

REGULATIONS: Financial

Review

Approved by:	Board of Directors	Date:	April 2024
Last Review Date:	-	Next Review Date:	April 2025

Responsibilities

School Senior Staff	Implementation of policy at school level
Governors	Check school compliance with policy and report breaches or concerns to Directors Chair of Governors will receive and process
Directors	Review and approve the policy

Material Changes to Policy Since the Last Review

Section:	New
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1. Introduction

Equinox Learning Trust (the Trust) was established in 2012 under the provisions of the Academies Act 2010, as amended by the Education Act 2011. Its structure of governance is constituted under the articles of association. The Trust is an exempt charity by virtue of the Charities Act 2011.

The Funding Agreement between the Department for Education (DfE) and the Trust sets out the terms and conditions on which grant is made. The Director's Board is responsible for ensuring that the conditions of grant are met. As part of this process the Trust is required to have in place appropriate arrangements for sound governance, financial management, securing value for money and accounting, and for using public funds for the purposes for which they were intended by Parliament.

This document sets out the Trust's financial regulations. These financial regulations are subordinate to the Trust's articles of association and to any restrictions contained within the Trust's funding agreement with the DfE and with the Academy Trust Handbook. Where the Education Skills and Funding Agency (ESFA) has concerns about financial management and/or governance in an academy trust (including a multi-academy trust or constituent schools within a multi-academy trust) it may issue a Notice to Improve (Nti). The trust must comply with all the terms of an Nti. If a Nti is issued to the Trust, then all the delegated authorities and other freedoms in the funding agreement are revoked and in turn the delegated authorities and freedoms in this document.

The purpose of these financial regulations is to provide control over the totality of the Trust's resources and provide management with assurances that the resources are being properly applied for the achievement of the Trust's aims and objectives on a sustainable basis, including:

- ❶ Maintaining financial sustainability
- ❷ Achieving value for money
- ❸ Fulfilling its responsibility for the provision of effective financial controls over the use of public funds
- ❹ Ensuring that the Trust complies with all relevant legislation
- ❺ Safeguarding the assets of the Trust.

Compliance with the financial regulations is compulsory for all individuals connected with or employed by the Trust. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the Trust's disciplinary procedures. It is the responsibility of Executive Leaders and Headteachers to ensure all staff under their management are made aware of the existence and content of the Trust's financial regulations and understand how to operate within them.

The Finance and Risk Committee of the Trust Board, as set out in its Terms of Reference, is responsible for maintaining continuous review of the Financial Regulations, through the CFO, and advising the Trust Board of any additions or changes necessary.

In exceptional circumstances, the Chief Executive Officer (CEO) as Accounting Officer, may authorise a departure from the detailed requirements of the approved financial procedures and scheme of delegation, such departure will be reported to the Trust Board at the earliest opportunity.

2. Organisation

Accountability Framework

The Trust has defined responsibilities for each person involved in the administration of Trust Finances to avoid the duplication or omission of functions and to provide a framework of accountability for members, trustees, and staff.

The Members

The Members of the Trust comprise of:

- ❶ The signatories to the Memorandum (founding members).
- ❷ Members appointed by existing Members.

An employee of the Trust will not also be a Member.

The Members are responsible for appointing/ and removing (in certain circumstances) the Trustees of the Trust. Members can amend the articles and may do so to support stronger governance

arrangements (subject to any restrictions in the articles or in the Trust's funding agreement or charity law).

The Members are responsible for appointing the Trust's external (financial statements and regularity) auditor, and they have a right to receive the annual report and financial statements.

The Members have the power to change the name of the company and, ultimately, wind up the Trust.

The Members are responsible for holding an Annual General Meeting (AGM) at a time and place appointed by Trustees, further (extraordinary) general meetings may be called by the Trustees or Members. The members will maintain an 'eyes on and hands off' role to avoid compromising the Trust Board discretion.

The Trustees

The Trustees (who are also directors of Equinox Learning Trust for the purposes of company law) are responsible for the strategic oversight of management and administration of the Trust but delegates management responsibilities through the Scheme of Delegation. The Trustees must understand their statutory duties as company directors set out in the Companies Act 2006. These comprise the duties to:

- ❶ Act within their powers
- ❷ Promote the success of the company
- ❸ Exercise independent judgement
- ❹ Exercise reasonable care, skill, and diligence
- ❺ Avoid conflict of interest
- ❻ Not to accept benefits from third parties
- ❼ Declare interest in proposed transactions or arrangements.

The Trustees will take full responsibility for the financial affairs and efficient use of resources to

maximise outcomes for pupils. The Trustees and its committees will meet regularly enough to discharge their responsibilities.

The main financial responsibilities are to:

- ❶ Appoint the Chief Executive Officer (CEO) and hold him/her to account for the performance of the Trust. This role will formally include the designation of the Accounting Officer for the Trust.
- ❷ Appoint to the designation of Chief Finance Officer (CFO) in conjunction with the Chief Executive Officer
- ❸ Appoint to the designation of company secretary/clerk to the board in conjunction with the Chief Executive Officer and who is someone other than a member of the Trust Board
- ❹ Develop policy and strategic plans including target setting
- ❺ Agree policies for the sound management and administration of the Trust
- ❻ Allocate the Trust's financial, human, and other resources
- ❼ Ensure decisions about levels of executive pay follow a robust evidence based process and are published in accordance with the Academies Trust Handbook
- ❽ Producing a Scheme of Delegation for the management of the Trust
- ❾ Ensuring compliance with legal requirements
- ❿ Ensuring sound management of the Trust's finances and resources
- ⓫ Ensure adequate insurance cover in compliance with legal obligations
- ⓬ Setting the Trust's standards of conduct and values
- ⓭ Establishing and maintaining a transparent system of prudent and effective internal controls
- ⓮ Accounting to parents/carers and other stakeholders for the performance of the Trust
- ⓯ Approving arrangements for independent check of internal controls
- ⓰ Avoid any conflicts which may influence their duties as Trustees of the Trust
- ⓱ Prepare the annual report and accounts in accordance with relevant Company Law, Statement of Recommended Practice, and DfE guidance for presentation to members at their AGM
- ⓲ Comply with obligations to make annual returns to Companies House and the Principal Regulator within the specified deadlines
- ⓳ To approve the annual budgets proposed by the CEO

- ❶ To establish a Finance and Risk Committee receive reports from External/Internal Audit including those relating to the effectiveness of financial controls and management.

