



Financial Regulations and Controls Manual 2021

Author:	Director of Finance
Approved by:	Finance & Resources Committee
Policy Approved Date:	22 September 2021
Policy Effective from:	22 September 2021
Associated Documentation:	
Academy Trust Handbook, also known as the Academies Handbook	https://www.gov.uk/guidance/academies-financial-handbook/academy-trust-handbook-2021
Anti-Fraud and Corruption Policy	https://www.tedwraggtrust.co.uk/policies/
Gifts and Hospitality Policy	https://www.tedwraggtrust.co.uk/policies/
Whistleblowing Policy	https://www.tedwraggtrust.co.uk/policies/

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Section 1: Introduction

1. The Ted Wragg Trust is a charitable company, and as such is subject to the requirements of the Companies Act 2006. The structure of the Trust's governance is set out within its articles of association. The regulations and rules detailed within this document are an adjunct to the Scheme of Delegation providing information on day-to-day operations and practicalities. The content and amendment of this document is overseen by the Finance and Resources Committee on behalf of the Board.

Background

2. Compliance with the regulatory framework for Academy Trusts, Academy Trust Handbook (ATH) also known as the Academies Financial Handbook) issued by the Education and Skills Funding Agency (ESFA), is mandatory.
3. The Ted Wragg Trust (Trust) is an 'exempt charity' under the Charities Act 1993, therefore is not required to register directly with the Charities Commission, and in turn is not subject to its direct supervision. The Trust remains bound by the general law applicable to charities and the Charities Act 2011 insofar as it applies to exempt charities. The charitable status is applicable to the Trust due to its primary purposes of

advancing education which is deemed to deliver a public benefit. This status allows Gift Aid to be claimed on donations, and corporation tax does not have to be paid on all non-commercial activities.

4. The Trust is obliged to have in place sound systems of financial and management control. This document sets out the Trust's Financial Regulations, supported by procedure notes. This document applies to the Trust and all of its subsidiary undertakings, unless departure has been specifically agreed with the Director of Finance.
5. The purpose of these Financial Regulations is to provide control over the totality of the Trust's resources and provide the Board with assurances that the resources are being properly applied for the achievement of the Trust's strategic plan and operational objectives. These are:
 - Financial viability.
 - Achieving value for money (VfM).
 - Fulfilling its responsibility for the provision of effective financial controls over the use of public funds.
 - Ensuring that the Trust complies with all relevant legislation.
 - Safeguarding the assets of the Trust.

Scope of Financial Regulations

6. Compliance with these Financial Regulations is compulsory for all staff connected with the Trust. A member of staff who fails to comply with these Financial Regulations or Financial Procedures may be subject to disciplinary action under the Trust's Disciplinary policy.
7. No Trust activity must be undertaken that is in known breach of the laws and regulations. If unsure, advice should be sought.

Section 2: Corporate Governance

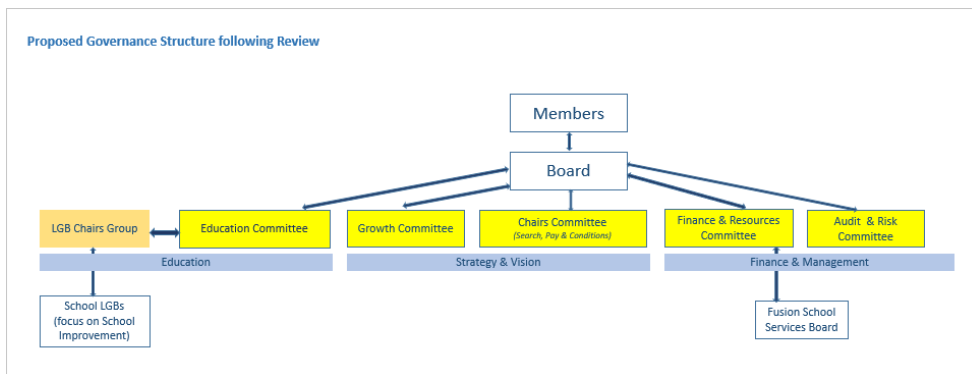
8. The Trust is governed by the Board of Trustees (Directors), who retain full responsibility for the Trust's affairs and use of resources.

The Board of Trustees

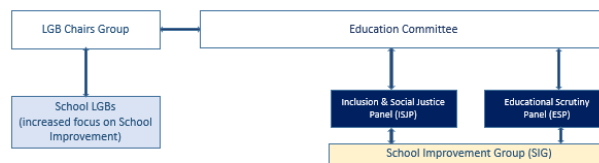
9. The Board of Trustees meets six times a year to discharge its responsibilities and ensure robust and effective management. The main responsibilities are defined in the Funding agreements with the ESFA and the Board's Terms of Reference including:
 - Overall governance structure.
 - Setting the Trust's Vision, Values and Strategy.
 - Scheme of Delegation: Agree and Review.
 - Approval of terms of reference for sub committees, including the annual cycle of business.
 - Trust Risk Register: Establish, Monitor and review.
 - Trust Policies: Determine, Review and Update, Delegation levels.

- Key appointments (Chief Executive Officer).
- Entering into leases or other legal arrangements (other than standard non-property operating leases).
- Completion and approval of annual accounts and reports to funding and regulatory bodies.
- Appointment of External Auditors.
- Establishing a Controls Framework including Internal Audit.
- Ensuring compliance with ESFA requirements.
- Approval of annual budget.
- Receipt and review of management accounts and financial forecast.
- Cashflow management, Treasury and Investment Policy.
- Approval of annual staffing budget.
- Approval and oversight of severance or redundancy agreements.
- Oversight of the register of interests and related party transactions.
- The effective management of Estates, Health and Safety.

10. The Board is supported in its work through the appointment of various committees. The below graphic sets out the revised governance structure, effective from September 2021:



Proposed Governance Structure following Review – Education Committee



Key

Trustees Meeting (Exec invited)	
Trustee to Chair the panel, relevant Exec team members and open invite to other Trustees	
Exec Meeting only	

11. Committee functions are detailed below:

Growth and Development Committee (4 meetings per year)

12. This Committee supports the Board in strategic growth and development matters to build a sustainable future for the Trust, including input into Trust Strategy and decision-making regarding opportunities such as new school acquisitions.

Finance and Resources Committee (6 meetings per year)

13. Responsibilities:

- To support the Board in ensuring sound management of the Trust's finance and resources, assisting in decision-making of the Board through detailed consideration of financial matters including financial planning, monitoring and probity.
- To make such decisions and perform such duties as are delegated to it through the Scheme of Delegation
- To report findings termly and annually to the Trust Board and the Accounting Officer as a critical element of the trust's annual reporting requirements.

Audit and Risk Committee (3 meetings per year)

- To maintain oversight of the Trust's financial, governance, risk management and internal control systems
- To report findings termly and annually to the Trust Board and the Accounting Officer as a critical element of the Trust's annual reporting requirements.

Chairs Governance Committee (Search Pay and Conditions): 3 formal meetings

14. The Committee supports the Board in fulfilling its responsibilities including

- Membership of the Board and its effective operation.
- Pay and conditions responsibility.

The Executive

15. The Trust's Executive is the senior management team of the Trust. It normally meets weekly to steer the implementation of strategy and policies under the direction of the Board, and within the Trust's Scheme of Delegation. It oversees and makes decisions on issues relating to the Trust and monitors performance. It also fosters good communication and collaborative working within the Trust.

Accounting Officer

16. The Chief Executive Officer is the Trust's Accounting Officer. In this capacity, the Chief Executive Officer:

- Must be able to assure Parliament, and the public, of high standards of probity in the management of public funds, particularly regularity, propriety and value for money.
- Must adhere to the 7 principles of public life.
- Must have effective oversight of financial transactions by protecting property and assets, ensuring adequate segregation of duties, and keeping full and accurate accounting records.

- Has a duty to raise concerns, advising the Board in writing if actions are incompatible with the articles, funding agreement or Academy Trust Handbook.

The Director of Finance

17. Responsibility for the Trust's detailed financial procedures is delegated to the Director of Finance, who is supported by central and school-based staff working across Trust operations.

Code of Conduct

18. The Trust is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff are expected to observe. Additional information can be found within the Staff Code of Conduct.

Section 3: Declarations of Interest

19. All members, trustees, local governors of academies and senior employees must complete the register of interests, which includes declarations of interest and disclosure of related party transactions, noting that conflicts of interest must also be declared and managed effectively at meetings as they arise. The register must be kept **up to date at all times** and include:

- Details of directorships, partnerships and employments with businesses.
- Notification of trusteeships and governorships at other educational institutions and charities.
- For each interest; the name and nature of the business, the nature of the interest and the date the interest began.

20. The register must identify relevant material interests from close family relationships between the academy trust's members, trustees or local governors. It must also identify relevant material interests arising from close family relationships between those individuals and employees. The Clerk of the Trust / Governing Board should evidence review by signature.

Section 3b: Being Transparent About Governance

21. The Trust must be transparent with its governance arrangements. The requirements of the Academy Trust Handbook are set out below:

22. The Trust must provide details of its governance arrangements in the governance statement published with its annual accounts, including what the board has delegated to committees and, in trusts with multiple academies, to local governing bodies. The Trust must also publish on its website up-to-date details of its governance arrangements in a readily accessible format, including:

- The structure and remit of the trust's members, board of trustees, committees and local governing bodies (the trust's scheme of delegation for governance functions), and the full names of the chair of each.
- For each of the trust's members serving 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 trustee and local governor serving at any point over the past twelve months, their full names, date of appointment, term of office, date they stepped down (where applicable), who appointed them, and relevant business and pecuniary interests including governance roles in other educational institutions.
- If the accounting officer is not a trustee their business and pecuniary interests must still be published.
- For each trustee, their attendance records at board and committee meetings over the last academic year
- For each local governor, their attendance records at local governing body meetings over the last academic year.

23. The trust must make available for public inspection:

- The agenda for every meeting of the trustees, local governing bodies and committees.
- The approved minutes of each meeting.
- Any report, document or other paper considered at each meeting.

24. The trust may exclude from any item any material relating to:

- A named teacher or other employee or proposed employee.
- A named pupil or student at the academy, or candidate for admission or referral to it.
- Any matter which, by reason of its nature, the trustees are satisfied should remain confidential.

25. Please see also: <https://www.gov.uk/guidance/what-academies-free-schools-and-colleges-should-publish-online#trustees-information-and-duties>

Section 4: Related Party Transactions

26. Related Parties are defined as:

- Parties with control over, or controlled by, the trust, e.g. parent and subsidiary companies.
- Parties having significant influence over the trust.
- Key management personnel of the trust, including the executive (headteachers, directors and company secretary).
- Close family members of any of the above.
- Others subject to control or significant influence by any individual referred to above.

27. For the Trust, related parties include the Board of Trustees, Fusion School Services Ltd (the Trust's wholly owned subsidiary), the Executive Leadership (Key Management Personnel) and the members of the Trust (University of Exeter, Exeter College and Exeter Diocesan Education Network). Close family members and business partners of the foregoing are also included.
28. The Trust must be even-handed in its relationship with related parties by ensuring that:
- The Register of interests is maintained and up to date.
 - No member, trustee, local governor, employee or related individual (including close family members) uses their connection for personal gain, including payment under terms that are preferential to those that would be offered to an individual with no connection.
29. The Trust must report all contracts and other agreements with related parties to the ESFA **in advance of the contract commencing** and obtain ESFA's **prior approval** for contracts exceeding the following limits:
- A contract or agreement exceeding £20,000.
 - A contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £20,000 in the same financial year ending 31 August
30. Specific rules apply to payments to related parties where these exceed £2,500 in the financial year. In these circumstances, the Trust must pay no more than 'cost' for goods or services provided to it (nb. 'services' do not include contracts of employment).
31. The Director of Finance reviews the Register and 'Register updates' to ensure potential related parties are identified and flagged within the Trust's accounting system, such that any transactions are appropriately identified and routed.
32. All related party transactions are considered and agreed by the Finance and Resources Committee (F&R) prior to any new orders being placed (schools are asked in advance of the year to identify the extent of likely transactions with our related parties). The F&R Committee considerations are supported by evidenced quotations and tendering (as appropriate to the circumstances) and an informed assessment of value for money. Individuals are required to remove themselves from meetings when a potential transaction is identified.
33. In relation to the diocese, the contributions made by the Trust for services it receives associated with securing the academy trust's religious character and ethos, which only the diocese can provide, are regarded as meeting the 'at cost' requirement.
34. (Nb. Agreement may be to a 'generic approval' to a theme of transactions, eg. in relation to apprentice training where Statements of Assurance are in place').
35. The Director of Finance is responsible for ensuring timely notification of transactions to the ESFA.

36. Schools shall ensure all proposed transactions are brought to the attention of the Director of Finance in a timely manner.

Section 5: Authorised Signatories

37. The Central Finance Team maintain records of authorised signatories to include:

- Payroll: Authorities in relation to starters, leavers, changes; ability to sign claims, request manual payments and agree severance arrangements.
- Budget holder authorities.
- Invoice / Goods receipt certification.
- Bank authorities.

38. Any agreement which legally binds the Trust should not be entered into without the appropriate authority. It is a disciplinary offence for staff to commit the Trust or subsidiary, to a transaction, if they are not authorised to do so.

39. Nb. That in cases of absence, the Deputy Chief Executive may act for the Chief Executive Officer, and the Director of Business and Operations and Director of Finance, for each other.

Contract authorisation

40. The following persons have the power to make and sign contracts on behalf of the Trust within approved capital schemes and budgetary limits:

- Contracts relating to the acquisition or disposition of any interest in land and buildings shall be signed by the Chief Executive following approval by the Board of Trustees (subject to any necessary approvals of the ESFA).
- Contracts relating to expenditure on the Trust's estate shall be made and signed by the Director of Business and Operations or a duly authorised deputy.
- Contracts for the Trust to provide other goods and services in return for payment shall normally be made or signed by the Director of Finance or a duly authorised deputy.
- Contracts relating to Information Technology Software and Services shall be made and signed by the Director of Business and Operations and/or Director of Finance or duly authorised deputy.
- Orders placed by the Trust for goods and services over the £40,000 (excluding VAT) must be subject to a written contract, authorised and signed by Director of Finance or authorised deputy.
- Contracts for the engagement of staff or relating to conditions of employment or termination shall be made by the Chief Executive Officer in the case of the Executive and Senior Leadership Team, and in other cases in accordance with the Scheme of Delegation (Finance extracts at [Appendix 1](#)).

41. It is the responsibility of the signatory to the contract to ensure that all interested parties have been consulted and all necessary approvals obtained before the contract is signed.

