in the Scheme of Delegation. The Chief Operating Officer plays a key role on the Executive team and is responsible for Capital programmes and oversight of the Trust's IT, Marketing, Catering, Data Protection, H&S and Estates functions. All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's financial procedures.

1.1.9 Audit and Risk Committee

The Audit and Risk Committee:

- oversee and approve the Trust's programme of internal scrutiny
- ensure that risks are being addressed appropriately
- report to the Board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks.
- appoint internal auditors
- inform the statement of internal control;
- provide assurance to the external auditors.

The specific responsibilities are delegated in the Terms of Reference which are reviewed annually.

The Audit and Risk Committee will meet their obligations in this respect through assurance work including that provided by BEP's Internal Auditor.

The Trust has decided that the Audit and Risk Committee shall become a separate Committee from May 2024.

1.1.10 The Internal Auditor

The Internal Auditor (IA) is appointed by the Audit and Risk Committee and provides them with an independent oversight of the Trust's financial affairs. The main duties of the IA are to provide independent assurance that:

- the financial responsibilities of The Board are being properly discharged;
- resources are being managed in an efficient, economical & effective manner;
- sound systems of internal financial control are being maintained
- financial considerations are fully taken into account in reaching decisions.

The IA will undertake a programme of scrutiny agreed by the Audit and Risk Committee to ensure that risks to the Trust are being appropriately managed. A report of the findings from each visit will be presented to the Audit and Risk Committee and made available to The Board. The committee will agree the IA's annual scrutiny programme each year depending on the predominant risks faced by the Trust.

1.1.11 Local Governing Committees (LGC)

In relation to the school's finances the LGC will:

- Receive the academy's budget from the School's Business Manager.
- Receive information on financial performance against budget on an annual basis and report concerns to the Board.
- Make recommendations to the Board, where appropriate, in respect of future spending requirements

1.1.12 Best Value

The Board of Blackdown Education Partnership is committed to achieving Best Value and is required to report how it has achieved this over the previous financial period in the annual report. We use the principles of Best Value to help secure continuous improvement and will:

- Regularly review the functions of the Trust, challenging how and why services are provided and setting targets and performance indicators for improvement;
- Monitor outcomes and compare performance with similar schools;
- Consult appropriately before major decisions are made;
- Promote fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

1.1.13 Member, Director & Governor Expenses

The governance of schools in England is rooted firmly in the principle of voluntary service. Academy trusts are exempt charities with charitable purposes and must apply these for public benefit. Academy trustees are, therefore, charity trustees of an exempt charity and have the same general duties and responsibilities as trustees of other charities and must comply with charity law. The Trust's articles of association do not allow payment to trustees and any such payment would require prior Charity Commission authorisation. Academy trusts must also comply with the restrictions on transactions with related parties, which apply to both academy Trustees and Members and those connected with them.

The Trust is however allowed to reimburse costs, such as travel or childcare, which have been incurred because of serving on a board. Payments can only be paid for expenditure necessarily incurred to enable the person to perform a governance duty. This does not include payments to cover loss of earnings for attending meetings. Travel expenses must not exceed the HM Revenue and Customs (HMRC) approved mileage rates. Other expenses should be paid on provision of a receipt and be limited to the amount shown on the receipt.

Blackdown Education Partnership will ensure that a Member, Director or Governor (or non-governor who is co-opted on to a committee of the Trust Board), is not out of pocket for expenses incurred to enable them to carry out their duties where the school or Trust has derived a benefit from such outlay. The policy also reaffirms the Trust's commitment to ensuring equality of participation for all Directors and Governors.

Details of expenses that can be claimed for are laid out in the Trust's policy on Member, Director and Governor expenses.

1.1 Delegated Authority

1.1.1 Powers delegated to the Chief Executive Officer (CEO)

Unless specifically identified to the contrary, The Board delegates to the CEO the total day to day management of the Trust, whilst remaining available for advice and assistance at all times. The Board delegates to the CEO duties to:

- Manage the financial position of each school within the Trust at a strategic and operational level
- Advise it on the discharge of its responsibilities under the Academies Trust Handbook issued by the ESFA
- Ensure the efficient, economical and effective management of its resources and expenditure, including funds, capital assets, equipment and staff.
- Ensure the introduction and maintenance of sound financial controls
- Seek to ensure that financial considerations are taken fully into account both in reaching decisions and in their execution
- Be responsible for ensuring that the annual accounts are properly presented and records kept in accordance with the charities SORP and ESFA guidelines.

1.1.2 Delegated authority

Function	R&R Committee	CEO	CFO	COO	HFA	Central Finance Manager	Trust HR Manager	Headteacher/SBM (for their school (s))	Deputy Headteacher (for their school)	Budget Holder	Central Finance Administrator/Officer
Authorise advertising of vacancy within agreed establishment or staffing budget.	√	√	√ Support staff roles				√ After discussion with CEO/CFO				
Authorise appointment of staff within agreed establishment or staffing budget	√	√	√ Support staff roles	√ Support staff roles			√ After discussion with budget holder	√ Head only			
Authorise appointment of staff role outside agreed establishment or staffing budget (<i>additional contract cost in excess of establishment or existing vacancy</i>)	√	£50,000									
Authorise payroll forms/payment for additional hours or staff expense claims	√	√	√	√	√		√	√			
Authorise spending (orders) for items within budget. <i>One off value or annual value for recurring contracts up to 3 years duration. Subject to normal procurement limits.</i>	√	√	√	√	£25,000		£2,500	£10,000	£2,500	£2,500 1 year max	
Authorise spending (orders) on other items outside budget. <i>One off value or annual value for recurring contracts. Subject to normal procurement limits.</i>	£500,000	£100,000	£100,000	£100,000	£25,000			£ 10,000			

Open tenders. <i>May be delegated to professional advisors such as architects, energy broker, Framework contract provider.</i>	√	√	√	√	√			√			
Evaluate tenders	√	√	√	√	√			√	√	√	
Authorise new Operating Leases and award Tenders	£500,000	£100,000	£100,000 (Utilities uncapped)	£100,000 (Utilities uncapped)							
Authorise payment of invoices	√	√	√	√	√		£2,500	£10,000	£2,500	£2,500	
BACS/Cheque payments. Two bank mandate holders to authorise/sign all BACS/Cheque payments.		√	√	√	√	√		PG			
Cash Management Platform. Open bank accounts through the authorised platform and place deposits within the limit authorised by the R&R Comm.	√		√		2 nd Signatory on payments	2 nd Signatory on payments					
Petty cash Authorise cash payments. Reimbursements in excess of £50 will be processed by BACs or cheque. Temporary floats may be issued to staff if authorised in advance by the Head/SBM up to the value of the float held in the school.		£500	£500		£250	£35		£35	£35	£35	
Issue gift cards or personal float in advance to reduce use of petty cash eg food/Science technicians Receipts must be submitted to match the value of the card and authorised retrospectively by the budget holder before the float/card is topped up.		£250	£250		£250	£100		£100			£100

Corporate Credit card – purchases up to the card limit.		√		√			√	√	√	√	√
Approve bad debt write off (single transaction) or asset disposal	£45,000	£1,000	£1,000		£250			£250			
Authorise virement between budgets	√	£50,000	£50,000	£20,000	£10,000						

Requisitions can be raised by any member of staff on the Trust’s accounting software through the Finance Portal. Requisitions must be authorised by the budget holder before they become orders and are sent to the supplier. Two people will be involved in the requisition and authorisation process so if the Budget Holder raises the requisition it will go to the next person in the workflow for authorisation, usually the SBM/Headteacher, HFA or CFO.

1.1.3 Awarding of Contracts

The Board delegates to the CEO, decisions on the award of contracts for the supply of goods and services to the Trust up to a gross value of £100,000 and to the Resources Committee awards up to £500,000. There should be market testing for expenditure over £10,000. A competitive tendering process should be instigated for individual contracts over £150,001 and the approval of The Board should be sought before a commitment is made for awards over £500,001. If this is not possible, consultation must take place between the Chair and the Chair of the Resources Committee before any order is placed. In this case, retrospective approval should be gained and minuted at the next available Board Meeting. Authorisation can be obtained from Trustees by email if a decision is required urgently and it will then be minuted at the next meeting. **Utility tenders** - authority to accept these is delegated to the CFO and COO who are authorised to award the contract to the lowest priced supplier only. If they wish to award to a supplier other than the cheapest the approval of the relevant trustee committee is required.

All orders are subject to the requirements detailed below except where the market has already been competitively tested by an appropriate third party such as via a framework agreement (E.G. Crown Commercial Service, CPC, Local Authority, energy broker) or where a single action tender is authorised and complies with the relevant procurement legislation. In these circumstances there is no requirement to seek additional quotations or tender submissions. Where an order is below the Public Procurement Threshold and the Resources Committee, for orders over £100,001, or the CEO/CFO, for orders under £100,000, believe it is in the best interest of the Trust to appoint a supplier through a single action tender the reasons and methodology for reaching that decision must be clearly documented.

Value of Contract/Purchase	Requirement
Up to £ 2,500	Nil
£ 2,501- £10,000	Two written/electronic/verbal quotes requested
£10,001 - £150,000	Three written/electronic quotes requested
£150,001 –Threshold (<i>the thresholds levels are now inclusive of VAT</i>): <ul style="list-style-type: none"> • goods and most services – £213,477 • works – £5,336,937 • services for education – £663,540* • utilities £884,720 *these are covered by the ‘light touch regime’ and have a higher threshold. Only services used specifically in education provision are subject to the light touch regime, for example	Three tenders requested or a framework contract utilised.