Trust Board – Finance and Risk Committee

The Finance and Risk Committee is a sub-committee of the Trust Board and is responsible for ensuring that there are effective financial governance arrangements to manage all the trust's funds and reports to the Trust Board. It has the right of access to obtain all information it considers necessary and to consult directly with the internal and external auditors.

It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency, and effectiveness. It also has a role in reviewing the Trust's systems of internal control and risk management.

The Chief Executive Officer (CEO) (Accounting Officer)

The CEO is designated by the funding agreement as the Trust's Accounting Officer and is personally responsible to the Trust Board and Secretary of State for ensuring that the financial administration of the Trust's affairs is in accordance with the Funding Agreement and/or Articles of Association. This responsibility cannot be delegated and should be carried out by an employee of the Trust unless the ESFA has approved otherwise due to exceptional circumstances. Particular responsibilities include:

- ❶ Ensuring regularity and propriety.
- ❷ Ensuring prudent and economical administration.
- ❸ Avoiding waste and extravagance.
- ❹ Securing Value for Money through the efficient, effective, and economical use of available resources.
- ❺ The day-to-day organisation, staffing and management of the central Trust.

In this capacity the CEO must advise the Trust Board if, at any time, any action or policy under consideration by them appears to be incompatible with the Funding Agreement and/or Articles of Association.

The CEO (accounting officer) must complete and sign a statement on regularity, propriety, and compliance each year and submit this to the ESFA with the audited accounts. The CEO (accounting officer) must also demonstrate how the Trust has secured value for money via the governance statement in the audited accounts.

The CEO (accounting officer) must take personal responsibility for assuring the Trust Board that there is compliance with the funding agreement and Academies Financial Hand Book, and advise the Trust Board in writing if any action it is considering is incompatible with the articles, funding agreement or handbook and in circumstances where the Board cannot justify their action the CEO (accounting officer) will notify the ESFA immediately in writing.

The CEO must share all communications from the ESFA starting 'Dear Accounting Officer' with the Trust Board and other senior leaders.

The Chief Financial Officer (CFO)

The Trust Board must appoint to the designation of Chief Finance Officer (CFO) to whom the detailed financial procedures are delegated. The CFO designation should be assigned to an employee of the Trust unless the ESFA has approved otherwise due to exceptional circumstances. The CFO designate and their finance staff must be appropriately qualified and/or experienced. The CFO will play both a technical and leadership role including ensuring:

- ❶ The preparation of medium term/annual capital and revenue budgets and financial plans
- ❷ The preparation of monthly management accounts, management information, monitoring, and control of expenditure against budgets and all financial operations for consideration by the CEO and Chair of the Trust
- ❸ The preparation of the Trust's annual accounts and other financial statements which the Trust is required to submit to the DfE/ESFA or other authorities
- ❹ The maintenance of satisfactory financial systems
- ❺ Professional advice on all matters relating to financial policies and procedures
- ❻ Day to day liaison with internal and external auditors to achieve efficient processes
- ❼ Day to day liaison with the Trust's bankers in relation to the Trust's bank accounts including authority to open/close accounts.

Company Secretary

The Trust Board must appoint to the designation of Company Secretary who has the requisite knowledge and experience to discharge the functions of secretary of the company. The Company Secretary will be responsible for maintaining up to date records and filings on Companies House and advising the Board on matters to ensure that it works in compliance with the appropriate legal and regulatory framework and understands the potential consequences of non-compliance.

External Audit (Reporting Accountant)

The Audit and Risk Committee will assess the effectiveness and resources of the external auditor to provide a basis for decisions by the Trust's members about the auditor's reappointment, dismissal, or retendering, and their remuneration. The Committee will provide an annual report of their conclusions to advise the Board of Trustees and Members with their conclusions and recommendations. The external auditors will be (re-)appointed annually by the Members. A competitive tendering process will be undertaken at regular intervals (at least every five years) to inform this process. Measurement against government frameworks (e.g. CPC) as an alternative to a competitive tender will be permitted.

The primary role of external audit is to report on the Trust's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with the Audit Code of Practice, Academy Trust Handbook and the Auditing Practices Board's statements of auditing standards.

In carrying out their audit work, the external auditors may choose to rely on the work of the internal auditors in assessing the Trust's control environment. Where this is the case, the external auditors will need to assess the scope and quality of the work programme carried out as part internal audit/check to assess whether they are able to rely on that work.

The external auditors need to come to a judgement on the work of those carrying out any internal checks, and for this reason, the internal checking function and external audit function should be clearly separated.

Internal Check

The Finance and Risk Committee on behalf of the Trust Board will consider how arrangements for independent internal check will be met as part of a wider assurance framework. This may be through one of the following operations:

- ❶ The work of an internal audit service (in-house or bought in)
- ❷ The work of a 'responsible officer' who will be a non-employed trustee (excluding the Chair of the Trust Board) and who neither charges nor is paid by the Trust for their work
- ❸ Completing the work by peer review (from a suitably qualified member of another Academy Trust).

The Trust Board will approve arrangements on recommendation of the Finance and Risk Committee. Those carrying out the independent check remain independent in their planning and operation but have direct access to the Trust Board, the CEO and the Chair of the Audit and Risk Committee.

Executive Leaders/Headteachers (CEO/HTs/CFO)

Executive Leaders/Headteachers are responsible to the Trust Board via the Chief Executive Officer for the financial management for budgets under their management responsibility.

The Executive Leader/Headteacher are advised by the CFO in executing any financial duties.

The CFO will supervise and approve financial systems operating within individual schools including the form in which accounts and financial records are kept. Executive Leaders and Headteachers will ensure that the CFO is provided with such information as he/she may be required to enable:

- ❶ Compilation of the Trust's financial statements
- ❷ Implementation of financial planning
- ❸ Implementation of audit and financial reviews, projects, and value for money reviews.

The HR Lead is responsible for overseeing the maintenance of up to date and accurate:

- ❶ human resource records.

The Clerk to Governors is responsible for overseeing the maintenance of up to date and accurate:

- 🕒 governance records, minutes, and filings on DfE websites
- 🕒 risk registers.

