

Financial Procedures Policy

This policy was adopted by the Trustees of Exeter Learning Academy Trust in November 2022

Review Date: February 2027

Version control			
Prepared By	CEO		
Authorised By	F & R		
Published Location	Teams – ELAT All Trust Staff/ELAT and School Policies		
Version Number	**Date issued**	**Author**	**Update information**
V01	14.11.22	CFO	
V02	04.03.24	CFO	
V03	20/6/25	CFO	LGB delegation/limits
V04	6/3/26	CFO	7. In house Buying Process

Exeter Learning Academy Trust
Creating our future together

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Statement of intent

It is important for Exeter Learning Academy Trust (ELAT) to demonstrate that we use public money appropriately. To ensure that the financial standing of the trust cannot be brought into disrepute, this policy will be implemented by all academies within the trust, guaranteeing consistency in financial procedures across the academies.

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

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

1. Legal framework

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

- Employment Relations Act 1999
- Companies Act 2006
- Equality Act 2010
- The Education (School Teachers' Appraisal) (England) Regulations 2012 (as amended)
- DFE Current 'Academy trust handbook'
- DFE Current 'Declare or seek approval for related party transactions: summary guidance'.
- Data Protection Act 2018
- UK General Data Protection Regulation (UK GDPR)

This policy operates in conjunction with the following policies:

- Pay Policy
- Charging and Remissions Policy
- Tendering and Procurement Policy
- Gifts, Hospitality Policy
- Data Protection Policy
- Whistleblowing Policy
- Articles of Association

2. Roles and responsibilities

Responsibilities for different groups and individuals within the trust are set out in full throughout this policy. This section highlights key responsibilities.

The members are responsible for:

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

Members will not be employees of the trust or occupy staff establishment roles on an unpaid voluntary basis.

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

The board of trustees is responsible for:

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- Applying the highest standards of conduct and governance and taking full ownership of their duties.
- Ensuring the board meets at least three times a year and conducts business only when quorate.
- Approving a written scheme of delegation of financial powers.
- Managing conflicts of interests and related party transactions.
- Approving a balanced budget for the financial year and minuting the approval.
- Ensuring decisions about executive pay follow a robust evidence-based process reflecting the individual's role and responsibilities, and that the approach to pay is transparent, proportionate and justifiable.
- Appointing an audit and risk committee to advise on the adequacy of the trust's controls and risks.
- Submitting audited accounts to the DFE by 31 December.
- Ensuring an appropriate, reasonable and timely response is given to findings by auditors.

Any newly appointed senior executive leader can only be a trustee if the members decide to appoint them as such, the senior executive leader agrees, and the Articles of Association permit it.

The board of trustees will appoint a senior executive leader who may be appointed as a trustee – this will be the chief executive or equivalent. The board will also appoint a named individual as the trust's accounting officer – this will be the senior executive leader. The roles of senior executive leader and accounting officer will not rotate.

When the senior executive leader is planning to leave the trust, the board of trustees will approach the trust's Regional Director in advance to discuss the trust's structure and options, including plans for recruitment.

The accounting officer is responsible for:

- The trust's financial affairs.
- Sharing the DFE's 'Letter to academy trust accounting officers' letter with the members, trustees, the CFO and other relevant stakeholders, arranging for it to be discussed by the board of trustees and taking action, where appropriate, to strengthen the trust's financial systems and controls.
- Achieving value for money and the best possible educational outcomes through the economic, efficient and effective use of resources.
- Ensuring regularity when dealing with items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement and the 'Academy trust handbook' (ATH), and with the trust's internal procedures.
- Ensuring propriety with regards to expenditure and receipts, including standards of conduct, behaviour and corporate governance.
- Completing and signing a statement of regularity, propriety and compliance each year and submitting this to the DFE with the audited accounts.
- Keeping full and accurate financial records.
- The management of opportunities and risks.
- Assuring the board of trustees that the trust is compliant with the ATH and the funding agreement.

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- Informing the board of trustees, in writing, of any action or policy under consideration that is incompatible with the terms of the Articles of Association, funding agreement or the ATH.
- Informing the DFE, in writing, where they have advised the board of trustees that they are in breach of the Articles of Association, funding agreement or ATH but the board has continued with their actions.

The CFO is responsible for:

- Acting as the principal finance officer for the trust.
- Ensuring that the trust's financial position is managed at a strategic level within the framework for financial control determined by the board of trustees.
- Ensuring that all financial matters focus on the wider needs of the trust, rather than on any individual academy.
- Working with internal auditors to provide assurance to the audit and risk committee and board of trustees.
- Ensuring the annual accounts are properly presented and adequately supported by the underlying books and records of the trust.
- Challenging finance staff to ensure that value for money is routinely obtained.
- Ensuring effective financial policies are in place across the trust.
- Liaising with the headteacher from each academy regarding financial matters.
- Maintaining CPD and undertaking relevant ongoing training.

The trust's audit and risk committee is responsible for:

- Directing the trust's programme of internal scrutiny and reporting to the board on the adequacy of the trust's financial and other controls and management of risks.
- Ensuring that risks are being addressed appropriately through internal scrutiny.
- Reviewing the external auditor's plan each year.