<p>school meals, education training, primary & secondary education services.</p> <p>Full details of what services are covered by the light regime can be found at Schedule 1 of the Procurement Regulations 2024: https://www.legislation.gov.uk/ukxi/2024/692/schedule/1/made</p> <p>Other less specific services, which could just as easily be used other than in a school, i.e. building maintenance, ICT etc. attract the lower threshold.</p>	
<p>Above Threshold</p>	<p>Comply with the Procurement Act 2023, Procurement Regulations 2024 and other associated applicable legislation.</p>

The Trust recognises that obtaining multiple quotations for some supplies or works can be challenging at times due to restricted supply of certain products or reduced capacity and availability of suppliers/contractors. Budget holders should always make best endeavours to test the market as required however, in circumstances where it has not been possible to obtain the required number of quotations or tenders the reason for this should be noted on the order and authorised by:

- the Headteacher, HFA or School Business Manager for purchases between £2,501 and £10,000
- the CEO or CFO for purchases between £10,001 and £100,000.
- the Resources Committee for purchases between £100,001 and £500,000. Approval will be minuted.
- the Board for purchases over £500,001. Board approval will be minuted.

The cost should be researched and benchmarked where possible in order to determine as far as is reasonably practicable that it represents value for money.

1.1.4 Staff Appointments

The Board will approve a staffing budget for each school within the Trust. Changes can be made to this budget with approval of the Resources Committee which must be satisfied that adequate budgetary provision exists for any establishment changes.

The Board must notify the ESFA's Chief Executive in writing of the vacating or filling of the positions of Chair, the CEO as Accounting Officer or the Chief Finance Officer.

The CEO has the authority to appoint staff within the authorised budget with the exception of a School Head Teacher, Deputy Head Teacher and CFO whose appointments must involve consultation with the Resources Committee. The CFO & COO have the authority to appoint support staff, and in some cases, this is delegated to the relevant Headteacher or Head of Department.

The CEO and CFO must review the financial implications of any appointment before a position is advertised and must authorise the creation of new or significantly altered posts.

Note must be taken of the conditions in the funding agreement on the employment of suitable staff (Clause 16, 17a, 18 & 19).

1.2 Conflict of Interests

Should any Director or Governor (or non-governor who is co-opted on to a committee of a governing body or the Board), identify a situation where they consider that a conflict of interest arises or may arise, including in relation to procurements, they should immediately advise the Clerk to the Board or Local Governing Committee and withdraw from that part of the proceedings, taking no direct or indirect part in relevant deliberations or decisions. Directors employed by the Trust do not face a conflict of interest merely as a result of such employment. The onus is on individual Directors to recognise such situations and a register of interest will be maintained by the Clerk. The register is open to public inspection.

1.3 Transparency

In the interests of transparency, the Trust **must** publish on its website up-to-date details of its governance arrangements in a readily accessible format. This **must** include:

- the structure and remit of the members, board of directors, its committees and local governing bodies, and the full names of the chair of each (where applicable)
- for each member who has served at any point over the past 12 months, their full names, date of appointment, date they stepped down (where applicable), and relevant business and pecuniary interests including governance roles in other educational institutions
- for each director and local governor who has served at any point over the past 12 months, their full names, date of appointment, term of office, date they stepped down (where applicable), who appointed them (in accordance with the Trust's articles), and relevant business and pecuniary interests including governance roles in other educational institutions
- for each director their attendance records at board and committee meetings over the last academic year

- for each local governor their attendance records at local governing committee meetings over the last academic year.

1.4 Funds

Income and expenditure will be recorded accurately in the accounting system to ensure that monies are utilised for the purpose for which they were intended. The Trust adopted the DfE Chart of Accounts from September 2022. The Fund codes in use are detailed in Appendix 5.2. In addition to these funds, within the Restricted Revenue and Fixed Asset Funds, Income and expenditure will be identified for specific purposes through a Project Code that it is assigned to.

1.5 Central Services

The Trust is set up as a central services provider and makes a charge to each school within the Trust based on a share of their total GAG income agreed by the Board. This charge is currently 5% for all schools in the Trust. The charge may be varied by the Board and set at different levels in different schools if this is deemed appropriate in the specific circumstances. The rationale for any difference in approach between schools will be minuted by the Board. The central charge includes the following services:

School Improvement including; secondary, primary, SEND and safeguarding support
Trust Leadership and Governance
Central finance and payroll services and software
Statutory accounts, TP Audit & AAR
Strategic financial management and accounting including software
Legal & HR Advice
Internal Audit
FRS 17 LGPS Valuation
Apprenticeship levy
On-line training for staff & Headteacher CPD
Staff well-being offer
DPO
Strategic ICT planning
ICT Procurement advice
ICT Network management
Estates Strategic planning & advice
Marketing, PR and Communications strategic advice and support
Major procurement project support and advice
Health & Safety 'Competent Person' service
Union Facilities Time subscription
Compliance monitoring system
Applicant tracking system

Central Charge (Top Slice) Appeals Process

The ESFA requires MATs to have an appeal process for schools who are concerned about the level of Top Slice they are charged. BEP's appeals process is as follows:

Concerns should ideally be raised prior to the approval of the Budget by Trustees. Changes to the charge are unlikely to be feasible until the following financial year once the Budget has been approved by the Board.

1. If a Headteacher is concerned about the level of Central Charge for their school, they should in the first instance discuss the matter informally with the CFO and CEO.
2. If this does not resolve the matter the Headteacher should discuss with their Local Governing Committee who if they share the concerns should raise the matter in writing with the Chair of the Resources Committee setting out their concerns fully and the resolution they are seeking. The Resources Committee will review the matter at the next meeting of the Committee providing it is presented more than 10 days prior to the meeting. If it is submitted less than 10 days prior it will be considered at the following meeting. The outcome of this review should be confirmed in writing to the Chair of the LGC within three working weeks of the meeting.
3. If the LGC and Headteacher are still concerned they should make an appeal in writing to the Chair of Trustees. The Full Board will then review the matter at their next meeting providing it is presented more than 10 days prior. If it is submitted less than 10 days prior it will be considered at the following meeting. The outcome of this review should be confirmed in writing to the Chair of the LGC within three working weeks of the meeting. This is the final stage of the process and the decision of the Full Board of Trustees will be final.

1.6 Accounting System

All the financial transactions of the Trust must be recorded on the Trust's accounting system (Hoge 100 – Access Dimensions). The system is managed by the Central Finance Team and used by School based finance staff, Budget Holders and any other member of staff who is given access to raise requisitions. The system has all the functionality required to manage and record the Trust's accounting transactions. Most transactions can be processed on a web based Finance Portal. Specific transactions including BACS payments, bank reconciliations and VAT returns are processed in the core accounting system, Access Dimensions which is hosted remotely and accessed via a remote desktop by Central Finance Team staff only. The system has an authorisation workflow which follows the delegated authority levels detailed at 1.2.2. This ensures that at least two people are involved in every order and payment and that as the value of transactions increase they

are referred to someone with the delegated authority to authorise them. The basic workflow is Budget Holder>Headteacher/SBM>CFO. The CFO will also authorise transactions in the system (over their personal delegated authority) on behalf of Resources Committee or the Full Board when they have specifically approved the transaction, such as a purchase over £100,000. Orders that would take a cost centre budget into an overspend are also taken to the appropriate level in the workflow for additional authorisation.

Detailed information on the operation of the system can be found in the online user manuals and training videos.

Administration

There will be a clear audit trail for all financial transactions from the original documentation to accounting records. Finance records will be stored for 7 years in accordance with the Companies Act. Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.

Authorisation and supervisory controls will ensure transactions are properly recorded or that errors are identified. All records will be protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.

Access Rights

The HFA, Finance Manager and CFO are responsible for setting access levels for all members of staff using the system. Access rights are defined for each user with a unique ID and password.

Back-up Procedures

The finance system is remotely hosted by Access Dimensions (Hoge 100) and protected by robust back up procedures.

Transaction Processing

- Authorised staff will use the web based Finance Portal to raise requisitions, authorise orders and invoices, view reports, request new suppliers and raise sales invoices.
- The Central Finance Team will process other transactions including; purchase invoices, payments, income receipting, bank reconciliations, VAT returns, petty cash and credit card checks.
-
- The HFA/Finance Manager will obtain and review system reports to ensure only regular transactions are posted to the accounting system.
- The HFA, with support from the Finance Manager, will ensure that reconciliations are performed each month for sales ledger control account, purchase ledger control

account, control accounts, suspense accounts, bank balance per the nominal ledger to the bank statement and that any reconciling or balancing amounts are cleared at the earliest reasonable opportunity. Any unusual or long outstanding reconciling items must be brought to the attention of the CFO.

- The CFO will review and sign bank reconciliations as evidence of review.

Self-approval functionality for all key processes is not enabled in the software and cannot be changed by any employee in the finance software. The system stores documents digitally and a paper copy is not retained for most transactions.

2 Financial Planning & Monitoring

2.1 Medium Term Planning

The Trust will always have in place a three-year financial plan showing current year, next year and year three. When requested by the CEO or by The Directors, the CFO will prepare a forecast showing the impact of identified factors such as changes in staffing, capital expenditure or expected funding variations.

2.2 Budget Preparation

The Trust is required to submit a budget to the ESFA for the financial year September to August by the previous 31st July. It is anticipated that the Trust's funding will be confirmed by the ESFA by the end of March preceding the start of the new financial year in September. A separate draft budget will be constructed by each school within the Trust using the Trust's budgeting and forecasting software (IMP) and agreed with the CFO and CEO prior to presentation to the Trust Board. Key assumptions will be agreed by the CFO and CEO and used in all school budgets, these will include but are not limited to:

- Funding rates in future years.
- Pupil roll projections for each school.
- Pay inflation rates for teachers and support staff.
- Inflation rates for general expenditure.