Budget Holders

Budget Holders are named individuals who have delegated authority to incur expenditure within specific allocations for specific activities in the Trust.

The Budget Holder is responsible to the Trust Board through their Headteacher and the CEO for the management and proper use of allocated funds, ensuring that resources are deployed effectively to forward the Trust aims, with reference to the department, school, and Trust development plans.

In general, only the Budget Holder is entitled to incur expenditure against a particular budget heading, so only the Budget Holder may authorise expenditure against that heading. However, a budget holders line manager or Executive leader may also authorise expenditure against a budget where necessary.

Other Staff

All members of staff throughout the Trust should be made aware of and have a general responsibility for the security of the Trust's property, for avoiding loss and for due economy in the use of resources.

They should also be made aware and understand how to operate within the Trust's financial authority limits and the values of purchases for which quotations and tenders are required as set out in the Scheme of Governance Management and Delegation.

They shall make available any relevant records or information to the CFO or his/her authorised representative in connection with the implementation of the Trust's financial policies, these financial regulations, systems of financial control, or for requirements of the Trust Board to be met.

Other Financial Policies

The following other Financial Policies are also compulsory for all individuals connected with or employed by the Trust to be made aware of and have a general responsibility to safeguard the Trust against instances of Fraud, Bribery or Corruption:

- 🕒 Anti-Fraud Bribery and Corruption
- 🕒 Whistleblowing
- 🕒 Conflicts Policy and Register of Business Interests.

3. Accounting Systems

Financial Accounting System

All the financial transactions of the Trust must be recorded onto the Trust's financial accounting system – SIMS Finance.

System Access

Entry to the financial accounting system is password restricted and the CFO is responsible for overseeing access levels for all members of staff using the system.

Back-up Procedures

The CFO is responsible for ensuring that there are effective back up procedures for the system as detailed in the Data Protection Policy and the Trust retention schedule.

Transaction Processing

All transactions input to the financial system must be authorised in accordance with the procedures specified in these regulations.

Detailed information on the operation of SIMS Finance can be found in user manuals held by the CFO.

Reconciliations

The CFO is responsible for overseeing month end processes to ensure that at each month end that all

items on the trial balance accurately reflect the current financial position of each school. This includes ensuring the following activities are undertaken by the Finance Team:

- ① A bank reconciliation is undertaken between the bank balance on the nominal ledger to the bank statement
- ① The payroll journal entries are input, and entries and control accounts are reconciled to the latest payroll reports and any differences investigated followed by appropriate corrective action
- ① Review of the balance on the sales ledger control account to ensure it reflects the outstanding income due from debtors and reviewing any aged debtors
- ① Review of the balance on the purchase ledger control account to ensure it reflects outstanding payments due to creditors and reviewing any outstanding payments due
- ① Review of the VAT control account to ensure that it reflects amounts claimed but not yet reimbursed from the HMRC and that appropriate rates of VAT have been applied
- ① Review of any other control account balances to ensure they are valid balances
- ① Ensure manual accruals are entered to reflect significant debtors, creditors, receipts in advance, deferred income, or payments in advance
- ① Ensure the maintenance of a fixed assets register
- ① Ensure the coding of income/expenditure is reviewed during the month for appropriate coding entries and take corrective action where necessary.

The CFO will review and electronically sign off all bank reconciliations undertaken by the Finance Team in accordance with the agreed month end timetable.

4. Financial Planning

Financial Planning System

The CFO is responsible for overseeing the preparation of financial plans which will be undertaken by the Trust Finance Team and will be recorded onto the Trust's financial planning system – IMP Software. The approved annual budget is uploaded each August following approval by the Trust, and forecasts updated each month.

System Access

Entry to the financial planning system is restricted to the senior roles in the Finance Team.

Back-up Procedures

The software provider, EES, is responsible for ensuring that there are effective back up procedures for the system.

Financial Plans

The financial plans will reflect a 3-year forecast of income and expenditure providing a financial representation of the Trust's Strategic Objectives and plans.

School Improvement Plan (for each school)

The School Improvement Plan is concerned with the future aims and objectives of each school and how they are going to be achieved; this includes matching each school's objectives and targets to the resources expected to be available.

Annual Budget

Each Headteacher is responsible for proposing the annual budget plan for the funds delegated to their school in accordance with the Trust Budget Timetable to allow it to be formally recommended to the Trust Board for its approval.

Each Headteacher is responsible for identifying resources within the annual budget plan which support the full utilisation of grants, such as Pupil Premium and Sports grants made available to each school.

The CFO is responsible for reporting the overall Trust Budget including those of individual schools to the Trust Board via the Finance and Risk Committee.

The CFO is responsible for establishing a timetable to ensure that the approved budget is reported to the ESFA by the required date and is accurately completed.

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

The estimates will include (but not restricted to):

- ① The General Annual Grant confirmed by the ESFA for the forthcoming academic year and based on the previous autumn pupil count
- ① The Early Years funding estimated by the Local Authority for the forthcoming academic year based on previous termly counts of registered take up and any changes to nursery sizes
- ① The High Cost (SEN) top up funding from the Local Authority for the forthcoming academic year based on current pupil assessments and any leavers / starters
- ① Review of other income sources available to assess the likely level of receipts
- ① Review of current staffing establishment in light of pupil / curriculum changes, salary increases / inflation / contribution rates
- ① Review of the school contracts register and any non-contract spending to gain an understanding of non-staffing costs
- ① Review of past performance against budgets to promote an understanding of changes in the cost base
- ① Identification of potential efficiency savings and Review of the main expenditure headings in light of the development plan objectives and the expected variations in cost.

Balancing the Budget

Comparison of the estimated income and expenditure will identify any potential surplus or deficit in funding in year. Budget proposals must reflect an ongoing maintenance of reserves in accordance with the Trust Reserves Policy.

All school revenue surpluses will be transferred into Trust reserves at the end of each academic year.

For a school to incur an in-year revenue deficit, the school must receive prior approval as part of the Trust Annual Budget Approval process, or through approval by the Executive Leadership Team after considering the factors which have led to the deficit.

Finalising the Budget

The finalised budget plan will be formally recommended to the Trust Board via the Finance and Risk Committee. The finalised budget plan recommended will be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The CFO is responsible for ensuring that the proposed budget recommended to the Trust Board for their school is locked on IMP Software (the budget planning software).