42. Within prescribed limits, the following are authorised to act on behalf of the Trust:

- Transactions with the bank will normally be authorised by the Director of Finance and /or Finance Manager and, duly authorised second signatories.
- Orders placed by the Trust for goods and services up to a maximum of £40,000 in value can be authorised by a Budget holder, who has delegated authority. Such orders may be subject to a written contract which must be authorised and signed by the Director of Finance or a duly authorised deputy.
- Requisitions should be authorised by a Budget holder or authorised deputy.
- Fees and expenses should be authorised by a line manager. Reference to the Expenses Policy for further guidance is advisable.
- Expenses incurred by Senior Officers within Professional Services are authorised by the Executive, expenses incurred by the Executive / Headteachers are authorised by the Chief or Deputy Chief Executive. The Chief Executive's expense payments are reviewed by the Chair of the Trust or Chair of Finance and Resources.

Section 6: External and Internal Audit

43. Under the Academy Trust Handbook, internal and external auditors must have unrestricted access to information – including all records, assets, personnel and premises – and be authorised to obtain whatever information and explanations are considered necessary.

44. External auditors and internal auditors shall therefore have unrestricted access to:

- Trust premises and staff with, where possible, reasonable notice provided.
- All assets, records, documents and correspondence relating to any financial and other transactions or activities of the Trust.
- Obtain such explanations as are necessary concerning any matter under examination.
- Require any employee of the Trust to account for cash, stores or any other Trust property or assets under his or her control.
- Records belonging to third parties, such as contractors, when required.

External audit

45. The appointment of external auditors will take place annually and is the responsibility of Members. The Members will be advised by the Board / Audit and Risk Committee.

46. The Trust should retender the external audit contract at least every five years.

47. External audit must provide an opinion to the governing body on whether funds (including public funds) have been applied for the intended purposes and on whether the financial statements provide a true and fair view of the financial results for the year. External audit must also form a view about whether the Trust is a going concern.

Internal Audit

48. In line with the Academy Trust Handbook, the Trust must have a programme of internal scrutiny to provide independent assurance to the Board that its financial and non-financial controls and risk management procedures are operating effectively. Internal Audit scope encompasses all the Trust's activities, its risk management, control and governance.
49. The main responsibility of Internal Audit is to provide the Board of Trustees, and senior management with assurances on the adequacy of the systems of governance, risk management, internal control, the prevention and detection of fraud and error, and value for money.
50. The Audit and Risk Committee oversee and approve the Trust's programme of internal scrutiny to ensure risks are addressed. Work is informed by 'assurance mapping' across the spectrum of Trust activities (financial and non-financial) and through a review of the risk register. Trustees are free to make suggestions of areas they would like to see covered, at any time throughout the year.

Section 7: Risk Management

Risk Management Framework

51. The Trust acknowledges the risks inherent in its operations, and is committed through its risk management strategy to managing those risks that pose a significant threat to the achievement of its objectives and financial health. The Trust recognises that its appetite for risk varies according to the activity undertaken. In this, a balanced approach to the management of risk is taken ensuring that the potential benefits are assessed against the risks, and where possible, measures implemented to mitigate and manage going forward.
52. Risks are identified as factors hindering the Trust from achieving its strategic objectives. All staff are responsible for assessing and managing risk within their sphere of responsibility. Risks should be assessed to understand both their impact and their likelihood. Risks may be managed by accepting them or mitigating them. In either case, the goal is to manage risk down to a level that is acceptable in line with the risk appetite of the Trust. Where a risk cannot be managed to an acceptable level this should be escalated. Procedures implemented must be capable of independent verification.

Section 8: Regularity, Propriety and Compliance

Irregularities Whistleblowing

53. Whistleblowing in the context of the Public Interest Disclosure Act 1998, is the disclosure by an employee (or other party) about malpractice in the workplace. This could concern crime, civil offenses (including negligence, breach of contract, etc.) miscarriage of justice, danger to health and safety or the environment, and the cover up of any of these, whether they occur in the UK or any other country or territory.
54. Concerns may be raised with the Headteacher of each school, a member of the Trust Executive Leadership Team (the Chief Executive Officer, Deputy Chief Executive, Director

of Performance, Director of Finance, Director of Business and Operations) or the Trustee appointed as the Chair of Audit and Risk Committee. If you are a member of a Trade Union or Professional Association you may consider it useful to contact them for advice.

55. The Trust's Whistleblowing Policy sets out the full procedure.
<https://www.tedwraggtrust.co.uk/wp-content/uploads/2020/01/TWMAT-Whistleblowing-Policy-Sept-19.pdf>

Bribery and Corruption

56. The Bribery Act 2010 makes it an offence to give or receive gifts, hospitality or money where it is either a reward or an inducement for doing something in relation to a contract. The Act's four offences are;

- Bribing another person;
- Being bribed;
- Bribing a foreign public official; and
- Failure to prevent Bribery

57. The Trust's policy on the prevention of Bribery is below:
<https://www.tedwraggtrust.co.uk/wp-content/uploads/2021/03/TWMAT-Anti-Fraud-and-Corruption-Policy-March-2021.pdf>

58. The Trust policy on Gifts and Hospitality should be consulted in relation to obtaining approval and recording any gifts or hospitality. <https://www.tedwraggtrust.co.uk/wp-content/uploads/2021/05/TWMAT-Gifts-and-Hospitality-Policy-March-2021.pdf>

59. It is imperative that if the Trust is about to enter into a contractual relationship with a third party no gifts or hospitality are received. If unsure consult Finance.

Fraud

60. Defined as criminal liability for obtaining services dishonestly for personal or financial gain, the Fraud Act 2006 has three classes;

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

61. All employees have a responsibility to report in line with the Fraud Policy if they have a suspicion of a fraud, act of bribery or other irregularity. The Trust's Fraud Policy is contained within Anti-Fraud and Corruption Policy.

62. <https://www.tedwraggtrust.co.uk/wp-content/uploads/2021/03/TWMAT-Anti-Fraud-and-Corruption-Policy-March-2021.pdf>

Review of Regularity

63. The Chief Executive, in their role as Accounting Officer, reviews the following documents to ensure the Trust is working within the boundaries of regularity and propriety.

- Reviews Management accounts.
- Reviews compliance against the Scheme of Delegation.
- Reviews transactions for evidence of connected party transactions.
- Value for money practice.

64. Parallel checks are undertaken locally by Headteachers who fulfil similar responsibilities at individual academy level.

65. A checklist is completed annually to support the required 'statement of regularity, propriety and compliance. A letter of assurance must be signed by each Headteacher as acknowledgement of their responsibilities in support of the corporate requirement.

Section 9: Financial Management: Budget setting

The Trust Improvement Plan

66. The medium-term financial plan is prepared as part of the strategic planning process and supported by 3-5 year budgets. The Trust Improvement Plan indicates how the Trust's educational and other objectives are going to be advanced within the expected level of resources over the planning period. The Trust Improvement Plan is reviewed continually and reflects:

- Context.
- The Trust's Vision and Values.
- Plans for Growth.
- Strategic Objectives, Key Strategies and Priorities.
- Key actions, by whom/date, the intended impact and the monitoring / evaluation process.

67. The Improvement Plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Trust and the planned use of those resources for the following year.

The Budget Cycle

68. Resources are allocated by the Trust on the recommendation of its Committees, within the Framework of the Trust's financial strategy and the model adopted by the Trust for resource distribution. Headteachers, Heads of Function and other Budget holders are responsible for the economic, effective and efficient use of resources allocated to them.

69. The Budget Cycle is as follows:

	ACTIVITIES
Autumn Term	- Review of School Context / Assessment of position against national / Trust-level Key Performance Indicators (KPIs) (RAG rating of Finance indicators).

	ACTIVITIES
	<ul style="list-style-type: none"> - Preparation of previous year outturn figures, consideration of learning points. - Schools to identify needs, and outline plans for future recruitment / structural change. Consideration should also be given to the School's / Trust's Disadvantage Strategy, Estates, ICT, and curriculum resources to ensure balance. - Planning meeting for Spring-term recruitment. - Initial assessment of funding capacity for the upcoming planning period (grant).
Spring Term	<ul style="list-style-type: none"> - Forecast continually updated for plans. Detailed review and scrutiny of KPIs / self-assessment. - Refinement of curriculum plans. - Funding / financial envelope confirmed. - All schools to work towards structural sustainability within agreed parameters relevant to context.
Summer Term	<ul style="list-style-type: none"> - Board recommendation with simplified school-level financial summaries and supporting data. (Pupil numbers, SEND and disadvantage indicators).

The Budget

70. The Director of Finance is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Headteacher, Finance and Resources Committee (F&R) and Board.
71. The annual budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the Improvement Plan objectives and the budgeted utilisation of resources.
72. The budgetary planning process will incorporate the following elements:
- Realistic forecasts of the likely number of pupils to estimate the amount of General Annual Grant.
 - Latest estimate of other ESFA funding e.g. pupil premium, or other specific funds adjusted for cohort size.
 - Review of other income sources available to the Schools to assess the likely funding envelope.
 - Review of past performance against budgets to promote an understanding of the Trust's costs including lessons learned.
 - Identification of potential efficiency savings.

- Review of the main expenditure headings in light of the development plan objectives, curriculum resource needs and the expected variations in cost e.g. through pay increases, inflation and other anticipated changes.
 - Provision to sustain capital assets.
 - All carry forward balances.
 - Any unspent grants from the previous financial year.
 - Any funds held in Trust.
73. The Trust must approve a balanced budget, which can draw on unspent funds brought forward from previous years. This requirement applies to the Trust as a whole, not to constituent academies, allowing financially struggling academies time to develop plans without detriment to outcomes, 'vision or values'. A school may therefore (with Finance and Resources approval) make a strategic decision to set a deficit-budget in response to specific documented need, eg. school improvement and/or acknowledged deficiencies in the funding model. Approval will be based on a consideration of the circumstances, actions to redress the position and must be supported by appropriate plans, monitoring and reporting.
74. School recovery plans should include appropriate performance indicators demonstrating the effective allocation of resources with remedial actions identified.
75. Where schools are in surplus, this may be held back as a contingency or alternatively allocated to areas of need in accordance with the Improvement Plan.
76. The approved budget is entered onto the finance system at the start of the new financial year and monitored monthly.
77. The Director of Finance is responsible for financial compliance; including recording income and expenditure, accounting for government grants, completing relevant statutory returns and arranging audit, and reconciling receipts to monthly management accounts.

Key Responsibilities

- Grants: Spend incurred must be in accordance with terms and conditions imposed, accurately recorded and audited in accordance with requirements.
- Applications for grant must be brought to the attention of the Director of Finance, who will escalate as necessary to the Executive, Finance and Resources Committee as appropriate. All grant must be identified and ring-fenced in accordance with restrictions.
- Designated funds. Where designated funds are established (eg. for cyclical renewals), the Director of Finance is responsible for recording allocations, and ensuring full accountability.

Virement

78. The headteacher (or equivalent budget-holder centrally) is given delegated power to vire from one budget to another with the advance agreement of the Director of Finance, and subject to the approval criteria. The approval of virements will reflect a consideration of circumstances, including the extent to which virements are required to

meet a one-time versus recurrent need. Virements will be considered in the context of the 3-5 year planning position. (See [Appendix 8](#): Summary of Thresholds).

79. Substantial virements shall be approved and reported in accordance with these regulations.

Capital

80. The Capital Programme includes all expenditure on land, buildings and infrastructure and associated costs whether or not they are funded from external capital grants or the Trust's resources. The capital programme will be overseen by the Finance and Resources Committee on behalf of the Board of Trustees.
81. Approval for capital projects will be submitted to the Capital Programme Management Group (CPMG), prior to submission to the relevant committee to evaluate relative priorities. ([Section 24](#) refers).
82. Expenditure will be monitored throughout the lifetime of the project, forecasted termly and discussed at project level. Variances from the budget, will be reported to the Director of Finance, Director of Business and Operations, CPMG, Finance and Resources Committee and Board, as appropriate.

New Activities

83. Prior to entering into any new activities, Heads of Budget Centres should ensure that the Director of Finance is informed to comment on any financial implications.

Investment in Business Growth initiatives

84. Development of an outline business case **which** seeks funds or a significant change in activity levels, should provide an overview that considers the financial and non-financial risks and benefits. This should be submitted to the Director of Finance and Director of Business and Operations prior to beginning an activity. Consideration should also be given to the wider strategic objectives. Submissions should be in an agreed format.
85. Proposals that are approved will be subject to termly review through the financial forecasting process.

Revised Budget

86. Monitoring and analysis of the agreed budget is carried out on a monthly basis by the Director of Finance with reports to the Chair of the Trust and Chair of Finance and Resources Committee every month and to all other trustees not less than six-times a year. The latest management accounts must be presented to each Finance and Resources meeting and in an appropriately summarised form, to each Board meeting. Where variation occurs due to staff changes or virement, this must be reported, and a revised Budget taken forward. (See Section 10).

Budget Forecast (ESFA submission)

87. The approved budget must be submitted to the ESFA by 31 July each year by the Director of Finance. The Director of Finance is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

Section 10: Financial Management - Monitoring and Review (including Management Accounts)

88. Budget holders are accountable for the areas and activities for which they are responsible. Where the budget is devolved within the Budget Centre, the Head of Budget Centre (Headteacher / Head of Function) is responsible for establishing and maintaining clear lines of responsibility for all financial matters.

89. Significant departures from the agreed budget positions must be reported to the Headteacher / Head of Function, to be escalated to the Director of Finance and Executive. Any challenges that arise which may impact on the overall financial position should be disclosed as part of the forecasting process, for discussion with Director of Finance and escalated through the Executive, and Finance and Resources Committee where appropriate.

90. Heads of Budget Centres shall ensure the Director of Finance is provided with information to enable sufficient short and longer-term financial planning, compilation of the Trust's annual accounts and notice regarding compliance activities.

91. The Director of Finance oversees the preparation of management accounts every month setting out the Trust's financial performance and position. These are critical in understanding the financial position of the Trust, and for strategic level decision making on resources. Reports include:

- An income and expenditure account, with variances to budget and re-forecast.
- Balance sheet.
- Cash flow forecast.
- Summary reports highlighting variances and action required.
- Relevant KPIs.

92. Monthly accounts are sent to the headteachers, other budget holders and the accounting officer monthly. Managers must take appropriate action to ensure ongoing viability, discussing issues with the Director of Finance or representative, in the first instance.

93. The process is overseen by Trustees as set out under the section on the [Revised Budget](#), including an analysis of agreed key performance indicators. The cycle of business is set out under the section ([Budget Cycle](#)). Trust performance against KPIs is also included within the Annual Report.

Section 11: Annual Accounts

94. The Trust must prepare annual audited financial statements for the accounting period to 31 August.
95. The accounts are prepared in-house by the Director of Finance with the support of the Trust's auditors and circulated to all trustees.
96. The accounts are then submitted as follows:
- by 31 December – to ESFA.
 - by 31 January – published on our own website.
 - by 31 May – to Companies House.

Value for money statement

97. As part of the annual accounts the trust must include 3 focussed examples of value for money.
98. The Director of Finance is responsible for collating the examples which are then confirmed by the Finance and Resources committee.