The draft budgets will take into account any financial implications of each school's current School Improvement Plan, anticipated or known changes to pupil numbers, staffing changes, premises improvement plans and capital spending priorities. Budgets for individual departments will be determined by the Headteachers and/or Business Managers of each school through discussion with the Budget Holder where appropriate.

The structure of the budget will follow the DfE Chart of Accounts and will also include detail of expected capital income and expenditure. The budget will show the expected carry forward from the current year. The Board will review the levels of reserves that the Trust holds on an annual basis.

The Trust will ensure that income and expenditure is reflected in the appropriate month subject to a minimum accrual and pre-payment limit of £ 2,000.

The draft budget will be presented to the Resources Committee in June with a final budget being approved by the full Board by the end of the Summer Term or 10 days prior to the ESFA BFR deadline if this is different.

The Board must notify the ESFA within 14 days if it is formally proposing to set a deficit revenue budget for the current financial year which it is unable to address after unspent funds from previous years are taken into account.

2.3 Education Skills Funding Agency (ESFA) Returns

In addition to the budget report, the Trust is required to submit a number of other returns to the ESFA. These are communicated to Trusts by the ESFA annually and are subject to change.

2.4 Budget Monitoring

Headteachers may delegate elements of the school budget to their staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the School as a whole. Delegated budget holders can obtain sufficient information to enable them to perform adequate monitoring and control through the Finance Portal. Such budget holders are accountable to the Headteacher who is responsible for ensuring delegated budgets are monitored and managed.

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 SBM in each school performs a vital additional monitoring and management function raising any concerns with the budget holder and Headteacher. Any potential material overspend against the budget must be discussed with the CFO.

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. Accruals, deferrals and pre-payments will be included in the management accounts where they are material, exceeding £2,000 as a minimum.

A monthly Income and Expenditure report will be prepared in IMP by the SBMs including a forecast to the end of the academic year and then reviewed and consolidated by the CFO and sent to the Chair of the Board, CEO and to members of the Resources Committee. The forecast outturn position will be reviewed at each Resources Committee and Full Board meeting. The SBMs and CFO will report on exceptions where spending is significantly over or under budget. In addition to the Income and Expenditure account, the CFO will present the balance sheet, an analysis of aged debtors and creditors and a cash flow forecast.

2.5 Audit Requirements

3.2.3 Internal Audit

See Section 1.1.10

2.5.2 Statutory Audit

The Trust is required by law to produce audited accounts and therefore The Board must appoint statutory auditors, who are registered under the requirements of the Companies Act, to conduct an audit (which is in compliance with the requirements of the Companies Act) and certify that the accounts are “true and fair”.

The contract for the audit must be in writing. This must take the form of a letter of engagement. The letter of engagement must only cover the external audit. If additional services are to be purchased, a separate letter of engagement must be obtained which must specify the precise requirements of the work and the fees to be charged.

The letter of engagement must provide for the removal of auditors before the expiry of the term of office in exceptional circumstances, notwithstanding the other terms of the contract. Proposals to remove auditors must require a majority vote of Directors. If the auditors resign, there must be a requirement for them to state their reasons.

The Board must notify the ESFA immediately of the removal or resignation of auditors. In the case of removal, The Board must notify the ESFA of the reasons for the removal. In the case of resignation, auditors must copy to the ESFA a statement of their reasons.

2.5.3 Accounting officer’s statement

The Accounting Officer’s statement on governance, regularity, propriety and compliance must be included in the Trust’s annual report. This is a formal declaration by the Trust’s Accounting Officer that they have met their personal responsibilities to Parliament for the resources under their control during the year. It includes a responsibility to ensure that public money is spent for the purposes intended by Parliament (regularity) and a responsibility to ensure that appropriate standards of conduct, behaviour and corporate governance are maintained when applying the funds under their control (propriety), a responsibility to ensure good value for money and for the efficient and effective use of all the resources in their charge.

2.5.4 Regularity audit

A review of the Accounting Officer's statement must be included within the remit of Trust's external auditors. This opinion will be addressed jointly to the Trust's Board and to the Secretary of State through the ESFA.

3 Internal Control

3.1 Income

3.1.1 Recording

All income will be clearly identified and recorded against the correct nominal and fund code. The CFO, SBMs and Finance Manager will monitor grants received from the ESFA and the Local Authority against expected amounts and investigate any differences. All remittance advices should show clearly the source and reason for the income, if they do not this will be followed up by the Trust Finance Office so the income can be recorded appropriately.

3.1.2 Receipts

Any monies received from parents will be processed by the relevant Administrator in each school. Cash and cheque payments from 3rd parties will be promptly recorded and banked. Receipts will be issued from the Central Finance Office if requested.

3.1.3 Banking

Banking will be carried out by the individual schools for cash received by the school. Cash transactions are discouraged, catering and trip parental payments are cashless and can be processed through the online payment service provided (Bromcom MCAS, Tucasi/Scopay, Family, Magic, ParentMail or ParentPay). Cash should be counted by two separate employees and paid in through the bank's cash collection service using the appropriate forms. Where banking is carried out by individual schools, documentation will be forwarded to the Central Finance Office so that the pay-in can be entered into the accounting system and the bank reconciliation completed.

3.1.4 Lettings

The COO will agree letting rates for all schools and facilities within the Trust. The Headteacher or Business Manager in each school is able to negotiate charges within a margin of 20% of these agreed rates. Hirers will be issued with an invoice and payment will normally be required at least 1 week before the date of the event.

3.1.5 Pre-School

The School Administrator responsible for the Pre-School will:

- Set up pre-school parents as new customers in the Finance Portal

- Raise invoices for each term for the hours booked by the parents via the Finance Portal, adding details to clarify that any childcare voucher income and Bromcom income will be offset.
- Maintain the spreadsheet for childcare voucher information posted against the correct debtor account stored in the School Finance 'Team'.
- Reconcile early years funding payment remittance advices to the funding return submitted to the LA.
- Make adjustments for leavers etc via additional invoice or credit notes.

The Central Finance Team will:

- Will upload voucher remittances and Early Years Funding remittances into the School Finance 'Team'.
- Offset voucher information and any income received via Bromcom directly against parents account to maintain a detailed breakdown of the balances outstanding, sending out statements as required

The SBM responsible for the Pre-School will:

- Review the correct recording of income and check the funding reconciliations and debtor balances with the school administrator on a regular basis.

3.1.6 Charging & Remissions

The law requires that education during normal school hours and the examination of students in accordance with the National Curriculum is provided free of charge. The Board recognises the valuable contribution that the wider range of additional activities, including trips, clubs and residential experiences can make towards students' education and reserves the right to charge parents in accordance with the provisions of the Education Act 1996.

Full details are in the Trust's Charging and Remissions policy.

3.1.7 Debtors

Sundry debtor invoices will be raised by each school or the Central Finance Team and arrangements will be in place to ensure that the monies due are collected in a timely manner. Sundry debtor invoices shall be issued promptly upon delivery of the goods or services (no later than 5 working days after the transaction takes place). Sundry debtor invoices shall be marked 28 days payment terms.

Payments should be sent direct to the Central Finance Team. Each month the Central Finance Team will produce a statement for each debtor with an outstanding balance. If payment is not received 28 days after the statement date the Central Finance Team pass the details to the School Finance Administrator to contact the debtor direct. Where a sundry debtor invoice has not been paid after a further 15 working days a formal letter will be sent by the School Finance Administrator. Should this sundry debtor remain outstanding after a further 10 working days, a reminder letter outlining the possibility of legal action will be sent.

Should the sundry debtor remain outstanding after 90 days the CFO will consider legal action where he/she feels it is economically viable to do so.

The Resources Committee shall receive an aged debt analysis as part of the monthly management accounts pack.

In pursuing debts, account will need to be taken of the circumstances of the debtor particularly if this is a parent, including the possibilities of paying by instalments if necessary. Such cases may need to be handled with sensitivity. It will not normally, however, be permissible for additional credit terms to be made available for services until the original debt has been fully recovered.

3.1.8 Write Offs, Liabilities and Indemnities

The Trust must obtain the ESFA's prior approval for the following transactions beyond the delegated limits described below:

- writing-off debts and losses;
- entering into guarantees or letters of comfort; and
- entering into indemnities which are not in the normal course of business.

The Trust has delegated authority from the ESFA to write off bad debts and losses to a maximum of 1% of its annual grant income or £45,000 (whichever is smaller) per single transaction and cumulatively, 5% of total annual grant income (subject to a maximum of £250,000) in any financial year per category of transaction.

The CEO and CFO are delegated powers to write off debts and assets to a maximum of £1,000. All other write offs are to be brought to the attention of the Resources Committee who have the authority to write off amounts up to £45,000. Any amount over this requiring ESFA approval must have approval of the full Board before submission to the ESFA.

In relation to these limits:

- the trust should always pursue recovery of amounts owed to it, including overpayments, or erroneous payments. In practice, however, there will be practical and legal limits to how cases should be handled
- the trust should only consider writing-off losses after careful appraisal, including whether all reasonable recovery action has been taken with the debtor, the trust's insurers, or the risk protection arrangement, and should be satisfied there is no feasible alternative
- the amounts for write-offs are before successful claims from an insurer or the risk protection arrangement
- total annual income is defined as grant income as disclosed in the trust's last audited accounts.
- Before accepting liabilities by issuing guarantees, a letter of comfort or indemnity, the trust should secure value for money by appraising the proposal through assessment of the costs and benefits of relevant options.