Once the budget is approved by the Trust Board then the Executive Leaders/Headteachers should ensure that it is communicated to all staff with responsibility for budget headings so that all relevant parties are aware of the overall budget constraints.

The CFO is responsible for ensuring that the approved budget confirmed back to Executive Leaders and Headteachers and loaded to the financial system (PS Financials).

Monitoring & Review of the Budget

The Finance Manager is responsible for preparing monthly management accounts to the Trust Board, following review and approval by the CFO, which detail:

- ① Actual income and expenditure against the approved budget and any changes to the projected end of year position
- ① Plans and oversight of capital projects
- ① Balance sheet
- ① Cashflow statement.

If the budget is overspending it may be appropriate to take measures to make savings and the Executive Leadership Team of the Trust will make appropriate proposals to develop and deliver these as appropriate.

Once the monthly management accounts have been approved and submitted to the Trust Board, either through the Finance and Resources committee meetings or via email to the Chair and Trust Board outside of the committee meeting cycle, the CFO will confirm completion to the Finance Manager.

5. Payroll

Main Elements

The main elements of the payroll system are:

- ❶ Staff appointments/variatio
- ❷ Terminations
- ❸ Employer Pension Contributions (Superannuation)
- ❹ National insurance and tax deductions
- ❺ Payroll administration
- ❻ Payments.

Staff Appointments

The Trust Board approves the establishment for the Trust by virtue of approving the Annual Budget Plan.

The Executive Leaders and Headteachers are responsible for staffing establishment changes under their management and ensuring that they are made within the constraints of current and future resources available. The HR Lead, in collaboration with executive leaders/Headteachers, is responsible for ensuring that adequate personnel files are maintained for all members of staff in accordance with the Trust's Retention Policy.

Conditional offers and contracts of employment are the responsibility of the Executive Leaders and headteachers, in collaboration with the HR Lead. All signed conditional offers and contracts of employment are stored by the HR Lead.

Each school is responsible for the acceptance and acknowledgement of resignations from employment within their school and ensuring that HR Lead is notified promptly as part of the exit process, and that any Trust equipment is handed over on departure, and any other access to property or systems is ceased at termination of employment.

Payroll Administration

The current payroll provider for all schools in the Trust is Moore Pay.

All staff are paid on a monthly establishment master file is created for each employee which records:

- ❶ Salary
- ❷ Bank account details
- ❸ Taxation status
- ❹ Personal details
- ❺ Any deductions or allowances payable.

New master files can only be created where signed contractual and new starter information is provided and signed as approved by the CEO/Executive Leader/Headteacher.

Any master file amendments will only be made on receipt of required paperwork authorised by the CEO/Executive Leader/Headteacher.

Each school is responsible for complying with the necessary deadlines for submitting full and complete paperwork to the finance team in accordance with the necessary deadlines to produce both the support staff payroll and the teachers' payroll. This will include but is not limited to authorised new starters, leavers, contract variations, additional hour claims, and expenses.

The CFO will oversee the finance team responsible for checking the paperwork and uploading this information to the payroll provider's system. The finance team will be responsible for checking the calculation to gross pay and making comparison between current and previous month gross pay calculations.

The finance team shall work with a Director from the Staffing Committee and select at least one employee at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly.

Payments

The CFO will make arrangements for approval of payroll within the finance team to ensure appropriate separation between preparation and approval. This will include a list of salary payments by individual and showing the amount payable in total will be obtained from the payroll provider.

All salary payments are usually made by BACS.

The payroll provider will automatically calculate the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable shall be summarised on a gross to net pay print. Payments to the deducting organisations are made by BACS payment.

After the payroll has been processed the finance team shall ensure the nominal ledger is updated by journal entry and before the month end close. Postings will be made to both the various payroll control accounts and to individual cost centres. The finance team shall ensure the payroll amounts posted to the nominal ledger are reviewed each month to ensure the correct amounts have been posted and a reconciliation undertaken to cumulative pay to date. All payroll control accounts should balance to zero.

On an annual basis a salary statement detailing their annual salary and any other benefits to which they are entitled will be issued to all staff to reflect the records held on the personnel file. This may be done at different times of the year for teachers and support staff.

Any contract for the services of the payroll provider will be reviewed on a regular basis to ensure that the Trust is getting value for money and that the provider is giving adequate service.

6. Staff Severance Payments

If the Trust is considering a staff severance payment above statutory or contractual entitlements, the following issues must be considered and approved by the Finance and Risk Committee before making a binding commitment:

- ❶ That the proposed payment is in the trust's interests
- ❷ whether the payment is justified, based on legal assessment of the trust's chances of successfully defending the case at employment tribunal. If there is a significant prospect of losing the case, a settlement may be justified, especially if the costs of a defence are likely to be high. Where a legal assessment suggests the trust is likely to be successful, a settlement should not be offered
- ❸ if the settlement is justified, the trust would need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an employment tribunal) is likely to award.

Staff severance payments should not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance. The only acceptable rationale in the case of gross misconduct would be where legal advice is that the claimant is likely to succeed in an employment tribunal because of employment law procedural errors. In the case of poor performance, an acceptable comparison would be the time and cost of taking someone through performance management and capability procedures.

Where the academy trust is considering a staff severance payment, including a non-statutory/non-contractual element of £50,000 or more, (gross, before income tax or other deductions), ESFA's prior approval must be obtained before making any offer to staff.

7 Purchasing

The Trust must demonstrate the proper and effective use of public funds. The main requirements are:

- ❶ Probity – to demonstrate that all parties dealing with the Trust are dealt with on a fair and equitable basis and that there is no private gain, favouritism or corruption involved in any of the dealings of the Trust;
- ❷ Accountability – the Trust is publicly accountable for its expenditure and for the conduct of its affairs; and
- ❸ Value for money – the achievement of value for money underpins the appropriate use of public funds.

The Trust will not use the Trust's funds to purchase alcohol for consumption, except where it is to be used in religious services.

Budget holders (such as subject leaders/department heads) will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage their budget and to ensure that funds available are not overspent. Budget holders will be provided with regular reports showing their income and expenditure from the finance team. Budget holders are encouraged to keep their own records of orders placed but not paid for.