Audit arrangements

99. External auditors must be appointed in accordance with the Academy Trust Handbook.
100. The Director of Finance is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

Work undertaken during each accounting period

101. The Director of Finance is responsible for applying discipline in financial management, including managing debtors, creditors, cashflows and monthly bank reconciliations. The following tasks are undertaken during the year to facilitate a smooth audit process:
- Monthly review of the trial balance.
 - Maintaining a fixed asset register.
 - Preparation of prepayments, accruals, and journal entries.
 - Maintaining income and expenditure records (including filing of invoices).
 - Reviewing aged debtors for recovery action and provisioning as necessary.
 - Maintaining a record of governors / trustees' interests, related and connected party transactions.
 - Control account reconciliations (bank, wages, debtors, creditors, payroll vat).
 - Maintaining a record of meeting attendance.
 - Monitoring & reporting to the Accounting Officer, Local Governing Boards and Board of Trustees.

Work undertaken for the year end

102. The Director of Finance is responsible for ensuring the following tasks are undertaken at the end of the year to facilitate a smooth audit process:

- Stock take including year-end valuation.
- Identifying prepayments, notably of IT licences.
- Prepayments or accruals for grant income.
- Control account reconciliations (bank, wages, debtors, creditors, vat).
- Close down of the purchase ledger.
- Close down of the sales ledger and review of aged debtors.
- Arranging the pension valuation and annual pension audit.

Accounts Return

103. The academy trust must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the ESFA by 31 January.

104. The preparation of the accounts return is outsourced to our auditors.

Section 12: Document Retention

105. The Trust Director of Finance is responsible for the safekeeping, and retention of all prime financial documentation in a form that is acceptable to the relevant authorities, funders and funding bodies; this may include an electronic version. The Trust is required by law to retain prime documents for at least seven years. However, some funders may require documents to be kept beyond this timeframe e.g. the European Commission (EC).

106. Retention periods for financial documents are stated within the Appendix. Generally, documents are held for the following amount of time.

- Finance records – current year plus preceding 6 years.
- Supply cover insurance – current year plus preceding 6 years.
- Payroll and travel records – current year plus preceding 6 years.
- Personnel records – 5 years after an employee has left.
- All student files until the student reaches the age of 21.

<https://www.tedwraggtrust.co.uk/wp-content/uploads/2016/10/TWMAT-Record-Retention-Schedule-Appendix-A-March-2018.pdf>

Section 13: Accounting System

107. The Trust is registered annually under the Data Protection Act 2018. The Director of Business and Operations holds accountability for Data Protection through an outsourced Data Protection Officer (DPO) Service.

108. All the financial transactions of the Trust must be recorded into the computerised financial information systems, including Financials Live, Connect, iTrent, cash collection software etc. Data on individuals should be anonymised.

System Access

109. Access to the system is password restricted to individuals with financial responsibilities only, and to areas pertaining to that responsibility. Passwords must not be shared in any circumstances.

Back-up Procedures

110. The Director of Finance is responsible for ensuring that there are effective back up procedures for the systems. Back-up copies are taken on at least a daily basis and maintained securely with full adherence to data protection law.

Transaction Processing

111. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.

112. Recharges between schools, where not otherwise mandated (eg. by a purchase order or SLA) must be documented and authorised by budget holders, prior to being input to the accounting system.

113. Bank transactions are input by Finance Officers (School and Central) and reviewed through the management accounting process.

Transaction Reports

114. The central services finance team review the following reports to ensure that only regular transactions are posted to the accounting system:

- Transaction-level detail: Purchase ledger invoices, payment runs etc.
- Bank statements and reconciling items.
- Orders outside tolerance.
- Outstanding commitments.
- Postings to suspense and other balance sheet accounts.
- Monthly payroll reports, reconciling actual postings compared to budget for each member of staff, independently checked to signed source documentation.
- Summary records of creditor and debtor balances.
- Management accounts summarising income and expenditure against budget at cost centre and nominal level.

115. Supplier set-up is limited to the central services (finance) team to ensure robust checking and consistent application of checks, i.e. creditworthiness, validity of bank details, intermediaries' legislation and impact etc.

Reconciliations

116. The Finance Managers (Exeter and Plymouth) are responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
- Sales ledger control account.
 - Purchase ledger control account.
 - Direct Debit control account (maintained to ensure that appropriate documentation is received for items paid directly).
 - Payroll control account.
 - VAT control account.
 - All suspense accounts.
 - Bank balance per the nominal ledger to the bank statement.
117. The Finance Manager or Director of Finance signs all reconciliations as evidence of review.
118. Any unusual or long outstanding reconciling items are brought to the attention of the Director of Finance.

Section 14: Cash Management

Bank Accounts

119. The Central Services Finance Team (with the approval of Finance and Resources Committee) is responsible for selecting the banking institution and negotiating the terms and conditions.
120. The following procedures must be followed when opening a bank account and operating it:
- The Finance and Resources Committee must authorise the opening of all bank accounts.
 - The Academy / Trust will ensure that in the event of changes to key personnel or governors/trustees, that signatories are changed immediately, and the bank notified. Any on-line access to banking will also be removed.
 - Terms of arrangements, including cheque signatories or BACS authorisations and the operation of accounts must be formally recorded and agreement minuted.
 - The Director of Finance / Finance Manager must ensure there are sufficient funds to cover large payments.

Deposits

121. A deposit must be entered on a copy paying-in slip or listed in a supporting book with the following details.
- The amount of the deposit.
 - A reference (for example the number of the receipt or the name of the debtor).

122. The Finance Officers are responsible for updating the accounting system (ideally within three working days for deposits placed).

Payments and Withdrawals

123. All cheques and other instruments authorising withdrawal from academy bank accounts must bear two authorised signatures, as specified within the bank mandate. These provisions apply to all accounts, public or private, operated by or on behalf of the Trust.
124. Two panels of signatories are maintained. All signatories to the main (central) Trust account (which includes online processing capabilities), must be authorised by Finance and Resources Committee. The final authoriser of most payments, should be from the:
- Director of Finance.
 - Director of Business and Operations.
 - HR Manager.
 - Finance Manager.
 - Headteacher and Deputy (for relevant schools). These individuals have no access to online payment facilities.
125. The Finance Officers are responsible for updating the accounting system (ideally within 3 working days) for transactions.

Administration

126. The Central Finance Team ensure bank statements are reviewed regularly and that reconciliations are performed at least on a monthly basis. Reconciliations ensure that:
- All bank accounts are reconciled to the Trust's financial system.
 - Reconciliations are prepared by the central finance team, independent of school finance officers.
 - Reconciliations are subject to an independent monthly review carried out by the Director of Finance or in his/her absence the Finance Manager.
 - Adjustments arising are dealt with promptly.

Petty Cash

127. The Trust maintains maximum petty cash balances of £250 for the purchase of minor items, which are held in safe custody under the oversight of the School Finance Officers.
128. Petty cash floats must not be used for:
- Cashing personal cheques.
 - Loaning funds to staff.

129. Exceptionally, the petty cash balance may be temporarily increased with the prior agreement of the Director of Finance, eg. during ‘activities’ week. Any remaining balance above £250 must be banked after conclusion of the event.
130. **Payments:** In the interests of security, petty cash payments are limited to £50, with many schools preferring the lower limit of £30. Payments are made on production of a valid till receipt or other proof of payment and must be authorised by approved budget holders. VAT receipts must be obtained where practicable. All documentation must be cross-referenced to summary records and stored together for audit reference.
131. Till receipts for items that are reimbursed by the Trust should not include personal items which must be dealt with separately to support accounting and control.
132. Purchases above the agreed limit require Director of Finance approval and should be exceptional – e.g. due to a school trip. Purchases must not be ‘broken-up’ or the system by-passed as this amounts to contravention of Trust limits. School finance officers are expected to enforce this.
133. Petty Cash reconciliations must be completed in full, using the standard reconciliation form and ensuring this is submitted as a request for “top-up”. All petty cash purchases must be supported by a sequentially numbered voucher including budget authorisation, coding and reason for purchase. Each disbursement from petty cash must be registered on the accounting system separately with VAT analysed.
134. Satisfactory receipts should be maintained for all items purchased on trips, and clearly dated. Where evidence is poor, e.g. payment of campsite fees, responsible officers should ensure that payments made are evidenced against e.g. an email chain. Nb. Responsible officers should always take evidence of agreed costs with them on trips, and if receipting processes are poor, ensure the Trust’s email or other record is counter-signed by the payment recipient.
135. **Administration:** The petty cash float is maintained on the imprest system and the float is reimbursed either through the main bank account, or via an agreed ‘petty cash debit’ (schools’ are specifically authorised to transfer the agreed ‘reimbursement’ from cash receipts (dual count and evidence to be maintained with petty cash records)). Transfers are reconciled on receipt of authorised petty cash claim.
136. The petty cash float is reconciled monthly by the School Finance Officer. The reconciliation is then reviewed by the Central Team and review evidenced on the central finance task log.
137. The School’s Business Support officer (if independent of the responsible officer overseeing the float) and / or central finance team may carry out a spot check of the petty cash float. This would include a check to the supporting documentation.

Confirming goods receipt and initiating BACS payment.

138. On receipt of an invoice, the school finance officer (or other recipient) approves goods receipt, to signify:

- An official purchase order has been raised for the purchase.
 - The delivery note has been checked.
 - The delivery is of correct quantity, quality and price.
 - It has not been previously paid.
 - Funds are available in the relevant budget.
 - VAT chargeability on qualifying expenditure is shown.
139. Specific consideration must be given to intermediaries' legislation. When dealing with payments to individuals, school and central finance teams must ensure that evidence is kept of employment status (to be maintained alongside supplier set-up documentation and reviewed by the Trust Payroll Manager).
140. Subject to the above checks, payments can be prepared, authorised and approved by two bank signatories.
141. Normally, BACS payments are processed within a month of invoice receipt, with every effort being made to ensure the Trust benefits from early payment discounts.

Section 15: Corporate Cards

142. The Trust's Corporate Cards are issued to pay for frequent expenditure on travel, accommodation and hospitality, both in the UK and overseas. **Cards should not normally be used as a means of purchasing equipment or similar items for the Trust; the purchasing system should be used in this instance. Items from Amazon Business should normally be via the invoicing route and not by purchase card. These requirements are to ensure that the Trust has satisfactory evidence eg. to support VAT recovery, management of category spend and improved evidence of budget approval.**
143. Cards must be retained by the named cardholder at all times, who retains responsibility for all transactions. Cardholders are approved by the Director of Finance and limited to those with Executive, leadership or managerial functions.
144. Any department wishing to make a purchase on credit card must ensure full authorisation (in advance) utilising either the electronic authorisation form (outlook-based) or by completing an authorisation form (charge card slip) evidencing budget-holder agreement. Cardholders are personally responsible for retaining receipts and providing explanations for all purchases. These must be individually entered onto the accounting system with the appropriate explanatory descriptor.
145. Occasionally the credit card is used to purchase small items (within petty cash limits), where it is not possible to order these elsewhere. These purchases must be recorded and countersigned immediately after the event.
146. When the credit card bill arrives, this must be cross-referenced to purchase authorisation, which should be immediately filed for reference and central review. Periodic spot checks are required to ensure process compliance and will be conducted by central finance. Matters will be escalated to managers where queries arise.

147. The only circumstances where advance approval is unnecessary relate to purchases covered by the Trust expense policy (eg. in relation to travel and subsistence within approved rates).
148. All card holders are required to comply with the Conditions of Use appropriate to each type of card; any breach of this could lead to disciplinary action, up to and including dismissal.

Section 16: Investments

149. The Director of Finance is responsible for producing reliable cashflow forecasts as a basis for decision making and providing the Finance and Resources Committee with sufficient management information to enable it to review and monitor performance.
150. Investments are made in accordance with the following priorities:
- Prudent management in support of the Trust's charitable aims.
 - Achieving a spread of investments and ensuring all providers are covered by the Financial Services Compensation Scheme.
 - Achieving the best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
 - Only investing funds surplus to operational need.
151. All investments are recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment.
152. Investment funds are routinely monitored, including income receivable as part of the Trust's monthly bank reconciliation.

Section 17: Reserves

153. The Trust holds a prudent level of resources designed to meet long-term cyclical needs of renewal, development plan aims, and unforeseen contingencies.
154. Surpluses and deficits on reserves are recorded at school level and carried over to the following year.
155. The Chief Executive Officer as Accounting Officer must inform the ESFA immediately if a deficit is anticipated at Trust level.
156. Whilst the Trust manages its funds corporately, constituent academies must ensure action is taken at the earliest opportunity to address sustainability concerns. At all times, academies must review their medium-term plans and work with the Director of Finance to develop and report strategies and action-plans to achieve sustainability. Reports on individual positions are included within the management accounting reports to Finance and Resources Committee.

157. The Trust aspires to maintain a reserve equivalent to one month's gross pay and is required to explain its policy for holding reserves in its annual report.

158. Any overall surpluses at the end of year are carried over to the following year.

Section 18: Reserves (Capital)

159. It is the responsibility of the Director of Finance to keep accurate records of the capital funds, especially where grants have been received for capital projects.

Section 19: Payroll

Staff Appointments

160. The Board of Trustees has approved a personnel establishment (staffing structure) for the Trust, as part of the budget planning process. Changes can only be made to this establishment at the initiation of the headteacher and with the express approval of the Director of Finance (with HR Manager advice) who will ensure that adequate budgetary provision exists. Changes to the staffing structure beyond virement limits must be agreed in line with the Trust Scheme of Delegation (for practical purposes, this is deemed to be the agreement of Finance and Resources Committee). For these purposes: virement is measured net of external funds, eg. the notional funding for children with SEN who may require one to one care.

161. Changes to the central services team require the agreement of the Executive, or CEO with report where immediate action is necessary.

162. The Headteacher or Executive Team equivalent has authority to appoint staff within the authorised establishment except for Senior Leaders (whose appointments must be overseen or follow consultation with the Local Governing Boards). (See below for clarity).

	Authority delegated from the Board?	Members	Board	CEO	Executive Team	LGBs	Heads
Recruitment							
Recruitment and appointment of CEO (Accounting Officer)	No	C	R				
Recruitment / appointment / dismissal of Exec Team and Headteachers	Yes		O	R	A	C	
Church School Academy Headteacher –Appoint and Dismiss	Yes		O	R	A	C	
Recruitment and appointment of other Senior Leaders within schools	Yes				A	O	R
Approval of Trust wide employment contracts and terms (except CEO contract - to be signed by CEO)	Yes				R		A
Approving appointment terms in line with Trust agreed T&Cs in own remit	Yes				O		R

Key	
Responsibility - ultimate approval or decision making body, Note this may be across the Trust or limited in scope to e.g. a single academy as indicated above and also detailed in relevant ToRs and job descriptions.	R
Consultative role - views to be sought and considered prior to decision	C
Overview role - to ensure a function is undertaken in line with policy or procedure, agendas, ToRs or job descriptions should specifically capture the requirement to monitor	O
Advisory role - provides guidance or opinions to assist decision making	A

163. The HR Administrators (school and central) maintain personnel files for all members of staff which include contracts of employment. The HR Administrators are responsible for obtaining the relevant DBS checks and ensuring these are retained on file. The central HR team, and school HR administrators update the Trust's iTrent payroll system.
164. All changes to staff appointments (starters, movers changes and leavers), must be notified to the HR Manager and Central Finance in writing using the signed forms designed for this purpose. Budgets are only updated by finance where changes are scrutinised and formally approved.
165. Individuals starting employment with the Trust after 16th of the month, are not normally paid until a month later to minimise risk of overpayment eg. due to a failure to start and / or maintain the employment.