3.2 Purchasing

Novel and Contentious Payments

Where the Trust intends to make a payment for which it has no experience or the payment is in respect of goods or services outside normal business activity, the Accounting Officer shall determine whether or not the prior advice of the ESFA be sought. The aim is to ensure that public money is spent prudently and in ways that command broad public support. The Trust's funds **must not** be used to purchase alcohol.

3.2.4 Supplier Control

Only suppliers on the Accounting system should normally be used. If any budget holder wishes to purchase from an alternative supplier they must submit a New Supplier Request via the Finance Portal for approval.

3.2.5 Tender policy

The schedule set out in Section 1.2.3 should be followed for all procurements.

Form of Tenders

With effect from 28 October 2024 there are three forms of tender procedure: open, competitive flexible and direct award. The circumstances in which each procedure should be used are described below.

Open tender:

This is where all potential suppliers are invited to tender, and there is no ability to restrict the number of suppliers or engage with suppliers during the tender process or evaluation (apart from the purpose of simple clarifications). Open tenders above the procurement thresholds must be advertised through the Cabinet Offices' Central Digital Platform using a tender notice before being advertised in any other location. The budget holder must discuss and agree with the CFO how best to advertise for suppliers elsewhere e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical.

This is the preferred method of tendering for off the shelf, simple requirements with a known market, as it is most conducive to competition and the propriety of public funds. However, the number of suppliers in the market should be considered, as the benefits of open competition should be weighed against the resource available to evaluate tenders if a large number may be received. In such cases, a competitive flexible approach may be more suitable.

Competitive Flexible:

The competitive flexible procedure allows maximum flexibility in the design of a procurement procedure, and is suitable for a broad range of requirements, including:

- where the number of responses needs to be limited to a reasonable level to maintain a balance between the contract value and administrative costs,
- where the nature of the procurement requires some engagement with suppliers during the tender process, e.g. negotiation, site visits, product demonstrations, presentations or otherwise.

Direct Award:

Direct award to a single supplier is only applicable in a very strict set of circumstances, and even in such circumstances, it should only be used where a competitive tender is not possible. Among other more specific reasons, direct award could be utilised where:

- There is only one possible supplier of the goods or services due to technical reasons or intellectual property rights
- For reasons of unforeseen extreme and unavoidable urgency, where it is not possible to undertake a competitive tender and the reasons for such urgency are outside of your control and not due to your own actions
- Additional or repeat goods, services or works are required from an existing supplier which are an extension to or partial replacement of existing goods, services or works. This is only permitted where a change in supplier would result in different or incompatible goods, services or works, and such difference or incompatibility would result in disproportionate technical difficulties in operation or maintenance.

Preparation for Tender

Full consideration should be given to:

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

It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Tender Notice For all tenders, a tender notice must be issued. If an open tender is used, all tender documentation and instructions for suppliers must be published alongside this notice.

The invitation to tender and your tender documentation should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project;
- terms and conditions of tender and

- form of response, , including all evaluation and award criteria and instructions for suppliers.
- If using a competitive flexible procedure, the details of any stages you are including in the procurement e.g. any stages to reduce the number of bidders, or undertake interim assessments of their proposals
- .

Aspects to Consider

Financial

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

Technical/Suitability

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

Other Considerations

- Pre sales demonstrations for competitive flexible tenders
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to undertake a credit check or have an accountant or similarly qualified person examine accounts etc. Note you can only request audited accounts for those companies which are legally required to provide these – alternative financial evidence can be requested from those suppliers not required to obtain audited accounts.

Tender Acceptance Procedures

The invitation to tender should state the format and the date and time by which the completed tender should be received. Tenders documents should be held securely and their receipt recorded. Tenders received after the submission deadline should not be accepted.

Tender Opening Procedures

the names of the firms submitting tenders and the amount tendered should be recorded. The Tender procedure including acceptance, opening and evaluation may be delegated to trusted professional advisors such as architects, energy brokers, procurement specialists or Framework contract providers appointed by the Trust.

Tender Evaluation Procedures & Acceptance of Tenders

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

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

Records should be kept of all criteria used for evaluation and for tenders over the Public Sector Procurement Threshold a report should be prepared highlighting the relevant issues and recommending a decision. The Resources Committee may award Tenders up to a value of £500,000 and the Full Board will award contracts greater than £500,001. The decision will be minuted and the CEO, CFO, COO or Company Secretary will be authorised to sign the contract on behalf of the Trust.

The accepted tender should be the one that is most advantageous to the Trust in line with the Procurement Act, which may not be the lowest cost. The successful tender must be selected in line with the award criteria and price/quality weightings set out in the tender documentation..

All parties should then be informed of the decision via an Assessment Summary, and a contract award notice published to commence the standstill period for above Threshold tenders. All tender documentation and supplier correspondence relating to the tender must be held on file for a minimum of 3 years following contract award.

Once the contract is finalised and signed, a contract details notice must be published for all above Threshold contracts.

3.2.3 Orders

Employees are not authorised to commit the Trust to expenditure without following the approval process. The procedure is as follows and is completed within the Finance Portal:

- Requisition raised by any member of staff who has been granted access, this is not restricted. .
- Requisition is authorised by the Budget Holder or the next person in the workflow if the Budget Holder raised the requisition. This would normally be the Headteacher, SBM or CFO depending on the value. Requisitions that would take the Cost Centre budget into a deficit must be authorised by the appropriate person in the workflow.
- Reducing balance orders may be used where appropriate such as utility charges and paper call off.
- The approved requisition, which is now an official order, can be forwarded to the supplier by the School Administrator or Central Finance Team, via email or post.
- When goods or services are received the member of staff involved can log their receipt in the Finance Portal..

- When the invoice is received it is sent to the Central Finance Office for input. Once entered on the system this generates a request for the Budget Holder to acknowledge receipt and authorise payment of the invoice in the Finance Portal.

3.2.4 Non-Order Purchases

Employees are not authorised to commit the Trust to expenditure without following the approval process. Orders should be processed on the finance system in advance of a commitment to expenditure. However, it is acknowledged that there are circumstances where this is not practical or beneficial. Invoices for the following types of expenditure do not require a purchase order to be raised in advance of the commitment for the goods or services:

- Exam entries
- Telephone, rates and utility charges
- Catering provisions
- Catering contractor sales
- Staff Expense payments
- Petty Cash
- Trip/activity incidental expenses
- Emergency or urgent call outs for example for Premises or IT contractors.
- Free School Meal E-vouchers for parents & carers.
- Short term supply cover staff
- Photocopier contract copy costs
- Train travel for CPD/meetings.
- Emergency/short term alternative provision support for students.
- Fuel and servicing for school/hired vehicles.
- Post 16 Bursary payments
- Reimbursement claims for uniform and equipment for FSM registered or at risk students.
- Low value materials purchased for repairs/maintenance (under £500)
- Payments to charities of money raised in the school, for example on non-uniform days.
- Low value supplies purchased for practical lessons/activities such as food technology and science (under £250)
- ParentPay/Bromcom MCAS transaction charges.
- DBS checks
- Staff salaries and associated deductions eg LGPS deficit contribution, childcare vouchers.
- Low value annually recurring commitments (under £5000)
- Items where the final cost cannot be determined at the outset with any certainty, for example legal fees for advice on an employment matter. This expenditure should be

authorised in principle by the CEO, COO or CFO before it is incurred. The reason for an order not being raised should be noted on the invoice.

- Trust Credit/Chargecard purchases (see Corporate Card section)

These items must be authorised by the budget holder on receipt of the invoice, before payment is made.

Amazon Business Account

Amazon purchases should be made through the Hoge Finance Portal 'punch-out' by all school staff. Central and sports and fitness staff may continue to use the Amazon Prime Business Account via the web if access is not available through the Hoge portal.

The Amazon business account incorporates authorisation safeguards to ensure appropriate separation of duties whilst significantly simplifying the process and reducing workload for finance and school staff. The purchase process includes the same requisition and then authorisation process as for other orders but it will be completed in Amazon rather than recorded in our accounting software. Employees are not authorised to commit the Trust to expenditure without following the approval process. Orders may be placed on the Trust's Amazon Business Account without an order being raised on the finance system providing the online approval process in the account is used:

- Requisitions may be raised by any employee with a login but must be authorised online by the budget holder before the purchase is made.
- Normal budget holder authorisation limits apply.
- Two employees must be involved in every transaction in the Amazon account so where the Budget Holder raises the requisition then either the SBM, Headteacher, HFA, COO or CFO must authorise the purchase before it is completed.
- Amazon will invoice the Trust for purchases.
- The transaction will be recorded in our accounting software when the Amazon invoice is received. The invoice will be entered as a non-order invoice and will be authorised by the budget holder in the normal way.
- The payment process may be via direct debit or BACS as required.

Corporate Credit Cards

Corporate Credit cards are not considered to infringe the borrowing restrictions imposed on the Trust by the ESFA, providing any balance is cleared in full at the end of each month.

Corporate Card expenditure should only be used where there is no reasonable alternative and should not be considered by Budget Holders as the normal purchasing method. The Trust will not hold cards for general use but will instead assign cards to nominated users who will use them only for specific purposes.