Requisitions up to £5,000 (inclusive)

For primaries, requisitions for goods must fully detail the items required, a price or a quote if obtained, the nominal code/cost centre, be signed as authorised by the headteacher and forwarded to the finance team. *It is the responsibility of the finance team to place orders with suppliers through the Trust financial system. Orders should not be placed directly with suppliers by email or telephone by any other members of staff.*

For secondaries, requisitions for goods must fully detail the items required, a price where known or quote if obtained and the nominal code/cost centre, to be authorised by the link SLT member and the headteacher. *It is the responsibility of the finance team to place orders with suppliers through the Trust financial system. Orders should not be placed directly with suppliers by email or telephone by any other members of staff.*

As part of the development of the trust's finance system, some staff will be authorised to input order requisitions directly on to the finance system for electronic approval by the relevant members of staff. It is the responsibility of budget holders to ensure that the purchase does not exceed the budget available to them before approving.

All staff will, where available, access the list of preferred suppliers developed by the trust, and including Public Sector Buying Organisations.

Requisitions of over £5,000 but less than or equal to £30,000

Requisitions between £5,000 and £30,000 can be authorised by executive leader /headteacher where at least three written quotations have been obtained and the lowest quote has been selected. The supporting documentation, including copies of all quotes, must be provided to the finance team for audit purposes.

Where the lowest quote, below £30,000 is not selected it requires consideration for value for money and formal approval by the CEO (Accounting Officer).

The Executive Leader/Headteacher/budget holder is responsible for ensuring that adequate budgetary provision exists prior to the order being placed and input onto the Trust's financial system.

It is the responsibility of the Finance team to place orders with suppliers through the Trust financial system. Orders should not be placed directly with suppliers by email or telephone by any other members of staff.

Requisitions over £30,000 but less than EU procurement thresholds

All goods/services with a value over £30,000 or for a series of contracts which in total exceed £30,000 are **not authorised to be ordered unless** they have been subject to formal tendering procedures. Purchases over

certain levels may fall under EU procurement rules and require advertising in the Official Journal of the European Union (OJEU) unless they are accessed through a Public Sector framework where this process has already been undertaken.

All procurement processes for requisitions over £30,000 will be led by the CFO unless the CEO authorises for another executive leader to undertake this process.

For Tenders above £50,000 the Finance and Risk Committee will seek approval from the Trust Board.

The ICT Support contract tendered through EU procurement allows for hardware to be provided from the appointed contractor subject to them demonstrating value for money against ESFA listed Public Sector Buying Organisations or other suppliers in a tender process.

The use of Government Frameworks will be encouraged as an alternative to full tender processes.

Where educational visits are arranged to types of 'learning outside the classroom providers' – i.e. museums, galleries, farms, nature reserves, adventure centres to overseas expeditions. It is accepted that the priority in these circumstances is good quality educational provision and effective risk management. Tender processes will not be required in these instances.

Local Framework Agreements

Where the Trust regularly contracts for individually small but frequent contracts for services such as maintenance, redecoration, electrical rewiring and the like, the Trust will use a list of approved suppliers.

The process whereby suppliers would get onto the approved list would include a list of criteria which must be documented and approved (including financial standing, appropriate standard of works, insurance arrangements and review of Health and Safety and risk assessments).

Each supplier should be reviewed on an annual basis to confirm continued compliance with all requirements. Inclusion on the list would still go through normal delegated authorities, and any works undertaken would be reviewed for value for money as well as competence.

Jobs which are below the tender threshold would be awarded to the most suitable supplier on the list for the job required. This would make the process of awarding small works more efficient while still ensuring that all relevant checks are undertaken.

Works, which are over the tender threshold, would still be procured via those arrangements.

In addition, the use of national Public Sector Framework Agreements, such as ESPO, YPO or the Crown Commercial Service, will be encouraged to reduce the administration involved in preparing and undertaking tenders.

Forms of Tender

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

Open Tender

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

Restricted Tender

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

- ❶ there is a need to maintain a balance between the contract value and administrative costs.
 - ❷ a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the school's requirements.
 - ❸ the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
 - ❹ there is a lack of time to go through an open tender procedure.
-

Negotiated Tender

The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances and where the above methods have resulted in either no or unacceptable tenders:

- ❶ only one or very few suppliers are available
- ❶ extreme urgency exists
- ❶ additional deliveries by the existing supplier are justified.

Preparation for Tender

Full consideration should be given to:

- ❶ Objectives of the project
- ❶ Overall requirements
- ❶ Technical skills required
- ❶ After sales service requirements
- ❶ Form of contract.

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

Invitation to Tender

If a restricted tender is to be used, then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

An invitation to tender should include the following:

- ❶ Introduction/background to the project
- ❶ Scope and objectives of the project
- ❶ Technical requirements
- ❶ Implementation of the project
- ❶ Terms and conditions of tender
- ❶ Form of response.

Aspects to Consider

Financial

- ❶ 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
- ❶ Care should be taken to ensure the tender price is the total price and that there are no hidden or extra costs
- ❶ Scope for negotiation.

Technical/suitability

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

Other Consideration

- ❶ Pre-sales demonstrations
- ❶ After sales service
- ❶ Financial status of supplier
- ❶ Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service.

Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the Trust/school. Tenders should normally be submitted in plain envelopes clearly marked to indicate they contain tender documents. The Trust, however, may also use the Trust dedicated email box for Tenders where emails will not be opened prior to the tender opening date.

The envelopes should be time and date stamped on receipt and securely stored in the Trust/school prior to tender opening. Tenders received after the submission deadline should not normally be considered.

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Please contact the CFO for further information about how the process should be undertaken and who should be present for the opening of the tenders.

A separate record should be established to record the names of the companies' submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

Tender Evaluation Procedures

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

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

The approval of tenders will be in accordance with the Scheme of Governance Management and Delegation.

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

The accepted tender should be the one that is economically most advantageous to the Trust/School. All parties should then be informed of the decision.

Contract Management

Contracts for services must be monitored to ensure that the actual level of service meets the requirements set out in the contract specification.

Goods Received & Invoicing

The orders generated from the Trust's financial system will state the appropriate arrangements for delivery of goods to the school.