Executive Pay

166. The Board ensures decisions about levels of executive pay (including salary and any other benefits) follow a robust evidence-based process and are a reasonable and defensible reflection of the individual's role and responsibilities. No individual can be involved in deciding their remuneration.
167. Details of Executive Pay (Benefits) in excess of £100,000 shall be published on the Trust's website. This will follow the approval of the annual accounts. Benefits for this purpose include salary, employers' pension contributions, other taxable benefits and termination payments.
168. The Board discharges its responsibilities, and approach to pay and benefits through the Chairs Governance Committee. The formal role of the Chairs Governance Committee is set out below

Pay and Conditions:

- To formulate, communicate and implement the Trust Pay Policy and other relevant policies as set out in the Policy Register.
- To review the recommendations made by the Chair of the Trust or the Chief Executive Officer as to whether to award performance pay and / or discretionary allowances in line with the Trust Pay Policy.
- To ensure the process for linking appraisal to pay are in place, are applied consistently and the pay recommendations are justifiable.
- To review and determine the pay scale of the Chief Executive from time to time, having regard to personal performance against targets, market conditions and the assessment of relevant comparators across the sector.
- To be consulted on, and have oversight of, the job evaluation policy and procedures; the evaluation of jobs and grades in accordance with that policy and any proposals to vary basic employment terms and conditions.
- To approve annual pay progression and performance management policies.

169. The Scheme of Delegation (extracts appended) sets out the arrangements and level of authorities for agreement.

	Authority delegated from the Board?	Committee	CEO	Executive Team	LGBs	Heads
Matters reserved to Members	No					
Pay Policy						
Annual approval of pay policy, including pay awards, pay point values, etc	Yes	PC - R		C		A
Determination of pay ranges	Yes (except CEO / DCEO)	PC - R (CEO / DCEO)		R	C	
Value of other discretionary allowances	Yes (except CEO, FD, SMT)	PC - O	R	C		
Annual Pay Progression and performance management policy	No	PC - R	O	O	O	

Payroll Administration

170. Payroll is administered by the Trust's Finance (Central Services) team.

171. All staff are paid monthly. A master file is created for each employee which records:

- Salary.
- Bank account details.
- Taxation status.
- Personal details.
- Any deductions or allowances payable.
- Other legal and relevant details.

172. New master files can only be created by 'HR personnel' (see above) and with the express approval of the Director of Finance and HR Manager through the Authority to Recruit (ATR) process. The actual implementation of amendments to Masterfile data is double-checked both by payroll staff, and through control processes (reconciling pay to budget). Any master file amendments initiated by the central team, are similarly scrutinised but agreed and signed off by the Executive Team.

173. Each School or central HR Administrator must complete a monthly staff return which provides details of sickness and other absences during the month. The staff return must be authorised by the nominated budget holder (usually the headteacher – 'wet signature required' and / or e-mail confirmation detailing amounts for approval alongside the formal claims). Authorised staff returns should be saved securely for payroll check and processing.

174. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. In turn this is authorised by the budget holder, scheduled by the HR administrators and approved by the headteacher. All claims etc., and one-time adjustments are again subject to payroll scrutiny.

175. Lists of payroll signatories are held centrally and provide details of those authorised to process starters and leavers, claims, and requests for manual payments.

176. A calendar of payroll processing dates is made available and published to schools on the shared network drive.

177. Where manual payments are required for any reason (eg. late starters or due to error and omission) these must be approved in advance by the Headteacher and/or Director of Finance and normally restricted to 60%; being a proxy for net pay.

Salary Payments

178. The Payroll Department prepare a reconciliation between the current month's and the previous month's gross and net salary payments showing adjustments made for new appointments, resignations, pay increases etc. This reconciliation is reviewed by the Finance Manager and/or Director of Finance.
179. A separate reconciliation to budget is completed by the Trust's Finance Manager(s) before payroll release. Headteachers'/ the Executive subsequently review this reconciliation of pay to budget (evidenced by saved email confirmation).
180. Before payments are dispatched additional electronic prints of all data are obtained, including various exception reports which are spot-checked against source documentation by the Finance Manager. Authority to release payment will be by given by the Finance Manager and/or Director of Finance.
181. All salary payments are made by BACS.
182. 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 amounts payable to Third Parties are summarised on the YTD reconciliation and payments for these amounts are authorised by the Finance Manager and the Director of Finance (or other authorised cheque signatory if the Director of Finance or Finance Manager are unavailable) by the due date.
183. The Payroll Department may select employees at random each month and check the calculation of gross to net pay to ensure the payroll system is operating correctly. Gross to net reconciliations are maintained. Maternity records are also carefully reviewed, and system calculations checked.
184. After the payroll has been processed the nominal ledger will be updated. Postings will be made both to the payroll control account and to individual cost centres. The Finance Manager reviews the payroll control account each month to ensure 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.
185. On an annual basis, the HR Manager will produce pay statements for each member of teaching staff as at 1 September (refer to the School Teachers' Pay and Conditions Document).

Intermediaries legislation

186. The Trust has a responsibility for ensuring that all payments to individuals are subject to tax and national insurance deductions where appropriate. In order to achieve this, the following guidelines should be followed:

- An assessment must be made as to whether the individual is providing a contract of service (i.e. employed) or a contract for services (i.e. self-employed).
- If considered to be a contract of service, the individual shall be set up as an employee of the school before receiving payment through the payroll.
- Where an individual seeks payment from the school for a contract for services, this must be in the form of an invoice.
- Careful attention should be paid to repetitive payments to individuals.
- Any payments made to a person/company which does not hold a valid Limited Company registration number must be subject to IR35 **approval by the Payroll Manager. (Nb. Contractors are not able to make decisions for themselves).**

Salary advances

187. The trust does not award salary advances.

Overtime / Travel claims

188. Overtime is recorded by the individual (covering the preceding month) and submitted to their line manager for authorisation. The HR administrator in each school submits claim forms to central finance for approval. Authorisation and validity are checked centrally.

189. Claim forms must not be submitted prior to work having been undertaken.

190. No payments for work undertaken will be made other than via the payroll system.

191. Travel claims should be supported by petrol receipts to aid the Trust in recovering VAT.

Severance payments

192. Severance payments must be made in line with the Academy Trust Handbook (also known as the Academies Financial Handbook). Further information is provided on gov.uk (<https://www.gov.uk/guidance/academies-severance-payments>).

193. The Trust is able to self-approve the non-contractual element of severance payments up to £50,000. A business case must be presented before agreeing a payment, using internal documentation provided.

194. Where the non-contractual element is on or over £50,000 prior approval from ESFA must be sought.

195. The Chief Executive Officer and Director of Finance must sign off and review each business case (review evidenced on the SAG approval form).

Ex-gratia payments

196. Ex-gratia payments must be in line with the Academies Financial Handbook. Any ex-gratia payments must be submitted to the ESFA for prior approval. The Trust does not make ex gratia payments.

Section 20: Income

Government / Local Authority Grant income

197. The main sources of income for the academy are the grants from the DfE, ESFA and LA. The receipt of these sums is monitored directly by the central finance team who are responsible for ensuring that all grants due to the Trust are collected. The central team circulate LA remittances to schools, to enable schools to account for students due to receive SEN or other funding and to raise any queries arising.

Other grants

198. The receipt of these sums is monitored directly by the applicant who is responsible for ensuring that all grants due to the Trust are collected. The central finance team require copies of all grant paperwork to support review and audit completeness.

Trips

199. A lead member of staff must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare an activities trip costing to demonstrate consideration of costs and cost recovery (where appropriate), ensuring formal approval within the school. Specific requirements include:

- Preparation of an activities trip costing setting out budgeted spend, including the estimated level of pupil premium subsidy and administration overhead (up to 8%). This must be approved before advertising to students and key suppliers checked for creditworthiness. The central finance team must be given adequate notice of new suppliers proposed to allow due diligence checks.
- Proactive contact with central finance to ensure suppliers are checked carefully and set-up, as needed.
- Orders must be raised as usual through the usual requisition process, ensuring a classification code is allocated for accounting purposes.
- Facilities must be booked on a provisional basis (including transport) avoiding financial commitment and risk attached to a potential lack of take-up.
- The opportunity should be advertised to students including payment details, deadlines etc. Students should make all payments to the School's Finance Section, electronically where possible. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment. The amount owing should be clear either on an electronic record, or student payment card.
- The School Finance Officer should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead

teacher on a weekly basis with the lead teacher retaining responsibility for chasing the outstanding amounts. Payments, electronic and cash, are to be reconciled to the Trust's accounting system.

- The trip leaders should ensure numbers and payments are sufficient to justify the trip and identify / advise finance of the required pupil premium subsidy (school finance officer to transfer funds within 3 working days of confirmation).
- 4 weeks before the trip, the central and school finance team should be advised of any cash, prepaid business card and / or currency required. This should be requested by the budget holder setting out a) the overall budget agreed; b) daily limits and cash limits; c) the period of the trip etc.
- Central finance will arrange cards etc., ensuring these are with the school at least one-week in advance (to be retained in the safe).
- Immediately before the trip: All cash, cards etc. will be issued to trip leaders who will be required to sign-up to the Trust's 'acceptable use' policy and terms and conditions. These include a requirement to maintain and return receipts within one-week of the trip's completion, electronically uploading evidence where this is practical.
- Central and School finance officers to conclude 'trip accounting' finalising payments and costings.
- School to review success of the trip, financial and other.
- Variances to be reported and explained to central finance through routine trip monitoring procedure.

200. Trips should be run at cost price, although allowance can be made for administrative fees and direct staff expenses. Any surplus greater than £10 per pupil should be redistributed to parents. If trips are subsidised, then the cross-subsidy (from the relevant department and/or pupil premium) must be approved by the budget holder in advance of the trip progressing.

Catering

201. **If cash payments:** Cash payments must be reconciled on a daily basis to the lunch records and signed as evidence of reconciliation by the catering/kitchen manager. The school meal numbers, and cash totals are then to be entered onto the weekly banking sheet. The cash is kept in the safe prior to weekly collection for banking. The School Finance Officer must reconcile the weekly banking sheet to actual receipts banked (The reconciliation should be independently counter signed by a second member of personnel).

202. **If electronic cash collection:** Bank credits must be reconciled to the software reports and evidence of reconciliation maintained.

Lettings

203. The Premises Manager or equivalent school designate is responsible for maintaining records of bookings (including the completion of a letting form) and for identifying the sums due from each organisation in accordance with standard pricing. Unless approved by the Director of Finance, payments must be made in advance for the use of facilities.

All users should be instructed to send payment to the school finance office or pay directly to the Academy bank account. Payment terms are 14-days.

204. Details of organisations using the sports facilities will be maintained by the School Finance Officer who will establish a sales ledger account and produce a sales invoice from the accounting system. Income will be checked for completeness by spot-checks against booking sheets and other records. Details of payments and outstanding accounts will be forwarded to the Head of Campus on a regular basis, who must chase debt and ensure no ongoing use of facilities where payments fall in arrears (or alternatively that continued attendance is on a pay as you go arrangement, subject to a plan to repay arrears).
205. No debts should be written off without the express approval of the Headteacher and Director of Finance. Nb. DfE prior approval is required if debts are written off above values stated within the Academy Trust Handbook. Bookings may only be voided by central finance and with a valid recorded reason.
206. Copies of the organisations up to date relevant Public Liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) must be kept with the Letting Agreements and reviewed at least annually.

Sundry income

207. Income from other sources (for example educational consultancy) is priced in consultation with the headteacher or central services equivalent. The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay. The Director of Finance and Director of Business and Operations must agree SLA charges and formalise agreements to include GDPR and data considerations.

Bad debts

208. The Trust chases all monies due, and overdue invoices maintaining full records of recovery action. First-stage credit control action rests with the school but should be rapidly escalated to central finance (at the latest within two-months of invoice).
209. If the debt remains unrecoverable after 6 months and following appropriate court action (through e.g. money-claim online), or it becomes clear that the debt will not be repaid, the Trust Finance Manager will submit a report to the Director of Finance for agreement to agree write off.
210. The following write off limits apply:
- Up to £500 – Headteacher and Director of Finance
 - £500 to £2,000 – Headteacher, Executive and Director of Finance
 - Over £2,000 – Finance and Resources committee.

Cash and Custody

211. Official, pre-numbered receipts should be issued for all cash and cheques received where no other electronic payment system exists. All cash and cheques must be kept in the Finance Office safe prior to banking. Banking should take place fortnightly or more frequently if the sums collected exceed safe insurance limits.
212. Monies collected must be banked in their entirety in the appropriate bank account. The Finance Officer is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking with spot checking by the central finance team.

Charging policy

213. The Trust is committed to the general principle of free education and recognises the valuable contribution that a wide range of activities, including school visits and residential experiences, can make towards all aspects of students' education. It also believes that all our students should have an equal opportunity to benefit from academy activities and visits (curricular and extracurricular) independent of their parent's financial means.
214. The Trust recognises its responsibility to ensure that the offer of activities and educational visits does not place an unnecessary burden on family finances. To this end, the Trust will try to adhere to the following guidelines:
- Where possible, the Trust will publish a list of visits (and their approximate cost) at the beginning of the school year so that parents can plan ahead.
 - The Trust has established a system for parents to pay in instalments.
 - The Trust acknowledges that offering opportunities on a 'first pay, first served' basis discriminates against pupils from families on lower incomes and will avoid that method of selection.
215. The 1996 Education Act requires all schools to have a policy on charging and remissions for school activities, which will be kept under regular review.
216. The policy identifies activities for which:
- Voluntary contributions may be requested.
 - Charges will be made.
 - Charges will not be made.
 - Charges may be waived (Remissions).

Voluntary Contributions

217. Separately from the matter of charging, schools may request voluntary contributions in order to offer a wide variety of experiences to pupils. All requests for voluntary contributions will emphasise their voluntary nature. Students will not be treated differently according to whether or not their parents have made any contribution in

response to the request or invitation, as many parents may struggle with affordability. However, where there are not enough voluntary contributions to make the activity possible, then it will be cancelled.

218. The Law states:

- If the activity cannot be funded without voluntary contributions the Local Governing Board or Headteacher will make this clear to parents from the outset.
- No child will be excluded from an activity because his or her parents are unable or unwilling to pay.
- If insufficient contributions are received, the trip or activity may have to be cancelled.
- If a parent is unwilling or unable to pay their child will still be given an equal chance to on the visit.