Card holders are responsible for recording their expenditure on the Corporate Card Expenditure Record (on the staff portal). Members of staff who have been authorised and issued with a Corporate card must comply with the following:

- Only purchases for school/Trust use may be made using the card, no personal expenditure is permitted.
- All purchases must be within the cardholders credit limit.
- Card holders must only make purchase from their own budgets (with the exception of the School Business Manager, Headteacher, CEO, COO, HR Manager, EA, and the School and Central Finance Administrators)
- All goods should be delivered to the school/Trust location that the card holder is based in and invoices must clearly show the school location, if this is not feasible the budget holder must approve and verify receipt of goods. If the budget holder is the cardholder a second person must confirm receipt.
- Card holders must obtain VAT invoices or detailed receipts for all their expenditure and forward to the Central Finance Team along with their expenditure record at the end of each statement period.
- When purchasing over the phone a written/emailed/website quote should be obtained to verify the value of the intended transaction.
To ensure there is scrutiny of all purchases made this record must be signed by the card holder and countersigned, in schools by the Headteacher or SBM, and for Central roles by the CEO, COO or CFO

On receipt of the monthly statement the Central Finance Team will check all amounts charged are as expected and investigate any discrepancies.

The CFO will agree and regularly review the credit limit for each card holder. The credit limit will be no greater than £10,000 unless specifically authorised by the Resources Committee.

Credit card purchases will not be entered on the Finance System until the statements arrive, so Budget Holders need to be aware when they are looking at their budget balances that other commitments may exist. These reconciliations are checked by the Finance Manager and the posting of the charges to the accounting system will be checked by the SBM. Appendix 5.3 sets out the Trust's corporate card holder agreement.

3.2.5 Capital Purchases

Capital purchases should usually have been identified in the budget or capital grant application process and the source of funding clearly identified. Capital expenditure will be posted in the accounting software to the relevant DfE revenue nominals in-year e.g. 710200 Building Improvements (over £5k) and then moved to the balance sheet and capitalised at year end. This ensures effective budget control and accurate reporting in our management accounts. Additions are recorded in our fixed asset register throughout the year. When placing orders for Capital items, the Awarding Contracts schedule in Section 1.2.3 should be followed.

For Capital Projects, the CFO, COO, HFA and Finance Manager, together with the School Business Manager at the school where the project is taking place, will maintain a record of funding and spend in order to monitor the project cash flow. Where funding is being provided from an external source, the CFO will ensure that the funding stream is in line with expenditure.

In the case of larger projects this function may be delivered by an external Project Manager or Quantity Surveyor appointed by the Trust, but the COO will maintain overall responsibility.

Capital purchases are treated as Fixed Assets and are accounted for as detailed in Section 3.6

3.2.8 Trading with Connected Parties

The Trust will pay no more than 'cost' for goods or services provided to it by the following persons ('services' do not include services provided under a contract of employment):

- any member or director of the Trust
- any local governor of a school within the Trust
- any senior leader employed by the Trust
- any individual or organisation connected to a member or director of the Trust. For these purposes the following persons are defined as connected to a member, or director:
 - a relative of the member or director.
 - an individual or organisation carrying on business in partnership with the member, director or a relative of the member or director
 - a company in which a member or the relative of a member (taken separately or together), and/or a director or the relative of a director (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% 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 director or the relative of a director (acting separately or together). For these purposes 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 that is given the right under the Trust's articles of association to appoint a member or director of the Trust; or anybody related to such individual or organisation
 - any individual or organisation recognised by the Secretary of State as a sponsor of the Trust; or anybody related to such individual or organisation

Further information can be found in the current ESFA Academies Trust Handbook.

3.3 Invoice Processing

3.3.1 BACs Payment

BACs is the preferred method of payment for all suppliers.

Once invoices have been received and authorised by the appropriate Budget Holder, they will be batched for payment. A Finance Administrator in the Central Finance Team will create a BACs run which will then be authorised in the Finance Portal by the Finance Manager, HFA, or CFO. Two authorised bank mandate holders will then authorise the payment from the bank electronically using the Lloyds online System. Two bank mandate signatories are required to authorise all BACS payments.

Each authoriser will have an individual Lloyds card and card reader for which they are responsible and must keep secure at all times.

The Finance Manager is responsible for maintaining the users on the Lloyds Commercial Banking Online system

Changes to supplier bank details must only be made if they are received in writing from the supplier and verified by a member of the Central Finance Team by contacting the supplier via contact details already on record and known to be correct such as the number recorded on the Trust's finance system for that supplier.

Invoices will be retained as an electronic document in the accounting software, no hard copies will be available.

3.3.2 Cheque Payments

Cheques will be ordered, stored securely and prepared by the Central Finance Team.

Cheques will be passed to the Finance Manager or another authorised signatory to check and sign. Two bank mandate signatories are required to authorise all cheque payments.

3.3.3 Direct Debit Payments

Where appropriate, suppliers of regular goods or services such as utilities, will be paid via direct debit. These payments will be authorised by the Budget Holder through the Accounting System.

3.4 Payroll

The Trust's payroll is administered through an external provider, Somerset Council using their Edupay software.

3.4.1 Payroll Preparation

The Trust uses Bromcom, as its management information system (MIS). The MIS is used to record all employee details including their contract and pay information. All information is sent to the payroll provider on appointment electronically or on a 'Starter Form'. Any amendments to pay or contract details are notified by completing the relevant form for the payroll provider. These forms are completed by the Central/School's HR administrator, HR Manager or the School Business Manager.

Each month, the Finance Officer/Administrator with responsibility for payroll in each school, will complete a claim form for additional hours, overtime and casual payments. This is then sent to the payroll provider. All individual claims must be signed off by the line manager or budget holder. The School Business Manager, Headteacher, CEO, HR Manager or CFO must sign off the claim before submission.

3.4.2 Payroll Payments

After the payroll has been processed but before payments are dispatched, a schedule of salary payments by individual and showing the amount payable compared to the previous month is available in Edupay. The summary must be reviewed and authorised by the School Business Manager for each school or the CFO, HR Manager or Central HR Administrator for Central Team staff.

All salary payments are made by BACS.

The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The payroll provider pays over these amounts to the relevant bodies on the Trust's behalf.

After the payroll has been processed by the payroll provider, a copy of the data is available to download by the Central Finance Team from Edupay. A summary journal template is produced and imported into the accounting system. Postings will be made both to the payroll control account and to individual cost centres. The Finance Manager should review the payroll control account each month to ensure that the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account. Payroll reconciliation is undertaken each month in IMP by the SBMs.

Any overpayment of salary shall promptly be reported as recoverable to the member of staff concerned. Where recovery of the overpayment is deemed uncollectable and is below £1,000 in value the CEO may authorise its write-off. Amounts exceeding £1,000 shall be reported to the Resources Committee for approval. Overpayments shall only be written off if:

- all steps possible have been taken to recover the amount due or;
- the cost of recovering the debt would exceed the sum involved or;

- recovery would cause undue hardship to the employee concerned.

A list of all staff on the Trust's establishment must be made available to the Auditors each year.

3.4.3 Salary Sacrifice Deductions

Salary Sacrifice Schemes are where goods or services are provided for the benefit of employees who then pay for those goods or service out of their gross salaries, thereby saving on Tax and NI payments. The Trust will offer these services only on the condition that:

- i. They are approved by the Resources Committee
- ii. They are approved by the Inland Revenue
- iii. They are available to all staff
- iv. The deductions from salary will not take the employee below the National Minimum Wage.

3.4.4 Travel & Subsistence

The rate and conditions for reimbursement for travel and subsistence are covered within national conditions of service. However, the Trust has discretion as to the rates to be applied. The reimbursement rates will be no greater than the approved rates published by the HMRC. Travel mileage will be calculated using the most economic route to the destination from the employees place of work unless it is the same or less mileage from their home. Normal home to school mileage will not be paid (as that would make it a benefit in kind) if staff travel to a course or meeting from home, they must deduct their usual home to school mileage from the journey.

As it is likely to be more cost effective, public transport should be used whenever possible. Staff travelling to the same event should car share where possible. Train tickets should be booked in advance via the Finance administrator or School Business Manager so as to maximise the opportunity to book at a reduced rate.

Staff, Director, Member and Governor claims for travel and subsistence are to be made on the Trust's claim forms. Claims can be made in respect of:

- Travel between schools within the Trust
- Training courses and events approved by the employees line manager.
- Work experience visits and activities week.
- Meetings where the school or Trust is required to be represented and approval has already been obtained from the Head Teacher/CEO/CFO/COO
- Emergency call outs to school
- Payments to parents and volunteers where they have assisted a school with the transport of pupils or attended an event on behalf of the school as part of an organised activity
- Travel on school or Trust business.

Claims will not be considered for:

- home to work travel
- voluntary activities unless with the prior approval of the Head Teacher;
- claims more than 3 months old.

All travel and subsistence claim forms must be signed and dated by the claimant and by their SBM/Headteacher and be accompanied by official VAT receipts. All claims will be reimbursed through the Trust's creditor payments systems. Claims will then be authorised as part of the BACS run before payment is made.

Arrangements for re-imbusement of interview travel expenses will be in accordance with the above with the exception that all mileage will be paid at 15p per mile. The Trust will not pay for overnight accommodation or subsistence unless by prior agreement of the CEO. The Trust will not reimburse Travel Claims for candidates who withdraw after interview.

Travel Claims may also occasionally be made by visiting teachers and speakers. These should be completed using the same form as staff.

3.4.5 Special Payments

Where the Trust wishes to make staff severance, compensation or ex-gratia payments above contractual entitlement, the board will take legal advice before doing so. In all cases, notice shall be taken of the guidance laid out in the ESFA Trust Handbook

If such a payment exceeds £50,000 prior approval must be obtained from HM Treasury via the ESFA.

3.4.6 IR 35 Payments to Individuals for services provided to the Trust

Payments can be made to individuals on production of an invoice. An enquiry should be made using the HMRC *Check employment status for tax* website to find out if a worker on a specific engagement, should be classed as employed or self-employed for tax purposes.