On receipt of goods, a detailed check of the goods received against the goods received note (GRN) will be undertaken by someone other than the person who approved the order and a record made of any discrepancies between the goods delivered and the GRN. The supplier of the goods should be informed of any discrepancies without delay. The financial system should be updated to reflect the items received against the order as a GRN.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the school administration team should be notified. The school admin team shall **not** process a GRN for goods which require returning, unless requested by the finance team for accounting purposes, and will contact the supplier promptly to arrange for the return of the goods.

Non-purchase Orders

Purchase Orders should be raised for all goods and services required, where this has not been possible, and an invoice is received without an order on SIMS Finance a Purchase Note will be processed. A completed, signed Purchase Note should be uploaded with the invoice. The PN should include full details of purchase and reason for the purchase order not being placed as a PO. These should be signed by the Headteacher. Requisitions over £3,000 must be signed by the CEO.

- ❶ Purchase Orders do not need to be placed for the following goods/services:
 - Utilities (gas/electric/water) – premises staff should check the reading on the invoice to the meter and sign the requisition/invoice to confirm ok for payment
 - Unknown telephone/mobile call charges (not rental).

Invoices for Payment

All invoices should be sent to the Trust Finance team. The trust finance team shall ensure:

- ❶ Checks against the order and GRN for accuracy have been undertaken
- ❷ Price increases from the point of ordering to receiving the invoice need to be approved by the budget holder if above £25. Price increases below £25 (inclusive) will be processed without further approval being needed.

Payment to suppliers shall not be made until all the above actions have been undertaken.

At the end of every month the finance team will produce a list of outstanding invoices from the purchase ledger to determine which invoices should be paid on the BACS runs.

The senior members of the central trust finance team will then generate the BACS required. The BACS and associated paperwork must be authorised by the Finance Manager before being authorised by the CFO.

BACS remittances will be dispatched to suppliers by the trust finance team.

If any purchases are made outside the documented process, then the budget holder must provide written justification which is counter signed by the executive leader /headteacher and submitted to the finance team for consideration of implications by the CFO.

Leasing

The Trust must obtain ESFA's prior approval for the following leasing transactions:

- ❶ taking up a finance lease on any asset for any duration from another party, which are subject to the borrowing restrictions described in the Academy Trust Handbook
- ❷ taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years
- ❸ granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

Ex Gratia Payments

Where the trust is considering making an ex-gratia payment it must obtain prior approval from the EFSA. Ex gratia payments go beyond the statutory cover, legal liability or administrative rules and include out of court settlements to avoid legal action on the grounds of official inadequacy as well as payments to meet hardship caused by official failure or delay.

Related Parties

Related parties include persons and entities with control or significant influence over the academy trust, and members of the same group (e.g. parent and subsidiary companies, key management personnel and close family members).

The Academy Trust must be even-handed in their relationships with related parties by ensuring that:

- ❶ trustees comply with their statutory duties as company directors to avoid conflicts of interest, not accept benefits from third parties, and declare interest in proposed transactions or arrangements,
- ❷ all members, trustees, local governors of academies and senior employees complete the register of interests
- ❸ no member, trustee, local governor, employee or related individual or organisation uses their connection to the trust for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the trust
- ❹ there are no payments to trustees by the trust unless permitted by the articles, or by authority from the Charity Commission, and comply with any relevant agreement with the Secretary of State. Trusts will need to consider these obligations where payments are made to other business entities who employ the trustee, are owned by the trustee, or in which the trustee holds a controlling interest
- ❺ the Charity Commission's approval is obtained where the trust believes a significant advantage exists in paying a trustee for acting as a trustee
- ❻ payments provided to the persons satisfy the 'at cost' requirements of the Academy Trust Handbook.

8 Purchase/Commercial/Credit Cards

Purchase/Credit Cards are not considered to infringe the borrowing restrictions imposed on schools/the Trust providing any balance is cleared in full at the end of each month. Debit Cards are not permitted.

Each school and the Trust itself will be permitted to have a single card. Authorisation for cards must be made through the executive leader/headteacher. Each employee issued with a card must sign to confirm that they have read and understand the Trust Commercial Cards Policy. A copy of all signed confirmations will be retained by the finance team.

All card purchases must be authorised in advance through a signed requisition including those made over the internet. Each school is responsible for authorising the purchase of goods through a signed requisition. Each card holder is responsible for retaining receipts where applicable and submitting them to the finance team promptly. Each school is responsible for checking and recording goods which are then received on the Trust Financial System.

These transactions will be processed as a credit card expense on the finance system and where possible will be allocated to a supplier.

All credit card statements will be downloaded by the Trust Finance Team who will be responsible for the reconciliation of the credit card statement, ensuring that all payments on the statement have the supporting requisition/order/receipt/GRN. The statement will then be reconciled against the subsequent bank direct debit charge.

The Finance Team will ensure that credit card statements are reconciled monthly.

When not in use by staff members all cards will be kept in the school safe. The school Finance Officer will be responsible for the signing in and out of cards.

9 Income

The main sources of income for the Trust/schools are through DfE/ESFA/LA grants. The receipt of these sums is monitored directly by the central trust finance team who will ensure that all grants due are collected.

These sources of funds will usually be transferred directly into the school/Trust bank account by BACS transfer.

On receipt of the remittance the anticipated income will be recorded on the financial system as a nominal receipt by the Central Trust Finance Team – direct to bank, ready for bank reconciliation. All remittance advice will be retained by the central trust finance team for inclusion in the year-end audit files.

The schools also obtain income from:

- a) Cash receipts
- b) Online payments via the school payment system.

Where possible schools should seek to minimise the amount of cash transactions. Where that is not possible then, cash should be stored securely on site and banked regularly. The income should be recorded on the SIMS Finance system promptly as a nominal receipt.

The paying in slip/receipts are prepared and stored with the cash in a locked safe ready for the next cash collection or bank visit. The school support manager/school office manager shall ensure that there is a cross check of paying in slips prior to banking.

Cash collections will be arranged on an ad-hoc basis in liaison with the Central Trust Finance team to ensure that they are set at appropriate intervals to ensure the levels of cash in the safe do not exceed insurable limits, but collection costs remain economical. Cheques can be posted with a completed paying in slip to the bank.

Monies collected must be banked in their entirety. The school finance officer /office manager are responsible for ensuring that regular reconciliations between sums collected, sums deposited at the bank and sums posted to the financial system are undertaken. The reconciliations must be prepared before each banking is undertaken and must be reviewed and certified by the Finance Manager if the school finance officer /office manager have undertaken the reconciliation.