Charges will be made

219. The Trust reserves the right to make a charge for the following:

- **Activities outside school hours** - the school will endeavour to provide a range of such activities from time to time. These will sometimes include day and residential experiences and are known generally as 'optional extras'. Charges may be made for these activities EXCEPT where they are provided to fulfil any requirements specified in the syllabus of a prescribed public examination or are required in order to fulfil statutory duties relating to the National Curriculum or to religious education in which case they are not regarded as optional extras as such and charges cannot be made. (Board and lodging charges may still however be made for any residential activities subject to the remission arrangements described below).
- **Residential activities held during school hours** - charges may be made for the board and lodging element of those residential activities during school hours*. Parents will be notified in advance of any such activities which the school proposes to organise and the estimated cost. Parental consent will be obtained for their children's participation in any such activities for which a charge may be made. However, pupils whose parents are in receipt of certain benefits (see remissions policy below) may not be charged for board and lodging costs.

** A school can only charge for activities outside school hours (where these are not part of the national curriculum etc.). If the number of school sessions on a residential trip is equal to or greater than 50% of the number of half days spent on the trip it is deemed to have taken place during school hours (even if some activities take place late in the evening). Whatever the starting and finishing times of the school day, regulations require that the school day is divided into 2 sessions. A "half day" means any period of 12 hours ending with noon or midnight on any day.*

- **Music tuition** - music tuition for individuals or groups of up to four pupils. Charges will not exceed cost.
- **Home to school student transport** - costs incurred by the school in providing home to school transport for students who live outside of the school's designated catchment area.

- **Materials which the parents wish the children to own** eg. materials/ingredients for subjects such as design or food technology, where parents have indicated in advance that they would like their child to bring home the finished product.
- **Exam entry fees** if the pupil has not been prepared for the exam at the school.
- **Transport** other than transport required to take the pupil to premises for the pupil's education.
- **Certain early years provision.**
- **Breakfast and after school clubs.**
- **Community facilities.**

220. Parents will be notified in advance of any 'optional extras' which the school proposes to organise and the estimated cost. Parental consent will be obtained if their children are to participate in any activities for which a charge may be made.

221. Any charge for a particular activity will be dependent upon the type of activity and its cost and the number of participants. This charge will not exceed the actual cost of providing the activity, divided equally by the number of pupils willing to participate. The cost of other pupils participating in the visit will not be included in the charge. The charge may however include an appropriate element for such things as:

- The pupil's travel costs.
- The pupil's board and lodging costs.
- Materials, books, instruments and other equipment
- Non-teaching staff costs.
- Entrance fees to museums, castles, theatres, etc.
- Insurance costs
- The costs of teaching and non-teaching staff involved.

Charges will not be made

222. Charges will not be made for the following:

- An admission application.
- Education provided during school hours (including the supply of any materials, books, instruments or other equipment).
- Education provided outside school hours if it is part of the National Curriculum, or part of a syllabus for a prescribed public examination that the pupil is being prepared for at the school, or part of the school's basic curriculum for religious education.
- Tuition for pupils learning to play musical instruments (or singing) if the tuition is required as part of the National Curriculum, or part of a syllabus for a prescribed public examination that the pupil is being prepared for at the school, or part of religious education.
- Entry for a prescribed public examination, if the pupil has been prepared for it at the school.
- Education provided on any trip that takes place during school hours.
- Education provided on any trip that takes place outside school hours, where the education is part of the National Curriculum, or part of a syllabus for a prescribed public examination

that the pupil is being prepared for at the school, or part of the school's basic curriculum for religious education.

- Supply teachers to cover for those teachers who are absent from school accompanying pupils on a residential trip.
- Transport provided in connection with an educational trip.

Remissions

223. In order to remove financial barriers from disadvantaged pupils, the Trust has agreed that some activities and visits where charges can legally be made will be offered at no charge or a reduced charge to parents in particular circumstances. Charges will be waived for parents in receipt of certain state benefits, broadly aligned to those determining free school meals.

224. Families will qualify for remission or help with charges if they are in receipt of:

- Income Support.
- Income-based Jobseekers Allowance.
- Support under part VI of the Immigration and Asylum Act 1999.
- Child Tax Credit, provided that Working Tax Credit is not also received and the family's income (as assessed by Her Majesty's Revenue and Customs) does not exceed threshold limits.
- Guaranteed State Pension.
- An income related employment and support allowance, introduced on October 27th, 2008.

Additional categories of parents may claim help with some costs in the following circumstances:

- Specific individual circumstances that have caused temporary hardship.
- Recently moved into hardship but not yet receiving the benefits mentioned above.
- Made a specific request to the Headteacher for any other justifiable reason. The remission is at the Headteacher's discretion in these circumstances based on any evidence provided.

Section 21: Expenditure

225. The Director of Finance is responsible for making payments to suppliers of goods and services to the Trust. Authority for purchasing goods or services is delegated across the Trust in line with the Scheme of Delegation. In exercising this duty, individuals that are part of this process must adhere to the procurement policies and financial procedures.

226. Individuals authorised to commit expenditure must ensure that the cost, inclusive of VAT, can be met from within the agreed budget and that the best value for money has been obtained, prior to submitting the requisition for goods or services.

Late Payment Rules

227. The Trust is required to comply with the Late Payment of Debts (interest) Act 1998. In view of the financial penalties in this Act, Council requires that all goods are received promptly to enable invoices to be paid as soon as possible. The Trust also requires that all invoices are sent directly to the central finance team:

- plinvoices@tedwraggtrust.co.uk: Greater Exeter and Crediton
- finance@marineacademy.org.uk (Marine Primary and Secondary)
- accounts@asap.org.uk (All Saints Church of England Academy).

Section 22: Procurement (overall principles)

228. The ordering of goods and services shall be in accordance with the Trust's Procurement and Purchasing Procedures.

229. The Trust requires that all expenditure, unless subject to specific arrangements¹, as determined by the Director of Finance, has a valid requisition, and purchase order (PO). The Trust operates a no purchase order, no pay policy therefore invoices received without a valid PO will be returned to the supplier except as detailed.

230. Routine or standard day-to-day purchases should be from the Trust's approved supplier lists. Where there is no agreement in place, sufficient information should be provided to the Procurement Manager/Contracts Assistant (The 'Buying' Team).

231. Goods or services purchased must be cost effective, within specified limits and quality. They must also demonstrate sound business practice and environmental sustainability. Rules imposed by funding bodies or in contracts established with third parties must also be adhered to in the purchasing process. Thresholds are in place to ensure a competitive, fair process is followed on a day-to-day basis. See [Appendix 2](#).

232. The Trust must comply with all legal obligations from European Union (EU) legislation and due process. These apply to written contracts for all forms of procurement or hire with a total value exceeding a threshold value. Failure to comply with this requirement will result in the order not being authorised.

233. A minimum of two individuals must be involved in the purchasing process.

¹ Purchase Orders are required in advance for all purchases except as follows:

- a. Catering: in-house caterers purchase produce based on quality / availability so difficult to predict. Control is via stocktakes.
- b. Examination fees. A purchase order will be placed to document the commitment in line with entries submitted.
- c. Contracts and Energy. Standing orders are usually set up at the start of year for call-off. Control is via the contracts register.
- d. Supply Staff. The commitments require recognition at period end, but due to the fluid and spontaneity required are often controlled via spreadsheet record. Management Accounts are to collect details and accrue to ensure an accurate record.

Deliveries to home

234. Trust staff should at all times avoid having items delivered to a home address, and be aware of how this might be perceived. Where exceptionally, deliveries are to home, the delivery should be approved in advance with documented rationale. (Very occasional home deliveries have been agreed in the COVID19 pandemic).

Section 23. Procurement and Purchasing Procedures

Introduction

235. The Procurement Procedures apply to all staff involved in requisitioning or contracting goods or services on behalf of the Ted Wragg Trust.
236. All staff should seek to achieve value for money, consider the environment and the local economy when ordering goods or services.
237. These procedures operate on the basis of existing legislation and the use of Financials Live.

Trust Requirements

238. The aim of these procedures is to outline the procurement process in place within the Trust. The intention is to ensure that all expenditure incurred by the Trust adheres to key principles. All expenditure should demonstrate:
- Value for money; to ensure Trust/School budgets are optimised as much as possible.
 - Quality; sufficient quality to meet the requirement, but not over specified and greater cost.
 - Environmental; ordering with due consideration to the local environment.
 - Due Process; all suppliers will be treated fairly and transparently.
239. **Key principles when creating requisitions:**
240. It is essential you understand the 'value' of the contract and procurement thresholds. Value is assessed across the Trust and is the determinant of the procurement route. See [Appendix 2](#).
- Routine or standard day-to-day purchases will utilise existing approved suppliers (approved supplier list – pending) wherever possible.
 - Orders above £1,000 will require quotations. Please consult [Appendix 2](#).
 - All requests to incur expenditure will need to be approved by the Budget Holder. Procurement resource (support of the 'buying team') will not be assigned until this stage has been completed.
 - Requisitions (where spend exceeds £5,000) should be submitted along with supporting documentation (i.e. quotations, agreement, membership renewal information, Single Source Approval form and supplier details). Failure to do so will cause your requisition to be returned, delaying the process. All documents should be saved in accordance with Trust protocols.

- Requisitions with poor description will be rejected.
- If your requirement is for IT, IT approval will be required prior to the requisition being released. Technical advice may also be required for estates / buildings spend.
- The Trust operates a “no purchase order no pay” process. Any invoices received without a valid purchase order number will be returned to the supplier. (See earlier for the very limited exceptions to this rule).

241. **Key considerations (requisition processing):**

- Where possible use the Trust’s approved suppliers. Time should be allowed where new suppliers are requested (note, in relation to year-end trips).
- You must ensure you have a clear understanding of requirements and value for money. You must consult the ‘buying team’ where the contract value exceeds £40,000.
- There are various levels of budget approval.

Approval Pool	
Lower level approval	Less than £5,000
Higher level	Greater than £5,000 (Additional information required)

- Requisitions missing supporting documentation or with poor descriptions will be rejected. Examples of meaningful descriptions:
Subscription for Accelerated Reader: 1 September 2021 to 31 August 2022
ASCL conference, attended by AM December 2020
- Check that your cost centre and nominal are appropriate and relevant to the purchase.
- Check the VAT code to ensure the correct type of tax is applied.
- Ensure all supporting documentation is made available.

242. **Requesting goods, equipment and services:**

243. When creating a requisition in Financials Live, ensure you have Budget Holder approval, if the items also require Technical approval (ICT, Estates), ensure you have authorisation to request these items.

244. **Requesting, evaluating and accepting a quotation:**

245. Acceptance of any quotation or estimate other than the lowest cost option is not permitted unless in exceptional circumstances. However, when assessing and evaluating quotations you should seek to determine which quotation offers the best value for money taking into account qualitative aspects as well as price.

246. Please note; a well-defined specification should create the opportunity to accept the lowest priced tender or quotation due to clarity of the requirement.

247. **Receiving Equipment, Products and Services:**

248. The Trust requires that items ordered, when received, are receipted by the requisitioner ASAP. The requisitioner is responsible for ensuring that the items are:
- In a suitable condition for usage,
 - In the correct quantity,
 - As per the original order.
249. Assuming the above is correct, the requisitioner will need to update the purchase order in Financials Live to confirm the items have been received. If the items received are not at the quantity ordered then only the quantity received should be receipted.
250. Failure to update Financials Live on items received will put your order on automatic hold until this has been receipted, thus delaying payment to the supplier.
251. In the eventuality that the goods are not as expected then the items should be refused or the delivery rejected. Staff/the supplier need to be made aware at the earliest opportunity that the items are either damaged or there is an issue. In this instance, do not “receipt” the items in Financials Live until the issue is resolved and speak to the supplier regarding the issue.
252. If items have been “receipted” but items are then found to be damaged or incorrect, you can:
- Contact the supplier to arrange for replacement, if this matter is not corrected quickly by the supplier, then contact finance.
 - Reverse your Goods Received note within Financials Live, giving explanation.
253. Generally advance payments are not made to suppliers. Occasionally, milestone payments are made as part of the contract due to work stages. Advance payments must not be agreed without specific agreement of the Buying Team.

Tendering process

254. See: https://www.tedwragtrust.co.uk/wp-content/uploads/2020/01/TWMAT-Competitive-Tendering-Policy_Nov-2019.pdf (update pending).

Creating new suppliers

255. All requests for new suppliers must be sent to central finance from a valid school email address using the ‘new supplier set-up form’ for authorisation. No commitment to the supplier should be made until set-up is agreed.
256. All **Invoices** and Supplier Statements for Greater Exeter (including Queen Elizabeth’s School) must be sent directly to the Finance Office at Cranbrook Education Campus. Any suppliers using incorrect addresses should be notified promptly to ensure payment is not delayed and that the central team has comprehensive information at hand.
257. Details are as below:

Cranbrook Education Campus Central Finance Ted Wragg Multi-Academy Trust, Tillhouse Road. Exeter. EX5 7EE
plinvoices@tedwraggtrust.co.uk
01404 821977

258. Plymouth invoices should be routed as below:

Finance Department Marine Academy Plymouth Trevithick Road Plymouth PL5 2AF
finance@marineacademy.org.uk
01752 213939

259. Plymouth invoices should be routed as below:

All Saints Academy Pennycross Plymouth PL5 3NE
accounts@asap.org.uk
01752 237157

Checking of supplier statements

260. All supplier statements should be checked upon receipt against vendor line items. If an invoice number and amount cannot be matched, then the supplier should be contacted to provide a copy invoice.

261. Supplier statements should be retained at the end of the financial year for audit purposes.

Goods and services for private use

262. No goods are ordered, or services provided are to include any elements of private use by governors and staff. Business and private purchases must be separated at all times including for petty cash.

Section 24: Capital expenditure

263. Funds invested in acquiring, upgrading and constructing fixed assets where future economic benefits would be derived over future years would typically be defined as capital. Included within this would be expenditure on buildings, land, and IT

infrastructure. The Trust's de minimis for capital has been increased to £5,000 recognising the scale of Trust growth.

264. An outline business case should be submitted to the Capital Programme Monitoring Group (CPMG) which acts as a Moderation Panel, for consideration and approval. Based on recommendations from CPMG, proposals will be considered for approval by the Executive, Finance and Resources Committee and Board, depending on the value. (See [Appendix 8](#) for full details).
265. All capital projects must be competitively tendered prior to work commencing. Guidance should be sought from Procurement and Estates, if required. Procurement procedure rules and the Construction Project and Procurement process should be adhered to. Following completion of the procurement process, contracts can only be entered into for Approved Capital schemes where the value falls within the budget of the project.
266. If the project is to be funded by an external source, any conditions, where applicable, should be followed.
267. Expenditure incurred on feasibility studies and initial set up costs will only be deemed capital if the capital project is approved. In the eventuality the project is not approved costs will need to be borne by the relevant School or Function.