Off-Payroll working (IR35) - The off-payroll working rules can apply if a worker provides their services through their own limited company or another type of intermediary to the Trust.

An intermediary will usually be the worker's own personal service company, but could also be any of the following:

- a partnership
- a personal service company

- an individual

The rules make sure that workers, who would have been an employee if they were providing their services directly to the client, pay broadly the same tax and National Insurance contributions as employees. These rules are known as 'IR35'.

The HMRC *Check Employment Status for Tax* service can be used to help decide if the off-payroll working rules apply. <https://www.gov.uk/guidance/check-employment-status-for-tax>

The responsibility for verifying the status of the individual rests with the Budget Holder who contracts the service initially. Where a check has been made a copy should be retained for reference.

3.5 Cash Management, Reserves & Investment Policies

3.5.1 Bank Accounts

The opening of all accounts must be authorised by the Resources Committee which must agree the arrangements covering the operation of accounts, including any transfers between accounts and payment authorisation arrangements.

3.5.2 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 and a reference, such as the number of the receipt or the name of the debtor.

3.5.3 Payments and withdrawals

All cheques and other instruments authorising withdrawal from Trust bank accounts (including creditor payment schedules) must bear the signatures of two of the authorised signatories.

The Finance Officer must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the Trust's cash book by the Finance team
- adjustments arising are dealt with promptly.
- bank reconciliations will be checked and signed off by the CFO or HFA .
- reconciliations are subject to an independent review carried out by the Internal Auditor.

3.5.4 Petty Cash

Each school within the Trust may maintain an agreed Petty Cash float. The cash must be kept in locked boxes in the school safe and is managed by the school Finance Administrator. Petty Cash payments for items of expenditure up to £35 is permitted. The

CFO may authorise an increase in this limit in exceptional circumstances for a time limited period.

Receipts should be provided for all claims. Where detailed receipts are not available, for example payment of campsite fees, the SBM should ensure that reimbursements are evidenced against appropriate supporting documentation, for example an email chain. Payments within the limit but without a detailed receipt are at the discretion of the Headteacher or CFO and must be signed by one of them.

Cash issued in advance of expenditure must be reconciled with the School Finance Administrator at the earliest opportunity, usually on the next working day.

In all cases a Petty Cash Form must be completed. The SBM or Budget Holder should authorise all forms. A reconciliation will be completed in each school signed off by the SBM before being forwarded to the Central Finance Team each month. The Central Finance Team are responsible for the prompt entry of transactions onto the accounting system and for making the floats back up. The HFA or Finance Manager will check the Petty Cash Claims on a monthly basis.

Petty cash can be topped up from other cash receipts received in the school. This should be clearly identified on the banking record and forwarded to the Central Finance Team.

To reduce the administrative burden and the demand for frequent petty cash claims schools may decide to issue gift cards or personal floats in advance, for example to food/science technicians. Receipts must be submitted to match the value of the card and authorised retrospectively by the budget holder before the float/card is topped up.

3.5.5 Cash Flow Forecasts

The CFO is responsible for preparing cash flow forecasts to ensure that the Trust has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds if an interest rate offering a level of return to justify the additional administrative burden can be obtained. Similarly plans should be made to transfer funds from another bank account or to re-profile potential cash shortages.

3.5.6 Investment policy

The Board are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Where cash flow allows, excess funds are placed on deposit in an interest bearing account in a UK regulated bank.

The Trust will only make deposits with Banks or Building Societies with a UK banking licence and regulated by the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA).

The Trust will not deposit more than £85,000 with any single Bank or Building Society unless they have a Fitch 'long term investment grade' of 'High' or above, this equates to a credit rating of A- or higher. The only exception to this will be for the Trust's current

accounts with Lloyds Bank. The Fitch ratings are updated daily on the Trust's cash management platform, Insignis, and will be checked before funds over £85,000 are placed on deposit.

Long Term Investment Grade	Fitch Credit Rating	Maximum deposit per UK regulated bank
Very High	AA+, AA, AA-	£1,000,000
High	A+, A, A-	£750,000
Good or below	BB+ or below	£85,000

Factors and constraints to be taken into account when determining the amount of cash available for deposit:

- The extent to which cash will be required to meet specific obligations in the short-term, i.e. statutory deductions, staff salaries and in the longer-term, i.e. project costs;
- The likely future cash flow position throughout the period of any fixed term deposit;
- The possibility that cash may be needed to settle an urgent unforeseen liability
- The potential for the repayment of grant funding where this is deemed not to have been properly applied;
- The possibility that funding is not received at the planned time.
- The level of interest available compared to the additional administrative burden involved.

The Trust may invest surplus funds in a mixture of interest-bearing accounts where the capital is not placed at risk including:

- Overnight (instant access)
- Notice accounts (typically from 30-days to 100+ days)
- Fixed term deposits (typically from 1-month to 12-months)

Investments should not exceed 12-months in term.

All deposits must be recorded in sufficient detail to identify the deposit and to enable the current value to be calculated.

Cash Management

The Resources Committee will review and approve annually the cash management arrangements including the use of a cash management platform to allow deposits with multiple UK registered banks through a single on-line management platform. This allows both the spread of risk across multiple UK registered banks and the maximisation of returns without the need to complete a separate application to open each account. The cash management platform, if approved, must:

- be registered with the FCA.
- enable all deposits to be held directly with accounts in the Trusts name to ensure they benefit from Financial Services Compensation Scheme (FSCS) protection.
- require payments to be authorised by two signatories
- only pay returned deposit funds to the Trust's Lloyds Bank current account,

- hold deposits awaiting allocation or at the end of their term in a UK registered bank account
- enable real time monitoring of account balances
- provide auditors with the facility to verify balances at year end, or at any other time, sufficient to meet their audit standards.

The Resources Committee will:

- agree a maximum value that can be placed on deposit at any one time across all the accounts.
- delegate to the CFO the authority to determine whether funds are available for deposit, within the maximum value specified and the subsequent choice of UK regulated bank to place the funds with, through the cash management platform.

3.5.7 Reserves Policy

The Trust has established a reserves policy to protect their operations. Regardless of the regulatory requirement, establishing reserves that protect the operation of the Trust and contribute to its smooth running is good practice and forms part of its overall financial control and governance framework.

The Trust plans to spend the majority of its revenue income each year on the pupils in its care. Provision is made for the planned replacement of capital items and to support medium term capital and revenue needs.

The purpose of the Reserves Policy is to ensure that the Trust's core activities can be maintained during a period of unforeseen difficulty. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and to meet unexpected emergencies such as urgent maintenance. Reserves are also required to protect the ongoing operation of the Trust and mitigate short term disruption during periods of change.

The level of free revenue reserves is kept under review by the Resources Committee and reflects the assessment of the predominant risks to the Trust.

Trustees have adopted a flexible framework to calculate the level of reserves required to meet foreseeable contingencies. The level of reserves is based on tangible measures aligned to each school's circumstances, where possible. The calculation does not include reserves that may at times be retained for Capital projects or other long-term plans. An example of the calculation:

School	Restructure Provision (£150k Secondary/ £50k Primary)	Time to adjust to changing circumstances. 2.5% of labour cost. Assuming labour 80% of income = 2% of income.	Unplanned Maintenance issue min £50k Eg Boiler replacement	Long Term Sickness Unplanned/key role. 1x Average teacher cost £58k 6 months full pay 6 months half pay. (£43.5k)	Total Assume likelihood of all occurring in same year is minimal. Reserves requirement- 2/3rds. (GAG and Unrestricted Reserves)
A	£50,000	£17,182	£50,000	£43,500	£107,120
B	£150,000	£104,300	£50,000	£43,500	£231,864
C	£150,000	£128,636	£50,000	£43,500	£248,088
D	£150,000	£62,366	£50,000	£43,500	£203,909
E	£50,000	£15,623	£50,000	£43,500	£106,081
Central					£100,000
Total					£997,062

If a school's reserves are below this threshold, Directors will review the need for resources to be set aside in the following year's budget to achieve the target level.

Trustees plan to maintain reserves at or around the target level over the medium term but will adopt a flexible approach in the short term to ensure sustained improvement in student outcomes across the Trust and to mitigate turbulence. Trustees will endeavour to maintain reserves of at least 4% of revenue income, as a minimum, at whole Trust level.

Surpluses of new schools joining the Trust will be held centrally in the general reserves but will be deemed to be designated to the specific school. As with existing schools in the Trust, the aim will be to maintain the reserves at the agreed level. If a new school joining the Trust is in deficit, the Trust Leadership will work with the joining school to agree ways to address the shortfall. Where all schools in another Trust join our Trust, Directors will determine how any reserves/deficits are dealt with on joining.

Levels of reserves which are too high tie up money which should be spent on current school activities. Levels of reserves which are too low may put the future activities of the school at risk.

The policy takes into account the following principles:

- Reserves must have a specific purpose related to future spending or covering current and future risks.
- The size of the reserves should balance the benefit of current spending with the risks the reserves cover.

- They should be transparent and maintain the link with the purposes for which the income was given.
- They should ensure that sufficient resources are available so that unexpected events can be accommodated without causing current year problems, generating a deficit or cash flow issues.

Whilst reserves are identified per school, Trustees recognise that a fundamental part of being in a multi-academy trust is that reserves may be utilised to meet needs that arise in another school.

3.5.8 Operating Leases

Subject to the authorisation limits set out in Section 1.2.2, the Trust can enter into operating lease agreements to a maximum of five years subject to the prescribed tendering policy. If the Trust wishes to enter into an Operating Lease agreement for longer than five years, it must seek approval from the Secretary of State through the ESFA.