The Trust Finance Team will process all online income. All online payments should be recorded on the Trust finance system promptly.

Sales Invoices

The central finance team are responsible for ensuring that sales invoices are issued where required using the financial system. Due regard must be given to ensure that VAT is charged where appropriate.

The school support manager/office manager is responsible for ensuring a reconciliation of the Sales Control Account to the aged debtors report and for pursuing any outstanding monies due to the school.

Debt Recovery & the Write Off Bad Debts

Wherever possible, income due will be collected before or at the time of relevant sale or service provided. If this is not possible, a debtor's account (invoice) will be issued by the school administration team. All debts will be recorded, and non-payment will be followed up by issuing reminders as follow:

1st reminder	30 days from date of account or in the case of lettings before the first letting commences
2nd reminder	60 days from date of account
Final reminder	75 days from date of account

The final reminder will threaten legal action if the account is not settled within 14 days.

If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off in accordance with the following procedures:

Returned Cheques

In the case of returned cheques, the drawer will be contacted and instructed to pay online the amount of the cheque and any charges that the school has incurred.

Write Off of Bad Debts

Where a debt remains unpaid for 12 months or more, all attempts of recovery have been exhausted, further recovery actions become uneconomical, and the individual amount is for less than or equal to £500 (£5,000 cumulative debts over a 12-month period) it will be written off by the CFO as part of the year-end processes.

For individual amounts more than £500 (£5,000 cumulative debts over a 12-month period) approval is also required by the Chief Executive Officer in consultation with the CFO.

10 Cash Management

Opening & Closing of Accounts

The opening and closing of bank accounts must be authorised by the Trust Board.

New accounts are pre-authorised for schools where a funding agreement is agreed with the Department for Education.

Closing of former school fund accounts are pre-authorised for schools where this process has not been undertaken prior to conversion and should be undertaken as soon as possible following conversion.

Signatories

The authorised signatories to accounts are limited as follows:

- ① CEO
- ① CFO
- ① Finance Manager
- ① Headteacher of Kennet School
- ① Chair of Trustees
- ① Chair of Finance & Risk Committee

The authorised approvers for payments on the online banking system are limited to:

- ① CEO
- ① CFO
- ① Finance Manager
- ① Headteacher of Kennet School.

Payments & Withdrawals

Payments by cheques will be minimised as far as possible.

All cheques and other instruments authorising withdrawal from the Trust and school bank accounts must bear the signatures of two of the authorised signatories.

Authorised signatories must not sign a cheque or authorise a payment relating to goods or services for which they have also authorised the expenditure.

Cheque payments should be minimised, however, where required they shall be crossed "account payee only".

Cheques should not be pre-signed under any circumstance.

Unused cheque books should be stored securely in the central trust administrative office.

Bank Reconciliation

The Trust finance team is responsible for ensuring that bank statements are received and reconciled at least monthly. Reconciling items should be resolved. The bank reconciliation shall be signed to confirm review and countersigned by the CFO. All signed copies of reconciliation documentation and monthly bank statements will be retained by the central trust finance team.

Monitoring Cash Flow

The CFO is responsible for overseeing the forecasting and monitoring cash flow during the year to ensure that the Trust bank accounts have sufficient funds available to pay for day-to-day operations.

Investments

The opening and transferring of funds to investment accounts can only be undertaken by the Finance Manager with the approval of the CFO.

Petty Cash Accounts

Schools are not authorised to hold petty cash accounts. Schools will be able to hold temporary floats to support a school event. The float will be repaid into the bank immediately following the event.

Staff Reimbursements

Staff reimbursements should be for small pre-authorised expenditure not exceeding £50 on any one item and not exceeding £100 in any one week to any one individual.

Each claim form must be made on the Trust Reimbursement Form, authorised, and presented to finance team with an attached VAT receipt.

All staff reimbursements for small items, below £50.00 will be made by BACs Transfer direct to their nominated bank account. This excludes any mileage and subsistence payments which will be submitted on a separate form and payments made through payroll.

11 Fixed Assets

The inventory of assets in each school helps ensure that staff take responsibility for the safe custody of assets and:

- ❶ To enable independent checks to deter against theft or misuse.
- ❷ To manage the effective utilisation of assets and plan for their replacement.
- ❸ To support the annual report and accounts process and audit judgement.
- ❹ To support insurance claims in the event of fire, theft, vandalism, or other disasters.

Each school shall identify a named individual who shall be responsible for ensuring that an inventory is maintained for all items purchased with a value of £500 or more or of an attractive nature and should include the following:

- ❶ Asset Description
- ❷ Asset Number
- ❸ Serial Number
- ❹ Date of Acquisition
- ❺ Cost of Acquisition (excluding VAT)
- ❻ Source of Funding
- ❼ Expected useful economic life
- ❽ Location
- ❾ Name of member of staff responsible for the asset.

Individual members of staff will be responsible for the safekeeping of items within their classrooms.

Security of Assets

Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the secure stores.

All items on the inventory should be permanently and visible marked as the Trust's/schools property.

An annual audit of the contents of the inventory should be completed by a person independent from the person responsible for maintaining the inventory. Discrepancies between the physical count and the amount recorded in the inventory should be investigated promptly. Any significant discrepancy will be reported in accordance with the Anti-Fraud Bribery and Corruption Policy.

Where an item is used by the Trust but is not owned by it this should be noted.

Disposals (Exc Land/Buildings/Heritage assets)

Items which are to be disposed of by sale or destruction with a fair value estimated to be below £5,000, must be authorised for disposal by the CEO.

Items which are to be disposed of by sale or destruction with a fair value estimated to be above £5,000, must be authorised by the Trust Board.

Disposal of equipment to staff should not be undertaken without prior formal approval by the CEO in consultation with the CFO who will consider the potential for sale/scrap value and any the wiping of any computer equipment of licences/software.

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

Acquisition & Disposal of Fixed Assets - Land/Buildings/Heritage Assets

The Trust must obtain prior approval from ESFA for the following transactions:

- ❶ acquiring a freehold of land or buildings
- ❷ disposing of a freehold of land or buildings
- ❸ disposing of heritage assets, as defined in financial reporting standards, beyond any limits in the funding agreement for the disposal of assets generally.