Section 25: Insurances

268. The Finance and Resources Committee reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for academy trust property when off the premises.
269. Budget holders must ensure all valuable are kept under lock and key when not being used in a supervised manner.

Section 26: Expenses

Governors / Trustees expenses

270. All governors/trustees of the Trust are entitled to claim:
- The costs of travel to meetings / training courses at the rate of 45p per mile.
 - Travel and subsistence costs, payable at the current rates specified by HMRC, and associated with attending national meetings or training events, unless these costs can be claimed from the any other source.
 - Telephone charges, photocopying, stationery, postage etc.
 - Any other justifiable allowances.
271. The Governing Board acknowledges that:
- Governors/Trustees are not be paid attendance allowance.
 - Governors/Trustees are not reimbursed for loss of earnings.

272. Governors/Trustees wishing to make claims under these arrangements, must complete a claims form and submit this alongside relevant receipts to the Clerk for budget holder approval. The form should be submitted within one month of the date when costs were incurred (maximum period allowed; three months). All documentation must be filed separately and securely for audit review.

Staff expenses

273. Expenses may be claimed in line with the Trust's expense policy. The expense process should not be used to claim other costs, eg. the costs of equipment, which must be ordered using the normal purchasing ordering system and paid via invoice.

Section 27: Gifts

274. Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). Gifts or hospitality in excess of £25 must be reported to the Director of Finance in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder or has the ability to influence purchasing decisions.
275. Gifts that have been reported are entered onto the gifts and hospitality register.

Making of Gifts

276. When making gifts, the trust must ensure the value is reasonable (i.e. not excessive or disproportionate), is within its scheme of delegation, the decision is documented, and achieves propriety and regularity in the use of public funds.
277. For most purposes, a limit of £25 will be sufficient. This may be varied in exceptional circumstances with appropriate ratification (Executive / Trustee agreement as appropriate to the circumstance).
278. Gifts awarded shall not be used to purchase alcohol, which is expressly forbidden.

Section 28: Energy Management

279. The Central Finance team are responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters and consumption should be checked before payment of invoices from the utility providers. Any discrepancies or unusual reading should be raised with the School's Business Support Officer immediately.
280. The School Business Support Officer ensures that the school's heating system is operated and run as efficiently as possible, liaising as appropriate.
281. The Procurement and Estates Project Manager work in collaboration to ensure that the school is purchasing energy at the most competitive prices available.
282. All staff have the responsibility to work in an energy efficient manner at all times (e.g. turning off computers, lights and heating when not required).

Section 29: Contracts Register

283. Clauses below effective from September 2021.

284. The central finance teams (the Buying Team) shall maintain a contracts register on the schools' behalf to:

- Ensure full understanding of liabilities and compliance with procurement rules.
- Identify which contracts need to be re-let and programme work.
- Support understanding of 'gaps' and areas where efficiency gains may be sought.
- Compare with spend analysis from the accounting software and identify where no contracts exist but should.
- Demonstrate greater accountability regarding contracting activity.
- Identify areas where collaboration would be beneficial – immediately or on renewal.

285. This ensures an accurate picture of tendering and contracts across the Trust.

Section 30: Leasing

286. There are 2 different types of lease – operating leases and finance leases – but schools should generally only enter into operating leases, as the use of finance leases require the Secretary of State's approval and effectively not allowed under the Academy Trust Handbook.

287. Understanding the main differences is essential:

Operating lease	Finance lease
Operating lease agreements typically have a shorter duration than the working life of the equipment. Under an operating lease, the leasing company ("lessor") retains the risks and rewards of ownership, and it will also retain an investment in the equipment being leased, known as the Residual Value. You will not own the equipment at the end of the agreement.	Finance lease agreements usually run for all, or a substantial proportion, of the equipment's estimated working life. Under a finance lease, the leasing company ("lessor") transfers all of the risks and rewards of ownership of the equipment to the customer ("lessee"). You will not own the equipment at the end of the agreement. Leases that do not meet the operating lease criteria will be finance leases

288. The difference between a finance and operating lease depends on the substance of the transaction rather than the form of the contract. The table below may help:

	Answer Yes	Answer No
Is the lease term for the major part of the economic life of the asset, even if title is not transferred?	Finance lease	Operating lease

	Answer Yes	Answer No
At the inception of the lease does the net present value of the minimum lease payments amount to at least substantially all of the fair value of the leased asset?	Finance lease	Operating lease
If still unsure as to type of lease (a mix of yes and no answers to the section above), consider the next set of questions:		
If the lessee is entitled to cancel the lease, are the lessor's losses associated with the cancellation borne by the lessee?	Finance lease	Operating lease
Does the lessee have the ability to continue to lease for a secondary period at a rent that is substantially lower than the market rent?	Finance lease	Operating lease

289. When considering the choice between outright purchase and an operating lease, budget holders must always:

- Follow normal commissioning process including reviewing the resource need, specification and evaluation criteria.
- Review the benefits and risks attached to an operating lease arrangement, including: maintenance and servicing and in-built costs attached; vulnerability to supplier risk; the underlying finance company and whether they are members of the Finance and Leasing Association (FLA); minimum lease periods, upgrade arrangements and cost, notice and settlement terms, and arrangements at the end of the minimum lease period.

290. All leasing agreements must be reviewed and signed by an Executive Leadership Team member and included on the Trust's contract register.

291. ESFA approval is required for the following:

- Taking up a leasehold or tenancy agreement from another party for a term of seven or more years.
- Granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

Section 31: Pooling of GAG

292. The Trust has the freedom to amalgamate a proportion of GAG funding for all its schools to form one central fund. This fund can then be used to meet the normal running costs at any of the schools within the Trust in accordance with the guidelines that govern the use of GAG funding.

293. The Trust retains an agreed percentage of each school's total GAG funding allocation to meet the costs of the Trust operations and other costs/services that have been agreed will be funded centrally.

Section 32: VAT

294. The Central Finance Team is responsible for submitting the monthly VAT return and ensuring compliance with the HMRC rules for reclaiming correct levels of VAT.

295. Reference should be made to the Trust's Vat guide which details in full our VAT status, and the appropriate VAT treatments to apply.

296. [Appendix 7](#) sets out the rates of VAT applicable to various transactions. Schools are reminded here to minimise the use of purchase cards and ensure where possible purchases are via invoice, improving the available documentation for VAT recovery.

Section 33: Asset Management

297. The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with authority. Items purchased using external funds must acknowledge any terms and conditions stipulated by the funding body.

298. The care, custody, and security of equipment and other assets under their control, are the responsibility of the individual member of staff. Due care must be taken at all times to ensure the protection of these items. Any instances where security arrangements are defective must be reported to the Director of Finance.

299. Assets owned by the Trust shall, where the cost or acquisition is above £5,000 (excluding VAT) be recorded on a fixed asset register and marked to identify them as Trust property.

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

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

301. Other than land, buildings and heritage assets, trusts can dispose of other fixed asset without the ESFA's approval subject to achieving the best price that can reasonably be obtained, and maintaining the principles of regularity, propriety and value for money.

Personal use

302. Personal use of assets either owned or leased by the Trust is not allowed, except with express agreement (e.g. incidental use of a mobile phone).

Data assets

303. Every effort should be made to ensure that information generated or held, that could contain personal or sensitive data, is protected and measures are in place to store appropriately.

Acquisitions and disposals of assets

304. Acquisitions and disposals may be of freehold, leasehold or other interests. As well as restrictions on the individual titles of land and requirements imposed by land registration, there are also statutory restrictions imposed on disposing of, or making material changes to school land. This may include a requirement to seek government approval.

305. All proposals concerning land and property must go through the Director of Business and Operations, who will advise on the necessary statutory requirements, seek the consents and obtain legal advice where needed.

306. When FF&E assets are required to be disposed of, it is the responsibility of Schools to notify the Director of Finance, who should decide on the most appropriate method of disposal in the best interests of the Trust. The disposed asset, date of sale, and any sale value should be recorded on the School Asset register at the point of disposal.

307. All items for sale or destruction must be authorised for disposal by the Headteacher and, where significant, should be sold following due process:

- Taking reasonable steps to advertise the disposal.
- Inviting bids for the asset (sealed bids are preferable).
- Negotiating with potential purchasers.
- Nb. That licensing and GDPR issues must be considered.

308. Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the school obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the school would need to ensure licences for software programmes have been legally transferred to a new owner.

309. The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other assets.

Asset Register

310. All items purchased with a value over the academy's capitalisation limit of £5,000 must be entered on the fixed asset register with the following details:

- Asset description.
- Date of acquisition.
- Asset cost.
- Source of funding (% of original cost funded from grant and % funded from other sources).
- Expected useful economic life.
- Depreciation.

- Current book value.
 - Location.
311. The Register must additionally include, the:
- Serial number/identifier.
 - Name of member of staff responsible for the asset.
312. The asset register helps:
- Ensure that staff take responsibility for the safe custody of assets.
 - Enable independent checks on the safe custody of assets, as a deterrent against theft or misuse.
 - To manage the effective utilisation of assets and to plan for their replacement.
 - The external auditors to draw conclusions on the annual accounts.
 - Support insurance claims in the event of fire, theft, vandalism or other disasters.
313. Examples of items to include on the asset register include:
- ICT hardware and software (this list can be combined and used to identify software licences to ensure the school is complying with legislation).
 - Reprographic equipment – photocopiers, comb binders, laminators.
 - Office equipment – fax machines, shredders, switchboard.
 - Furniture.
 - AV equipment – TVs, video/DVD players, OHPs, cameras, speakers.
 - Cleaning equipment – vacuum cleaners, polishers.
 - Catering equipment – ovens, fridges, dishwashers, food processors.
 - Technology equipment – sewing machines, craft machinery.
 - Premises equipment – lawn mowers, power tools, generators.
 - Other equipment – musical instruments, PE equipment.
 - Minibuses.
314. Responsibility for updating the asset register usually rests with the IT team and focal point leads / business support officers.

Depreciation

315. The Trust has determined appropriate depreciation rates, based on the assessment of the useful economic life and expected realised value of assets acquired. Current rates of depreciation are:

Leasehold property	2% straight line
Furniture and fittings	20% straight line
Motor vehicles	20% straight line
Computer equipment	33% straight line

** Exceptions may be agreed, where these are a fairer reflection of use.

316. Consideration should be given during the budget cycle to the adequacy of provisions made for equipment replacement having regard to the asset portfolio.

Security of Assets

317. All the items in the register should be permanently and visibly marked as the academy trust's property.
318. Equipment is, where possible, stored securely when not in use.
319. An annual count is undertaken by the school business support officer (or delegate) who is different from the preparer of the asset register. Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the governing body.

Disposals

320. Disposals, where applicable, are in line with the Academy Trust Handbook.
321. Items which are to be disposed of by sale or destruction must be authorised for disposal the Headteacher in liaison with the Director of Finance and, where significant, should be sold following competitive tender. The academy must seek the approval of the ESFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

Loan of Assets

322. Items of Trust property must not be removed from academy premises without the authority of the Headteacher. A record of the loan must be recorded in a loan book and booked back into the school when it is returned.
323. If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the academy's auditors.

Appendix 1: Scheme of Delegation – Finance Extract

R: Responsibility: ultimate approval or decision-making body. Note this may be across the Trust or limited in scope to e.g. a single academy as indicated above and also detailed in relevant Terms of Reference (ToRs) and job descriptions.

O: Overview role: to ensure a function is undertaken in line with policy or procedure, agendas, ToRs or job descriptions should specifically capture the requirement to monitor.

C: Consultative role: views to be sought and considered prior to decision

A: Advisory role: provides guidance or opinions to assist decision making

F&R: Finance and Resources Committee

A&R: Audit and Risk Committee

	ACTIVITY	DELEGATION	Authorised Nominee
Governance Structure	Managing Conflicts of Interest and Related Party Transactions	Clerk (R) Board (O)	The Board is responsible for ensuring compliance with ESFA requirements, with F&R Committee oversight.
	Approval of Financial Policy	Board (R)	F&R oversee the development
Organisational Strategy	Entering into leases or other legal arrangements (other than standard non-property operating leases - see purchasing)	Board (R)	
Finance	Completion and approval of annual accounts and reports to funding and regulatory bodies	Board (R) A&R (C)	F&R approval subject to Board ratification
	Completion and submission of other accounting returns	Executive (R)	
	Completing returns and / or financial reports to Board & / or Dfe / ESFA	Executive (R)	
	Authorised to complete PAYE returns	Executive (R)	

	ACTIVITY	DELEGATION	Authorised Nominee
	Authorised to complete VAT returns.	Executive (R)	
	Appointment of external auditors	Board (R) A&R (A)	
Systems of Internal control	Establishing Controls Framework including Internal Audit	Board (R) A&R (O)	
	Setting delegated authority limits for financial transactions	Board (R) F&R (O)	
	Developing finance policies and regulations (charging, remission, procurement, controls)	Board (R) F&R (O)	
	Appointment of internal auditors	Board (R) A&R (O)	
	Ensuring compliance with ESFA requirements (including novel, contentious and repercussive transactions etc.)	Board (R) F&R (O)	
Budget and Management Reporting	Approval of Annual Budget	Board (R) F&R (O)	F&R: Approval of capital programme within the approved funding envelope.
	Development of the Annual Budget	Executive (R)	
	Receipt and review of management accounts and financial forecasts	Board (R) F&R (O)	
	Monitoring Pupil Premium Spend including catch-up and PE and sport premium Trust wide	Education Committee (O) Executive (R)	
	Monitoring Pupil Premium Spend including catch-up and PE and sport premium for individual school	Executive / LGB (O) Heads (R)	
	Authority to make budget virements	F&R (O) Executive (R)	

	ACTIVITY	DELEGATION	Authorised Nominee
	Approval of reserves requests	Executive (R)	CEO/CFO: Joint, up to £50k CFO: Up to £20k
	Approval of academy contributions to central and shared budget	F&R (R)	
	Setting procurement strategy	F&R (R)	
	Ensuring compliance with tendering processes	Executive (R) F&R (O)	
	Placing orders for goods and services, entering into contracts	Board (R > £100k) F&R (O)	F&R to review /recommend: > £100k Joint CEO/CFO: £40k - £100k CFO: up to £40k
	Waiver of financial regulations in respect of purchasing	Board (R > £100k) F&R (O)	Joint CEO/CFO: £50k - £100k CFO: up to £50k
Banking Authority and Cash Management	Cashflow Management, Treasury & Investment Policy	Board (R)	
	Open a bank account and approve signatories	F&R (R)	
Transaction Processing	Payroll - Starters, leavers and amendments: central	Executive (R)	
	Payroll - Starters, leavers and amendments, individual school budget line	Heads (R)	
	Payroll - Administration	Executive (R)	
	Purchasing - Authorised to create vendors on accounting system	Executive (R)	
	Authorisation of expense claims (cannot authorise one's own expenses), central	Executive (R)	
	Authorisation of expense claims (cannot authorise	Heads (R)	

	ACTIVITY	DELEGATION	Authorised Nominee
	one's own expenses), school budget line		
	Write-off bad debts	F&R (O) Executive (R)	
Fixed Assets	Management of capital projects	F&R (O) Executive (R)	F&R approve capital programme
	Asset Register	Executive (R)	
	Security of Assets	Executive (O)	
	Disposal of Assets	F&R (O) Executive (R)	
	Loan of Assets	Executive (R)	
Insurances	Annual Risk Review & Premium Renewal	F&R (O) Executive (R)	
	Take out Director Indemnity Insurance Cover	Executive (R)	
Human Resources	Approval of annual staffing budgets	Board (R)	
	Authorised to change establishment plans, within own remit	CEO (R) Heads (R)	
	Approval of formal restructure plans	Executive (R)	
	Approval of severance or redundancy agreements	CEO (R)	
Recruitment	Recruitment and appointment of CEO	Board (R)	
	Recruitment / appointment / dismissal of Executive Team and Head Teachers	CEO (R)	
	Recruitment / appointment of other Senior Leaders within Schools	Head (R)	
	Approval of Trust-wide employment contracts and	Executive (R)	

	ACTIVITY	DELEGATION	Authorised Nominee
	terms, except that of the CEO		
	Approving appointment terms in line with Trust agreed T&Cs in own remit	Heads (R)	
Partnerships and Strategic Initiatives	PFI contract- entering into formal contract variations and agreements	F&R (R)	
	PFI contract management	F&R (O) Executive (R)	

Appendix 2: Procurement Thresholds

These thresholds assume that you have identified the need, finalised the specification, have sufficient funding available, and have authorisation to commit the expenditure.