3.5.9 Borrowing

The Trust must seek Secretary of State approval through the ESFA if it wishes to arrange any form of monetary borrowing. The only exceptions relate to schemes authorised by the ESFA such as SALIX energy saving loans.

3.6 Capital and Revenue Asset Policy

3.6.1 Capital Assets

All assets purchased with an individual value (or a combined value where they form part of a single project) greater than £5,000 will be recorded as Capital on the fixed asset register. New buildings will be recorded as 'assets under construction' until completion. For other capital projects which are partially completed at year end, such as improvements or component replacements, the value of the works completed at year end will be capitalised and the balance of the remaining works will be capitalised on completion in the following year. To ensure that capital expenditure is visible and to avoid the risk of funds being expended twice, capital purchases will be clearly identified in the management accounts and Fixed Asset Register but will not be capitalised and moved from the P&L to the Balance Sheet until year end.

The fixed asset register will include the following information:

- asset description
- asset number
- date of acquisition
- asset cost
- source of funding
- depreciation
- current book value.

3.6.2 Depreciation policy

All depreciation will be carried out on a straight-line method on the following basis for assets purchased from 1st September 2020:

Asset type	All straight line.
Freehold Buildings	50 years
Leasehold Buildings	50 years
Leasehold Land	Over length of lease
Freehold Land	Not depreciated
Fixtures, fittings and equipment	5 years
Plant & Machinery	5 years
Computer Equipment	3 years
Motor Vehicles	5 years

Assets will be depreciated for a full 12 months in the year of acquisition regardless of the month of purchase.

3.6.3 Inventory

Items purchased with a value over £500 and which are deemed to be at an increased risk of theft or loss due to their desirability and portability will be entered into an inventory. The inventory will include the following information:

- asset description
- date of acquisition
- cost
- location.

Examples of items to consider including:

- ICT hardware and AV equipment.
- Technology equipment.
- Premises equipment – lawn mowers, power tools, generators.
- Musical instruments, PE equipment.

Responsibility for updating the inventory and checking it annually rests with the team who are responsible for the item on a day to day basis, this is usually the Head of Department/Team Leader/ Premises or IT Manager.

When an item recorded on the inventory reaches the end of its useful life, it will be disposed of and a record of the disposal will be made in the inventory. The Board has delegated the authority for these disposals from the inventory record to Headteachers and SBMs. This does not include assets that have been capitalised.

3.6.4 Security of assets

Equipment should, where possible, be stored securely when not in use. An annual check should be undertaken by the team who are responsible for the item on a day to day basis. Where discrepancies between the physical check and the amount recorded in the

inventory are found these should be investigated promptly and, where significant, reported to the Headteacher, SBM and CFO.

3.6.5 Disposal of Assets

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Headteacher, CEO, CFO, or Resources Committee depending on their value and, where significant, should be sold following competitive tender or open auction. The Trust must seek the approval of the DfE in writing if it proposes to dispose of an asset for which a capital grant in excess of £20,000 was paid.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence that the Trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Trust would need to ensure licences for software programmes have been legally transferred to a new owner. For this reason IT and personal communications equipment shall not be disposed of directly to staff. Other goods with an open market value of less than £250 may be considered for disposal direct to staff and transactions must be authorised in advance by the CEO or CFO. Consideration should be given to ensuring the item is equally available for all staff to purchase and the highest bid in excess of market value should be the offer that is accepted. Where disposal of property to staff is agreed then it must be at true open market value as verified by the CFO or COO and where the property is genuinely no longer required by the Trust.

The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other assets. If the sale proceeds are not reinvested then the School may be required to repay to the DfE a proportion of the sale proceeds. The CFO and CEO have authority to "write off" items which are damaged or worn out, and of no greater present value than £1,000. The Headteacher of each school may write off items up to a value of £250. All other items for disposal are to be presented to the Resources committee for decision and, where appropriate, should be sold by competitive tender.

All disposals of land and buildings must be agreed in advance by the Secretary of State.

3.6.6 Loan of Assets

Items of school property must not be removed from the premises without the authority of the appropriate Team Leader/Line Manager. A record of the loan must be recorded and booked back into the school when it is returned.

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

3.7 Anti-Fraud Policy

Fraud includes all irregularities which could normally be described as theft, deception, fraud, corruption, or impropriety. The prevention of fraud and the protection of the Trust's assets is the responsibility of every member of staff.

All leaders have responsibility for the prevention, detection and investigation of irregularities. The Trust's internal audit service assists by examining and evaluating the adequacy and effectiveness of the actions taken to fulfil this obligation.

Irregularities include:

- fraud, which includes the misappropriation of money and property
- corruption
- financial malpractice
- embezzlement
- serious mal administration
- unethical practices that are not necessarily criminal
- bribery
- Failure to observe, or breaches of, the Scheme of Delegation and Financial Regulations; can in some circumstances can constitute an irregularity, with potentially significant financial consequences.

The above list is not exhaustive if there is any doubt about whether a matter is an irregularity or not, clarification must be sought from the Trust's Internal Auditors.

The following are key elements:

- The Trust creates an environment in which high standards of probity and accountability are expected. Trustees and senior staff register their outside interests and do not take part in decisions where they have such an interest. Clear guidance on the administration of finance and contracts is set out in the ESFA Academies Trust Handbook and is complemented by the Trust finance policy. There is an established whistle blowing policy
- All members of staff have a duty to comply with the Trust's regulations and to behave honestly and with integrity.
- The Trust whistleblowing policy encourages staff to voice any reasonably held suspicion as part of an effective anti-fraud culture.
- This whistle blowing policy sets out the Trust procedure and informs staff of their rights and obligations under the Public Interest Disclosure Act 1998.
- The Trust incorporates recommendations made by the internal audit service to strengthen the financial and operational systems of control.

Action

All actual or suspected incidents should be reported immediately to the CFO (unless the CFO is suspected, in which case it will be reported directly to the CEO and Chair of Trustees and Chair of the Audit and Risk Committee). The CFO will make any initial enquiries considered necessary to clarify the situation. The Chair of the Audit and Risk Committee will also be informed by the CFO.

The CFO / Chair of the Audit and Risk Committee will decide the immediate action to be taken including the need to commission special investigations and the resource implications. They will follow the Trust's conduct and disciplinary policies in relation to allegations of fraud involving a member of staff.

If fraud is confirmed then the Audit and Risk Committee after seeking advice from the Trust's internal auditors will review the circumstances to ensure preventative action is taken to reduce the chance of a reoccurrence.

Losses over the values identified in the ESFA Academies Trust Handbook must be notified to the ESFA.

Suspicions can also be reported as described in the Whistleblowing policy.

Recovery of loss

The amount of any loss should be quantified and repayment of losses sought in all cases. Where the loss is substantial legal advice should be obtained without delay.

3.8 Bribery, Gifts & Hospitality Policy

This policy applies to all Trust staff, volunteers, Trustees, Members and Governors.

The Trust Code of Conduct for employees sets out an overview of the policy position regarding gifts and hospitality. Further detail is provided here to provide additional guidance for the limited number of staff who may be in a position where they could be offered gifts or hospitality over the de minimis level of £15.

Anti-bribery (The Bribery Act 2010)

The Trust prohibits the offering, giving, soliciting or the acceptance of any bribe in whatever form to or from any person or company, public or private by any governor, member of staff, contractor, consultant, agent, overseas agent, external examiner and any non-employee service provider engaged on Trust business for whatever reason.

The prevention, detection and reporting of bribery is the responsibility of all.

Gifts

- Personal gifts with a significant monetary value or cash must not be accepted under any circumstances, although items of nominal value (approximately £25 or below) or free promotional items such as pens, calendars, diaries or similar may be accepted.
- Gifts which are intended for the Trust as an organisation can be accepted but must not be retained by the individual who receives them. Such gifts should be deposited with the Central Finance Office, initially for a decision on how they will be utilised by the Trust.
- Personal gifts may not be solicited under any circumstances.
- When you have to decline a gift, you should be courteous but firm, and draw the attention of the person making the offer to the existence of this policy and the UK Bribery Act 2010.

All gifts received over £25 in value must be recorded centrally by the Finance Team.

Supplier Special Offer Gifts

Gifts are sometimes offered by suppliers with the purchase of items. All such gifts are the property of BEP and must be reported to the Central Finance Office if they are over £25 in value.

Hospitality

- You should never accept excessive hospitality that could be interpreted as a way of exerting an improper influence over the way you carry out your duties. Nor should you offer such hospitality to others on behalf of the Trust. The timing of hospitality in relation to procurement or purchasing decisions that the Trust may be considering is especially sensitive. You should never solicit hospitality. As a general rule, you should not accept hospitality that the School/Trust would not reciprocate in similar circumstances.
- Staff attendance at sporting and cultural events at the invitation of suppliers, potential suppliers or consultants is not normally acceptable. Where it is considered that there is a benefit to the Trust in a member of staff attending a sponsored event, the attendance should be formally approved by the CEO, or in the case of the CEO attending or another Trustee approval should be sought from the Chair of Trustees.
- If necessary, you should pay your share of any costs and claim these in the usual way.
- When you have to decline hospitality, you should be courteous but firm, and draw the attention of the person making the offer to the existence of this policy and the UK Bribery Act 2010.

- You may accept modest working meals and light refreshments without making any declaration. All other hospitality must be recorded centrally by the Finance Team.
- Other hospitality may be accepted where:
 - You are representing the Trust in the community or are imparting information about the Trust to the public.
 - An event is clearly part of the life of the community or where the Trust should be seen to be represented.
 - The hospitality concerns attendance at a relevant conference or course where it is clear the hospitality is corporate rather than personal.