Loan of Assets

Items of Trust property must not be removed from the Trust/School premises without the prior approval of the CEO via the Executive Leader/Headteacher. A record of the loan must be recorded in a loan book and booked back in when it is returned.

If assets are on loan for an extended period or to a single member of staff on a regular basis this situation may give rise to a 'benefit in kind' for taxation purposes. Loans should therefore be kept under review and potential benefits discussed with the CFO who will consult with the Trust's Auditors as appropriate.

12 Receipt of Gifts & Hospitality

Definitions

A gift is defined as an item given, without the expectation of receiving anything in return. Examples of gifts may be stationery items such as pens, notepads, calculators, or carrier bags; food or confectionery; flowers or plants, ornaments, wine and spirits, articles of clothing; jewellery or watches; tickets for cultural or sporting events; discounted rates for hire or purchase; free publications; cash; and providing business where the employee concerned is engaged in some private business or commercial activity.

Hospitality is an offer of generosity from an external organisation such as free meals; drinks receptions; hospitality tents at shows; exhibitions or conferences; music and cultural events; sport and leisure events, use of company facilities; hotel accommodation; and holidays.

Expectations

Trustees, members of LGB and Employees acting in an official capacity should not be placed in a position where their actions might give the impression to anyone, inside or outside the Trust, that they have been, or might be, influenced to show favour or disfavour to any person or organisation by receiving any gift, reward, hospitality, loan or other consideration.

The acceptance of gifts or hospitality will normally be considered an exception. If either the individual or the Trust is in any doubt about the propriety of acceptance, the offer should be refused.

Where a relative or friend of a Trustee, Local Governor, or employee is offered gifts or hospitality because of their relationship or association with that Trustee, Local Governor, or employee, the same considerations apply.

Those acting in official capacity must not either directly or indirectly, accept any gift, reward, or benefit from any individual or organisation with whom he/she has been brought into contact by reason of their duties other than those listed below:

Trivial Gifts

Trivial Gifts are those which are:

- ① inexpensive items of a value of less than £25 from suppliers or contractors as expressions of gratitude such as boxes of chocolate or flowers
- ① seasonal/promotional gifts such as diaries, calendars, or pens with a value of less than £25.

The receipt of the above gifts should only be accepted where they are occasional and where acceptance would not give rise to public concern. Gifts below £25 do not need to be recorded and can be utilised in an appropriate method determined by the individual school.

Routine Hospitality

Routine hospitality is deemed that which is:

- ① working lunches provided as part of a business meeting and where there is no suggestion of improper influence
- ① continuous professional development events paid for or offered free of charge by third parties
- ① hospitality as part of a function or event where the individual is present in a professional capacity and the hospitality is offered to other individuals attending the event (corporate rather than personal).

The receipt of routine hospitality as defined above does not need to be recorded. Hospitality of a value of greater than £25 should generally be declined and should always be declared.

Where Refusal Might Offend

On occasions trustees, governors or employees may receive offers of gifts they must refuse but for various reasons find it difficult or almost impossible to do so (for examples gifts left for them in their absence, or where non-acceptance may cause offence). If this happens the gift must be declared, recorded on the gifts and hospitality register and should be donated to the Trust. All such donations shall be recorded on the declaration form.

Unacceptable Gifts/Hospitality

Offers of any of the following must be refused under all circumstances:

- ❶ Cash
- ❶ Personal invitations from representatives of companies seeking or having business with the Trust
- ❶ Offers of holidays, accommodation, or entertainment (theatre tickets, sporting events) to individuals
- ❶ Extravagant hospitality inappropriate to the occasion
- ❶ Use of company flats or facilities
- ❶ Gifts exceeding a value of around £25 if they are intended for exclusively personal or private use such as jewellery or clothing.

Offers to attend private, social, or sporting functions should only be accepted when these are regarded part of the life of the community where the Trust should be seen to be represented.

If it is likely that a typical member of the public would think that a specific gift or incidence of hospitality is inappropriate, then it probably is and should therefore be declined. When dealing with gifts and hospitality caution should always be applied and if in doubt offers should be declined.

All Trustees/members of LGB /employees must ensure that all offers are declared and registered for items of gifts or hospitality with an individual or collective value estimated to be £25 or more whether it has been accepted or not. The declaration should be in writing and include:

- ❶ Person/organisation making the offer
- ❶ Gift or hospitality which was offered value (if known)
- ❶ Circumstances which the offer was made
- ❶ Date the offer was made
- ❶ Action taken (accepted with reason)/refused/returned).

13 Fraud

The Trust must notify ESFA, as soon as possible, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any financial year. Unusual or systematic fraud, regardless of value, must also be reported.

14 Internal Financial Notice to Improve

The Trust Board may issue an Internal Financial Notice to Improve to an individual school where there is a cumulative deficit, a projected deficit, cash flow problems or other financial difficulties (such as inappropriate use of public funds), or inadequate financial governance and management.

The Internal Financial Notice to Improve will set out the actions the Trust Board will expect the School to undertake in order to address the underlying cause(s) of the Trust Board's concerns about the financial management and/or governance of the Trust.

If an individual school is subject to an Internal Financial Notice to Improve, all of the delegated authorities and freedoms set out in the Trust's financial regulations and scheme of delegation will be revoked in relation to the individual School.

The Trust Board will formally determine as part of the Internal Financial Notice to Improve:

- a) any levels of delegated authorities and freedoms that will apply during the period of the notice dependent on the circumstances of each school considered
- b) the actions that must be and continue to be undertaken for the Financial Notice to Improve to be removed and full delegated authorities and freedoms set out in the Trust's financial regulations and scheme of delegation returned.

15 Dispensation from Financial Regulations

The procedures set out in the Financial Regulations approved by the Trust Board should be always followed. However, there may be exceptional circumstances where a dispensation from the regulations are permitted including:

Emergency Action

In the event of an emergency, the Chief Executive Officer and/or Chairman of the Trust Board are empowered to authorise all necessary actions. The Chief Executive Officer and or Chairman of the Board shall notify the CFO, in writing, of the circumstances and the estimated financial impact and report formally to the earliest Trust Board Meeting.

Operational Issues

Where the Chief Executive Officer considers there are justifiable reasons for dispensing with Financial Regulations, they may do so, in consultation with the CFO. The circumstances must be reported formally to the earliest Trust Board meeting.