Establishing the value of a contract:

Supplies and Services:

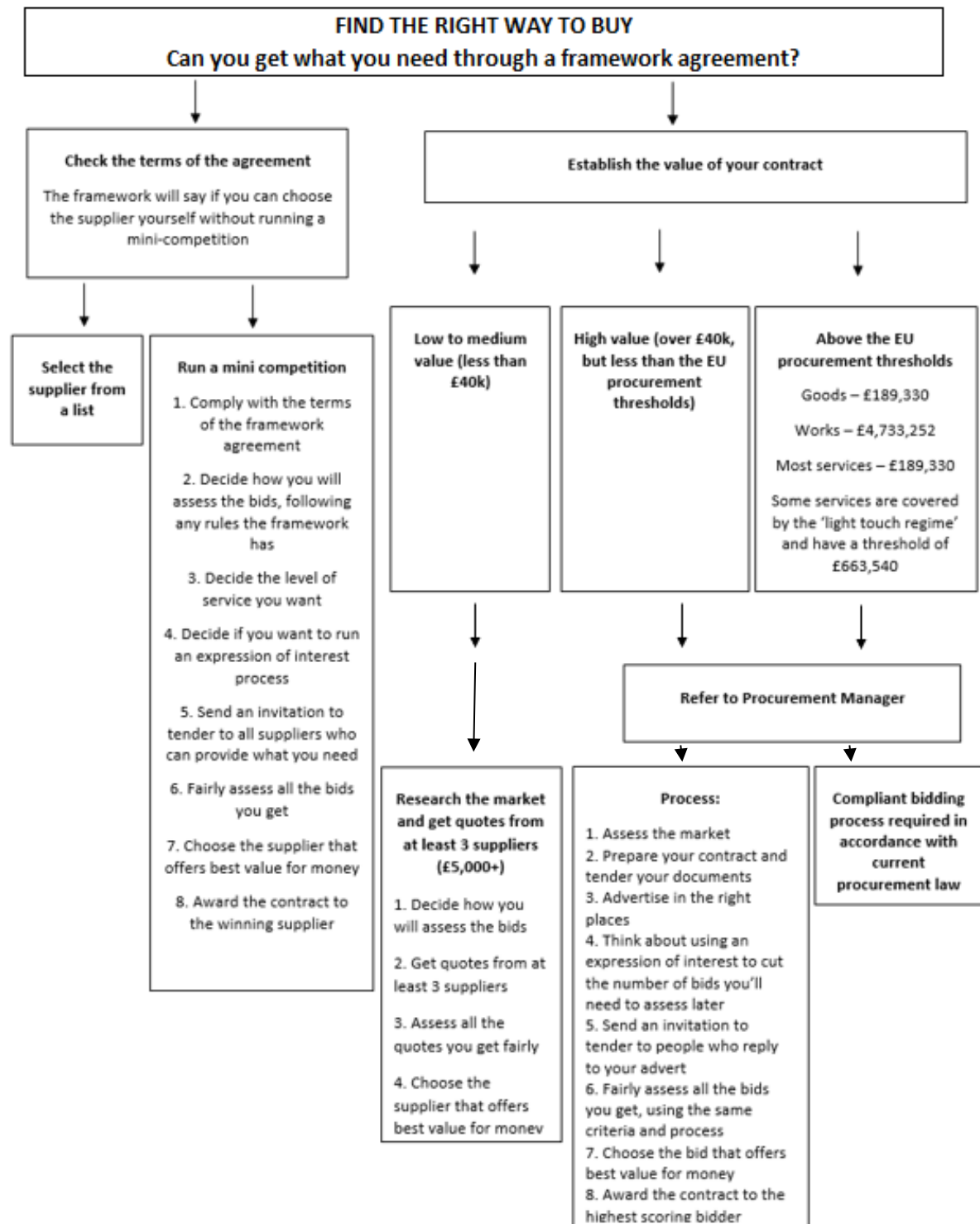
- If the contract is for a 'one-off' purchase, estimate the total value including all component parts, transport costs, installation and commissioning.
- If the contract is regular in nature, the value of successive contracts of the same type should be estimated over 12 months (either based historically or in the future). Note, however, requirements cannot be disaggregated in order to avoid the legislation.
- Fixed term contracts for the lease, rental or hire purchase, should be estimated for the duration of the contract and where the term of the contract is greater than 12 months, the total value including the estimated residual value.
- Where the contract is part of a series, the whole series should be estimated over a 12-month period or longer, if appropriate.
- If a contract is for a fixed period, say one year, but has an option(s) to extend, for example, for a further period of one or two years. Then, regardless of whether or not there is uncertainty about exercising the extension options, the maximum duration, ie 3 years, is used when estimating its value.
- In the case of contracts without a fixed term or the term of which cannot be defined, (e.g an indefinite or uncertain period), the monthly value is multiplied by 48.
- Where there is a single requirement for goods and a number of supplies contracts for similar requirements have been, or are to be, entered into, then the total value of all individual contracts must be calculated.

Note: The Trust / Schools must not enter into separate contracts with the intention of avoiding the application of the rules, nor use a valuation method that gives the lowest estimated value.

Estimated Value (excluding VAT)	Trust Requirements
Up to £1,000	'Routine / Standard day-to-day purchases' Estimated price: Order from approved supplier list where possible (pending).
£1,001 - £5,000	Written quotation (two preferred). Select approved supplier where available.
£5,001 - £40,000	At least three competitive written quotations, or Single Source Approval (SSA) signed by the Director of Finance.

	Save evidence of quotations (as required by the central finance function) to support requisition approval.
£40,001 to £100,000	<p>At least three competitive written quotations / tenders against a formal Request for Quotation / Tender Process.</p> <p>Written contract required. Consult the Trust's Buying Team.</p> <p>Single Source Approval requires the agreement of Executive (Authorised nominees: CEO / DOF acting jointly).</p>
£100,001 - £189,330	<p>At least three competitive written quotations / tenders against a formal Request for Quotation / Tender Process.</p> <p>Spend must be authorised by the Finance and Resources Committee. Written contract required, signed by an Executive Team member. Consult the Trust's Buying Team.</p> <p>Single Source Approval requires the agreement of Finance and Resources Committee.</p>
Above £189,330	A compliant EU Tender process. You must consult with Procurement before any process is initiated or Contract created.

Appendix 3: Find the Right Way to Buy



Appendix 4 - Single Source Approval (SSA): Guidance

Single source approval is required where the value of the proposed purchase exceeds £5,000 excluding VAT and it has not been possible to obtain competitive quotations.

Circumstances when approval is not necessary:

- The value of the purchase, or series of purchases is less than £5,000 excl. VAT.
- Where a strategic partnership with another public sector organisation is in place.
- Examination fees or agreed support packages for Students with EHCPs (Education, Health and Care Plans).
- Transactions with the Trust's wholly owned subsidiary which transacts at cost.

Standard Exemptions (the form should still be submitted to apply exemptions):

- Proprietary items available from only owner of intellectual property rights; copyrights or distribution rights.
- Price controlled by Government Regulation.
- Repairs or Parts for existing plant, equipment or machinery where it is considered that the original supplier should carry out the repairs or parts are not available from any other supplier.
- The items to be purchased are to upgrade existing equipment or software and it is considered that the original supplier should be used because either:
 - The original supplier is the owner of the intellectual property rights and/or copyrights in the products or software.
 - The original supplier is the sole distributor or agent for the equipment in the UK.
 - There is substantial risk in using a third party to upgrade (additional evidence and information required).
 - Using a third party would invalidate any warranty or maintenance agreements. For the third-party exemption a brief statement identifying the risks is required.
- The items to be purchased are used; or second hand or ex-demonstration and being sold at a substantially reduced price.
NB. Additional information required: provide information indicating the actual or estimated price of new.

PLEASE NOTE: SSA approval only constitutes the authorisation to proceed with the named supplier. This is NOT budgetary authorisation as this is the responsibility of the School's budget holders.

Please allow ten working days for consideration. If you have sourced three competitive quotes from separate suppliers, you do not need to complete this form – simply submit your requisition, and save relevant quotations.

Appendix 5 - Single Source Approval: Form

Requestor Details

Name:	
Email:	
Phone:	
School:	
Department:	

Supplier Details

Supplier Name:	
Name of Contact:	
Contact Email Address:	
Supplier Website Address:	
Department:	

Intentions

Overarching category of purchase required	Eg. <ul style="list-style-type: none">- Professional or Bought-in services- Scientific and Laboratory equipment and materials- Educational consumables- Estates and buildings, including campus services- IT hardware- IT software
Description of Purchase to be made:	

Why do you need to purchase from this supplier?	Provide justification for not seeking competitive quotes / bids. <ul style="list-style-type: none"> - If a standard exemption is being sought/applied what is the justification. - How was the decision made that only the selected products/services can meet the requirement? Have alternatives been considered and if so what alternatives and what was the outcome of the evaluation?
Value of spend, excl. VAT	

Additional Details

Quotations received:	Attach
Delivery start date:	
Budget code:	
Source of funding:	
Department:	

Addition of Supplier to Core Systems

Before submitting this request, please establish whether the supplier is active within Financials Live. If not, a supplier setup form should be prepared

Approval

Signature:	
Date:	
Name and Role:	

Appendix 6: Document Retention Periods (Financial)

	File Description	DPA applies	Statutory provisions	Retention Period	Final Action
1	Annual accounts	No		Retain in school for current year + 6 years	Archive
9.2	Annual budget and background papers	No		Current year + 6 years	Destroy Destroy as confidential waste or delete securely from electronic systems.
9.3	Budget reports and budget monitoring records	No		Current year + 3 years	Destroy Destroy as confidential waste or delete securely from electronic systems.
9.4	Records covered by various financial regulations	No	Financial regulations	Current financial year + 6 years	Destroy Destroy as confidential waste or delete securely from electronic systems. Including: invoices, receipts, order books, requisitions, delivery notices, petty cash records, records relating to the collection and banking of monies, records relating to the identification and collection of debt.
9.5	Copy orders	No		Current year + 2 years, or current year + 6 years if included with delivery notes, invoices and receipts, etc.	Destroy Destroy as confidential waste or delete securely from electronic systems
9.6	Loans and grants managed by the school.	No	Financial regulations	Date of last payment on loan + 12 years	Destroy Destroy as confidential waste or delete securely from electronic systems.

	File Description	DPA applies	Statutory provisions	Retention Period	Final Action
9.7	School Fund records	No	Financial regulations	Current financial year + 6 years	Destroy Destroy as confidential waste or delete securely from electronic systems. Including: cheque books, paying-in books, ledgers, invoices, receipts, bank statements, journey books.
9.8	Contracts: under seal		Limitation Act (1980)	Contract completion date + 13 years	Destroy Destroy as confidential waste or delete securely from electronic systems.
9.9	Contracts: under signature		Limitation Act (1980)	Contract completion date + 7 years	Destroy Destroy as confidential waste or delete securely from electronic systems.
9.10	Contracts: monitoring records			Current year + 2 years	Destroy Destroy as confidential waste or delete securely from electronic systems
9.11	Free school meals records	Yes	Financial regulations	Current year + 6 years	Destroy Destroy as confidential waste or delete securely from electronic systems.
9.12	School meals registers	Yes		Current year + 3 years	Destroy Destroy as confidential waste or delete securely from electronic systems
9.13	School meals summary sheets	No		Current year + 3 years	Destroy Destroy as confidential waste or delete securely from electronic systems.

	File Description	DPA applies	Statutory provisions	Retention Period	Final Action
9.14	Applications for free school meals, travel, uniforms etc.	Yes	Financial regulations	Whilst child at school or current year + 6 years, whichever is the longest	Destroy Destroy as confidential waste or delete securely from electronic systems.
9.15	Payroll records where school administers own payroll	Yes	Financial regulations	Current year + 6 years	Destroy Destroy as confidential waste or delete securely from electronic systems.
9.16	Records relating to individuals' pension details	Yes	Financial regulations	End of employment + 7 years	Destroy Destroy as confidential waste or delete securely from electronic systems.