Expense Claims

- Where hospitality is to be provided by the Trust this should be approved in advance by the CEO, CFO, COO or school Headteacher. Approval should take into account the requirements of the UK Bribery Act 2010. Hospitality is not prohibited by the Act but should be considered in light of it.
- Any hospitality provided should not be extravagant and should be a clearly justifiable use of public funds.
- Claims for reimbursement of expenses should be made on the relevant Expenses Claim form and receipts should always be enclosed.

PROVEIT Test

Please use the following guideline to determine whether an offer of a gift or hospitality is acceptable:

- PURPOSE – Token, thanks or seeking a favour? (token/thanks = yes; favour = no)
- RULES – What are they? Does this situation conform?
- OPENNESS – Is the offer transparent?
- VALUE – Expensive or inexpensive?
- ETHICS – Does the offer fit with the Trust’s ethics?
- IDENTITY – Who has made the offer?
- TIMING – Are you about to make a decision affecting the giver?

Conflicts of interest

A conflict of interest occurs when you advance a personal interest (or that of others with whom you are connected such as a close relative or partner) at the expense of the Trust.

The Trust maintains a register of pecuniary interests for all Trustees, Members, Governors, Senior Leaders, and staff involved in making significant purchasing decisions. If you have a pecuniary interest in another organisation you must complete the declaration of pecuniary interest pro forma and return it to the Clerk to Trustees.

Trustees, Members, Governors sign an annual declaration and should raise any potential conflict of interest as it arises. Having declared an interest you must not become involved in any decision-making process which purchases goods or services from that interest. Every Trustee meeting agenda includes the opportunity to declare a new conflict of interest.

Reporting bribery, corruption, and non-compliance with this policy

If you know of, or have good reason to suspect that, an unlawful or unethical situation, or suspect that an act of bribery or non-compliance with this policy has occurred; you must report the matter to the CEO or Chair of Trustees. Should reporting in this way be inappropriate you should refer to the Trust's whistle blowing policy and procedure.

4 Costing and Accounting for School Trips and Events

This section should be read in conjunction with the Trust's Charging and Remissions policy.

4.1 Accounting Principle

Accounts must be maintained through the School Finance Administrator for all trips, visits and activities. A project code will be allocated to each trip in the finance system. A statement of balance can be obtained at any time. Before a trip or event is undertaken the budget holder / Trip Leader must estimate income and expenditure using the Trip Costing Form (available on the staff portal). The costing form must be approved by the SBM or Headteacher for all trips and activities where more than £250 of expenditure is anticipated. It is recognised that individual activity budgets are likely to end with a slight surplus or deficit but for accounting purposes the budget holder must plan to achieve a zero balance before the account is closed. No commitment should be made until the budget holder is satisfied that the trip or event is financially viable. All extra-curricular activities out of the school day should be self-financing unless agreed with the Head Teacher in advance.

Consideration should be given to planning for a small surplus as a contingency to cover unexpected expenditure such as a last-minute sickness or cancellation. This invariably amounts to a very small additional sum which provides the budget holder with some flexibility on costs. When the fund is closed down, any surplus over £10 per head should be reimbursed to participants. Surpluses up to £10 per head will be transferred to 'Trip Under spends' account. This account can be used to top up trips which are in deficit if there is no other source of funding.

Unexpected costs can arise and requests for additional funds may have to be made after the event to ensure the trip or event is closed with a zero balance.

Payments for trips, visits and activities from pupils must be made through the schools on-line payment system. On no account will personal cheques be cashed through public

accounts. Only bank accounts opened and maintained by the Finance Office are to be used for school money. Employees should never pay money into a personal account, even as a short-term measure.

School Trips and Events are not to be amalgamated into one budget, which may allow a debit balance from one trip to be absorbed into another. The overriding principle must be to account for each trip separately and for budget holders to endeavour to close each trip with a `nil' balance. Trip reconciliation must be completed on a timely basis by the school finance administrator and the Trip Leader, the SBM must monitor ensure all trips are reconciled prior to year end.

Budget Holders must ensure funds do not build up large debit balances and must inform the Head Teacher if this occurs.

5 Appendices

5.1 Academy Trust Reporting & Business Cycle

The information in this summary is a guide and is subject to change. The current reporting deadlines are available from the ESFA website.

Month	Academy Trust	ESFA
January	<ul style="list-style-type: none"> complete spring school census submit Academy Accounts returns by published date publish prior year financial statements by 31 January 	<ul style="list-style-type: none"> pay 1/3 of pupil premium payments for the current financial year publishes guide to funding allocations for following year launches online information form for academy auditors
February	<ul style="list-style-type: none"> submit spring school census publish their admissions appeals timetable 	<ul style="list-style-type: none"> issues final funding allocations for next year
March		<ul style="list-style-type: none"> publishes budget forecast return online form
April	<ul style="list-style-type: none"> publish and submit to their local authority their determined admissions arrangements for entry next September 	<ul style="list-style-type: none"> pays the fourth and final pupil premium payments for the prior fiscal year
May	<ul style="list-style-type: none"> submit academy trusts' financial statements for prior academic year to Companies House Submit the Budget Outrun Statement for the current financial year by published date 	<ul style="list-style-type: none"> issues academies' accounts direction pays the second and final primary PE and sport grant payment for current academic year
June		<ul style="list-style-type: none"> publishes Academies Trust Handbook, applicable for the next financial year makes devolved formula capital payment for current financial year
July	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> confirms pupil premium allocations for the next financial year pays the first of 4 pupil premium payments for the next financial year pays the second of 2 revenue payments for universal infant free school meals (UIFSM) publishes prior year accounts return and benchmarking return
August	<ul style="list-style-type: none"> submit their next year budget forecast return by published date in BFR 	
September		
October	<ul style="list-style-type: none"> complete and submit autumn school census by published date 	<ul style="list-style-type: none"> publishes August accounts return online training video pays the second of 4 pupil premium payments for the current financial year and publishes final allocations publishes final funding allocations at institution level for academic year

November	<ul style="list-style-type: none"> complete school workforce census by published date 	<ul style="list-style-type: none"> pays the first of 2 primary PE and sport grant payments for current academic year
December	<ul style="list-style-type: none"> submit school workforce census by published date submit academy trusts' audited financial statements, auditor's management letter by 31 December 	<ul style="list-style-type: none"> announces dedicated schools grant settlement and indicative pupil premium for the following financial year

5.2 Fund Codes

Fund Name	Income	Expenditure
GAG	School Budget Share 16-19 Funding 6 th Form Bursary Minimum Funding Guarantee Rates Grant UIFSM Pay & Pension Grants	Expenditure on Education Provision & Support
Other DfE Grants	Other DfE funding including: COVID Catch up National Tutoring Programme Recovery Premium PE Grant Summer School Post 16 Bursary School Transfers Trust level Grants	Expenditure relating to Other DfE funding
Pupil Premium	Pupil Premium funding from DfE	Expenditure relating to PP funding
LA – Early Years	Pre-School Funding	Pre-school expenditure relating to LA Early Years funding
LA - SEN	LA SEN Income	SEN expenditure relating to LA SEN funding
LA - Other	LA Other funding including: Pupil Premium Plus (Care Leaver) Looked after Children (incl LA-PP Funding) Student Services EAL Family Support Workers	Expenditure relating to Other LA funding
Restricted Revenue	Other Restricted Income (i.e. for a specific purpose)	Expenditure directly related to the income
Sinking Fund	Sinking Fund income such as lettings fees for facilities with a sinking fund as a condition of the initial grant.	Expenditure relating to the facilities with a sinking fund
Restricted Assets	Fixed Capital Grants Capital Donations	Capital Fees & Expenditure

<p>Unrestricted</p>	<p>All other income that is not restricted in its use</p>	<p>Expenditure related to Unrestricted Income including: Catering Lettings Unrestricted donations WCTSA Sports & Fitness</p>
----------------------------	---	---

5.3 Corporate Card – Card Holder Agreement

Blackdown Education Partnership Corporate Card – Card Holder Agreement

I,(Please PRINT) have received a Lloyds Corporate Card. As a cardholder I agree to comply with the following terms and conditions regarding my use of the Card.

- a) I will keep the card safe.
- b) I have received and understood that I am being entrusted with a corporate card and will be making financial commitments on behalf of Blackdown Education Partnership
- c) I agree that I will not use the card to make cash withdrawals.
- d) I understand that Blackdown Education Partnership is liable to the card provider for all the charges made on the card.
- e) I agree to use this card for business purchases only and agree not to charge personal purchases. I understand that Blackdown Education Partnership will audit the use of this card and report and take appropriate action on any discrepancies.
- f) I will follow the established procedures for the use of the card. Failure to do so may result in either revocation of my user privileges or any other disciplinary actions, including termination of employment.
- g) I will not pass the card to or share the pin number with any other person..
- h) I will obtain receipts / invoices to support every item of expenditure and if the purchase contains any charge for VAT; I will obtain a proper VAT receipt / invoice.
- i) I agree not to split an order because the value exceeds the single transaction limit.
- j) I agree to return the Card immediately upon request or upon termination of employment (including retirement). Should there be any organisational change, which cause my Lloyds Business Charge Card requirements to change, I agree to return my card and arrange for a new one, if appropriate.
- k) If the card is lost or stolen I agree to notify the Bank immediately by telephone and the Trust's Card Administrator as soon as possible thereafter.

Employee Name:
Date.....

Signature

CFO
Date.....

Signature