Appendix 7 – Application of VAT

VAT Income	
Outside of Scope	Exempt
Government Annual Grant (GAG)	Letting of Sports Facilities (Individual and Block Bookings)
Education and Skills Funding Agency (EFSA)	Nurseries and Holiday Clubs
Department For Education (DFE)	Letting of Meeting rooms (if Buffet included the food is Standard/Rated)
DFE Bursary (Teacher Training)	Admission to Musical, Theatrical Performance
Student Loan Company re Teacher Training	Fundraising Events
Breakfast and After School Clubs	Mentoring Fees
Catering for Students at or below cost	
Charity Donations re Children in Need etc	
School Trips for Education	
School Trips at cost	
Donations from Parents	
Rates Relief from National Non Domestic Rates	
Stationery for Pupils	
Musical Instruments at cost Sale and Hire where brought into school for lessons or Orchestras	
Zero Rated	Standard
School Uniform (Young Children)	School Uniform (to children over 14 years)
Revision Guides	Commission from Photography Companies
Programmes for Musical Theatrical Performances	Catering for Staff and Visitors
	Secondment of General Staff
	Prom
	Admin and Management Services
	Charges under Management and Partnership Agreements

VAT Expense	
Outside of Scope	Exempt
Business Rates (NNDR)	Exam Fees
Wages	Flu Jabs
On street parking	Counselling Exempt
Charity Donations (Children in Need etc)	DBS Fees
	Postage
	Mentoring Fees
	Banking Charges and Interest
Zero Rated	Standard
Books , Revision Guides	Building Repairs
Newspapers Magazines	Taxi Fares
Public Transport	
Insurance	
Most Food Stuff (there are exceptions)	
Water and Sewerage	
Reduced Rate	
Fuel and Power Bills	

Appendix 8: Capital Programme: Budget Prioritisation

1. The purpose of this Appendix is to describe how the Trust will determine the appropriate level of investment within its settings to support the achievement of local and national priorities. Priorities are dynamic and recognise that planned proposals may have to be put on hold or re-phased if emergency works are required, if the funding envelope, or Government strategy changes. Priorities that are contained within school funding proposals should reflect both the Asset Management Plan (AMP) and as far as possible whole school issues. In addition to this, the priorities should recognise needs attached to pupil growth and decline.
2. The Schools' Capital programme is designed to support the Trust in meeting its vision to strengthen communities through excellent education.
3. **Context:**
4. The Trust's capital resources consist of two funding streams – Devolved Formula Capital (DFC) and School Condition Allocation (SCA). DFC is prioritised at school-level, normally towards the technology refresh.
5. SCA is paid directly to the Trust, and allocated at Trust-level as a 'single capital pot'.
6. The process for agreeing priorities is set out briefly within this appendix, and in full within the Capital Programme Allocation Policy and supporting Moderation Panel Policy.
7. **School Premises Regulations**
8. The Education Act 2002 empowers the Secretary of State to prescribe standards for the premises of independent schools, which include Academies (including alternative provision Academies) and Free Schools. These are set out in Part 5 of The Education (Independent School Standards) (England) Regulations 2010 (ISS). The Act puts a duty on schools to exercise their functions with a view to safeguarding and promoting the welfare of children.
9. There are fewer regulations than previously and they are less prescriptive, allowing schools more flexibility in how they use their premises. Many regulations state that provision must be 'suitable'. This is not precisely defined, but schools must consider the age, number and sex of pupils and any special requirements they have, when determining whether provision is suitable. Suitability should have regard to pupils ages, numbers and sex and any special requirements they may have. A pupil has "special requirements" if the pupil has any needs arising from physical, medical, sensory, learning, emotional or behavioural difficulties which require provision which is additional to or different from that generally required by children of the same age in schools other than special schools.
10. **Strategic Priorities**
11. Given the current uncertainty around funding to support schools and education, it is imperative that the Trust has a pre-determined set of priorities in place so that it has the flexibility and responsiveness needed to assign priority-rankings.

12. The Trust recognises that demand will outweigh available resources, necessitating choices. The Trust is committed to ensuring that the process of determining priorities for capital investment is open and transparent. Priorities are agreed through the Capital Programme Management Group (CPMG) which also acts as a Moderation Panel. Key features of the Panel's approach include:
- Agreed format to Bids, with an invitation to all settings as part of the Trust's cycle of business.
 - Access to Trust advisers (the Estates Project Manager and PFI Contract Manager will meet regularly with schools).
 - Consultation through the Executive, drawing on information from the Trust and Schools' Strategy and Vision, standards, experience and context of relevant Schools within portfolio (Informed by the Headteachers Report, School Improvement Plans, Health and Safety Audit, Condition Surveys).
 - Agreed 'published criteria' for the assessment of priorities in the Asset Management Plan, and open access to the information held within the Plan to all schools (Planned Maintenance Programme).
 - Consultation with all relevant partners, including schools, trustees, and strategic partners.
13. The Moderation Panel shall comprise (as a minimum): The Deputy Chief Executive, Director of Finance, Director of Business and Operations, The Estates Project Manager, a Trustee, and Director of Primary and All Through. Scores are assigned according to criteria and weighted by ranking. An appeals process is defined.
14. In accordance with these principles and approaches, the following strategic priorities have been identified for capital investment:

CONDITION

- Legislative Compliance and Health and Safety (risk to school closure). HIGHEST
- Life expired condition replacement (risk to school closure). HIGH
- Other life expired condition replacement. MEDIUM
- Educational / Staff and Admin / Learning Resource areas below standard. LOW.
- Other works, eg. accessibility, building fabric, non-teaching mechanical and electrical. LOWEST.

OTHER:

- Sufficiency to meet growth, such that resources available to schools are used efficiently.
- Climate change and sustainability.
- Environmental improvements: air conditioning, natural light etc.
- Widening the curriculum offer – eg. through the development of outdoor pitches etc.
- Developing provision for children and young people with Special Educational Needs, Disability (SEND) and vulnerable groups providing them access to the right support at the right time in the right way so that they can access high quality learning and skills opportunities and realise their life aspirations.

Cases will be strengthened by Value for Money, evidenced need (including where relevant appropriate consultation outcomes), and / or match-funding secured (school reserves, grants, SEND funds etc.).

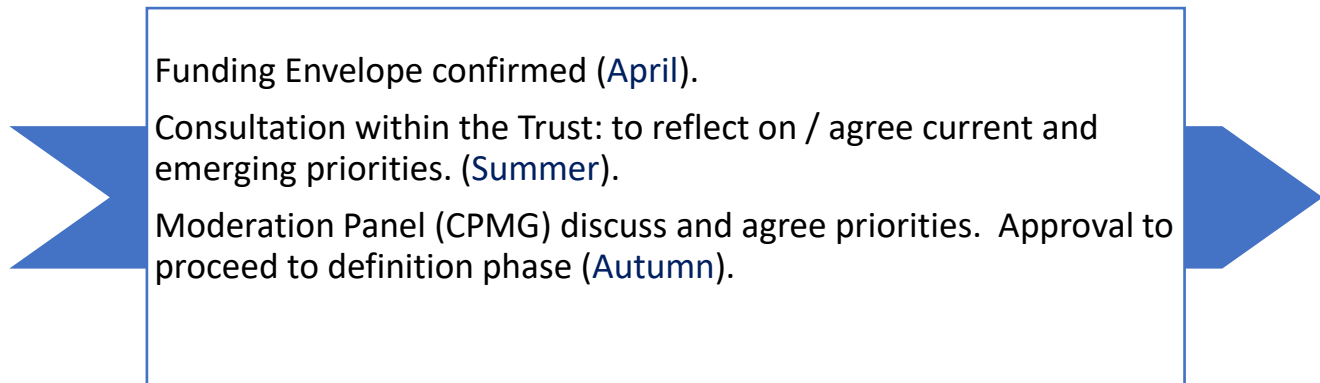
15. The allocation process: Full details are contained within the Schools Capital ... but reflect:

- Acknowledgement of professional expertise: Estates Project and PFI Contract Manager. ICT involvement may also be required.
- Requirement for flexibility in terms of virement (unforeseen circumstances) and urgent works.
- The importance of the medium-term, underpinned by a multiple year strategy for the Estate and Asset Management Plan.
- Prioritised needs assessed objectively through condition survey, and within DfE data.
- The need to consider life cycle costs including 'spend to save'.
- School culture (eg. disadvantage, technological, sports etc.).

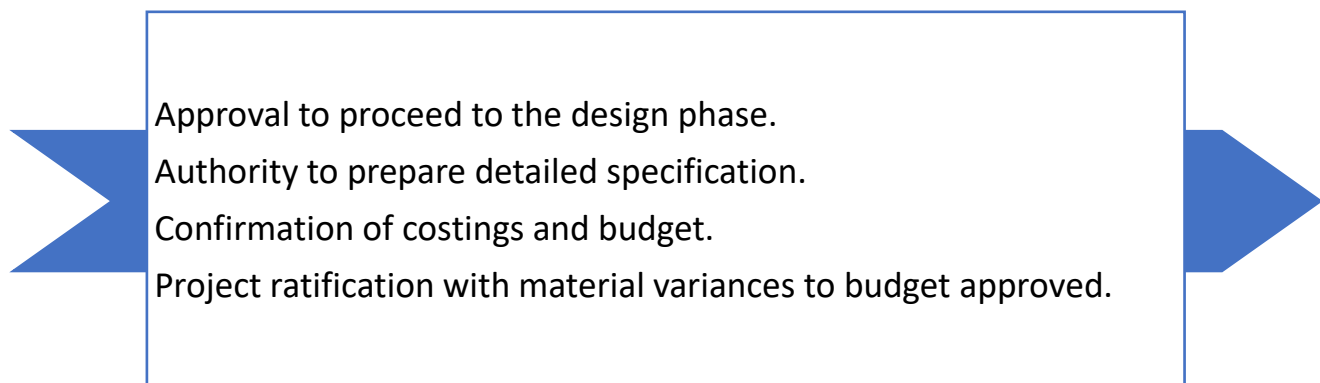
16. Bids will be co-ordinated and assessed through the Capital Programme Management Group who will report into the Business and Operations Management Group through to Finance and Resources committee.

17. Timeline:


PLANNING



DEFINITION PHASE



CAPITAL PROGRAMME MANAGEMENT



Programme managed under the oversight of the Facilities Management Team.

Monitoring through Finance and Resources Committee.

Virement in accordance with thresholds.



18. **Exceptions to the Policy:** Schools are expected to submit applications within agreed timelines. However, it is recognised that urgent works may be required from time to time necessitating action. In these circumstances, urgent approvals may be sought as set out within the Capital Programme Allocation Policy. A contingent fund is maintained to meet demand.
19. **Reasons for exemption may include urgency;** health and safety, unforeseen events, legislative compliance etc. Lack of planning is not deemed an acceptable reason.

Appendix 9 – Summary of Thresholds and Authorities

	Trust Requirements
Contract signatures	Signatories – as set out at Section 5 .
Procurement	Thresholds – as set out at Appendix 2
Capitalisation of Assets	De minimis £5,000

VIREMENT, including use of reserves	Delegated Authority	Approval	Oversight
Up to £20,000 (net of income / notional income for SEN students)	Director of Finance and Headteacher (or Head of Function / Executive Team member)	Subject to consideration (one-time versus recurrent need), medium-term and corporate sustainability, link to development plan objectives.	Reported through routine management reporting
£20,001 - £50,000	As above, plus the Chief Executive Officer	As above	Reported through the Management Accounts process
Over £50,000	Trust Board Member (Chair, Vice Chair, Chair of Finance and Resources), Chief Executive and Director of Finance.	Trust Board Member (Chair, Vice Chair, Chair of Finance and Resources), Chief Executive and Director of Finance	Reported through the management accounts process through Finance and Resources Committee.
Capital – projects are appraised on merit, therefore no formal virement process other than as above from revenue financing. (eg. To enhance a scheme or progress a project outside the single capital pot (SCA)).	Emergency approvals of up to £10,000 SCA can be agreed by the Director of Finance or a member of Executive, eg. During holiday periods or to respond to unforeseen circumstances.		Capital Programme Monitoring Group (CPMG).

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Nb. During periods of absence the Deputy Chief Executive will act for the Chief Executive Office and the Director of Finance / Director of Business and Operations for each other.

Schedule of Abbreviations

Schedule of abbreviations

AAD	Academies Accounting Direction (incorporation legal and mandatory reporting standards for academies)
AFH	Academies Financial Handbook
AFR	Audit, Finance and Resources Committee
AIP	Academy Improvement Plan
AMP	Asset Management Plan
ATH	Academy Trust Handbook
AWPU	Age-weighted pupil unit
BFR	Budget Forecast Return (submission to the ESFA)
BFRO	Budget Forecast Revenue Outturn (submission to the ESFA)
CEO	Chief Executive Officer
CFR	Consistent financial reporting
CIPFA	Chartered Institute of Public Finance and Accountancy
CIS	Construction Industry Scheme
CPD	Continuing Professional Development
CRB	Criminals record bureau
DBS	Disclosure and barring service
DFC	Devolved Formula Capital
Dfe	Department for Education
DOF	Director of Finance
DPA	Data Protection Act
DPO	Data Protection Officer
DSG	Dedicated Schools Grant
EAL	English as an additional Language
EHCP	Education, Health and Care Plans
ELG	Executive Leadership Group (CEO and Headteachers)
ELT	Executive Leadership Team (CEO, DOF, Director of Operations, Director of Education and Performance and Company Secretary)
ESFA	Education and Skills Funding Agency
EY	Early Years
FOI (A)	Freedom of Information (Freedom of Information Act)
FSM	Free School Meals
FTE	Full Time Equivalent
GAG	General Aggregate Grant
GDPR	General Data Protection Regulations
HoD	Heads of Departments
H&S	Health and Safety
HLTA	Higher Level Teaching Assistant
HMRC	Her Majesty Revenue and Customers, incorporating Inland Rev.
HR	Human Resources
HT	Headteacher
ICO	Information Commissioner's Office
ICT	Information and Communication Technology
INSET	In-Service Education and Training
ISBL	Institute of School Business Leadership

IT	Information Technology
ITT	Initial Teacher Training
JNC	Joint National Committee or Joint Negotiating Committee
KPI	Key Performance Indicator
LA	Local Authority
LAC	Looked After Children
LGA	Local Government Association
LGB	Local Governing Body
LGPS	Local Government Pension Scheme
MAT	Multi-Academy Trust
MFG	Minimum Funding Guarantee
MIS	Management Information System
MPR (S)	Main Pay Range or Main Pay Scale (M1 – M6)
NEET	Not in Education, Employment or Training
NFF	National Funding Formula
NGA	National Governance Association
NOR	Number on Roll
NQT	Newly Qualified Teacher
NVQ	National Vocational Qualification
OJEU	Official Journal of the European Union
OFSTED	Office for Standards in Education
PAN	Pupil Admission Number
PEP	Personal Education Plan
PFI	Private Finance Initiative
PPA	Planning, Preparation and Assessment
PRU	Pupil Referral Unit
PTA	Parent Teachers Association
PTR	Pupil Teacher Ratio
QT	Qualified Teacher
QTS	Qualified Teacher Status
RPT	Related Party Transaction
RSC	Regional Schools Commissioner
SBM	School Business Manager
SCITT	School Centered Initial Teacher Training
SCP	Spinal Column Point, point on salary range
SDP	School Development Plan (essentially the same as SIP)
SIP	School Improvement Plan
SEMH	Social Emotional Mental Health
SEN	Special Educational Needs
SENCO	Special Educational Needs Coordinator
SEND	Special Educational Needs and Disabilities
SIMS	Schools Information Management System
SIP	School Improvement Partner
SLA	Service Level Agreement
SLT	School Leadership Team
SOD	Scheme of Delegation
STPCD	School Teachers' Pay and Conditions Document
STRB	School Teachers Review Body
TA	Teaching Assistant

TLR	Teaching and Learning Responsibility
TP	Teachers' Pensions
TTA	Teacher Training Agency
UIFSM	Universal Infant School Meals
UPN	Unique Pupil Number
UPR (S)	Upper pay Range or Upper Pay Scale
VA	Voluntary Aided
VAT	Value Added Tax
VC	Voluntary Controlled
VfM	Value for Money