- Reviewing the external auditor's findings and actions taken by the trust's managers in response to those findings.
- Assessing the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal or retendering.
- Producing an annual report of the committee's conclusions to advice the board of trustees and members, including recommendations on the reappointment, dismissal or retendering of the external auditor, and their remuneration.

The trusts Finance and Resources committee is responsible for:

- Develop a financial strategy for the Academy Trust and consider policies, procedures or plans required to realise this strategy.

- Consider the Academy Trust's indicative funding, once notified by the DFE, and to assess its implications for the Academy Trust, in consultation with the CEO and the CFO, in

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advance of the financial year, drawing any matters of significance or concern to the attention of the Trustees.

- Receive Academies' budgets for approval and consider and recommend acceptance/non-acceptance of the Academy Trust's budget to the Trustees.

- Monitor any variances from the budget and ensure the DFE is notified as required.

- Receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the Academy Trust development plan.

- Liaise with and receive reports from the other committees and to make recommendations to those committees about the financial aspects of matters being considered by them.

- Monitor and review income and expenditure on a regular basis and ensure compliance with the overall financial plan for the Academy Trust, drawing any matters of concern to the attention of the Trust Board.

- Prepare the financial statement to form part of the annual report of the Trustees.

- Examine and review new initiatives for financial development, including fundraising and ensure any commercial and fundraising activities are carried out effectively.

- Oversee significant investment and capital financing decisions.

- Notify promptly the Trust Board of all financial matters of which the Committee has knowledge and which may materially affect the current or future position of the Academy Trust.

- Advise generally on the provision of resources and services to the Academy Trust.

- Keep under review the Trust's financial management and reporting arrangements, providing constructive challenge to the actions and judgements of the Executive in relation to the interim management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Board, paying particular attention to:
- critical accounting policies and practices, and any changes in them
- decisions requiring a major element of judgement.
- the extent to which the financial statements are affected by any unusual or complex transactions in the year and how they are disclosed.
- the clarity and transparency of disclosures
- significant adjustments resulting from the audit.
- the going concern assumption.
- compliance with accounting standards

- compliance with DfE and legal requirements.

Human Resource Management

- Consider succession planning for executive roles within the Trust.
- Review and consider the Trust strategy for developing people.
- Ensure the Trust is compliant with HR through reviewing policies and procedures and seeking further professional advice where necessary.
- Review key KR key performance indicators across the Trust such as staff absence, staff vacancies and turnover.
- Review the impact of recruitment, career progression, CPD and staff incentives.
- Consider whole trust initiatives, such as staff wellbeing and monitor their impact.

Premises Management

1. Receive Premises reports and Health and Safety reports from the Premises Manager.
2. Review and agree the capital spending allocation for each school.
3. Receive and review the one-to-five-year maintenance plans for all Trust premises.
4. Review and approve requests for additional premises spending.

Local governing boards are responsible for:

- Reviewing the budget for their academy and making recommendations for approval to the board of trustees.
- Reviewing the biannual Revised Forecast against the approved budget for their academy.

The board of trustees will appoint a governance professional to support the board of trustees who is someone other than a trustee, headteacher or chief executive. The governance professional is responsible for ensuring the efficient functioning of the board of trustees by providing:

- Administrative and organisational support to the board and Governing Bodies.
- Guidance to ensure the board works in compliance with the appropriate legal and regulatory framework and understands the potential consequences of non-compliance.
- Independent advice on procedural matters relating to the operation of the board.

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

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

3. Financial oversight

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

The board of trustees meets six times a year. The audit and risk committee meets at least three times a year. The Finance and Resources Committee meets at least three time a year. Where the board of trustees meets less than six times a year, it will explain in its governance statement how effective oversight of funds was maintained with fewer meetings.

The board of trustees does not delegate overall responsibility for the trust's funds. The board of trustees approves a written scheme of delegation of financial powers that maintains robust internal controls. This scheme of delegation is reviewed annually, and immediately when there has been a change in the trust's management or organisational structure.

The board of trustee's delegates financial scrutiny and oversight to the Finance and Resources Committee, which can support the board in maintaining the trust as a going concern.

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

4. Budget setting

The budget is a working document which may need revising throughout the year as circumstances change. Any significant revisions will be reported to the Finance and Resources Committee, the board of trustees and the local governing boards.

The budget planning process follows an annual planning cycle by the Head Teacher, CFO with support from the Senior Finance Officers (SFO's) and the Premises and Compliance Manager and consists of the following four phases:

- Planning
- Budget setting
- Monitoring
- Review

The budget process takes the following elements into account:

- Forecasts of likely pupil numbers to estimate the amount of DfE grant available.
- Review of other income sources
- Review of past performance against budgets
- Identification of potential efficiency and budget containment actions

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- An annual review of expenditure headings to reflect known changes and expected variations in costs, such as pay increases, inflation or other anticipated changes.
- The cost of the Central Shared Service will be apportioned to each Academy in proportion to GAG funding.

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

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

Each academy within the trust will have an independent budget.

A balanced budget for the forthcoming financial year will be approved by the board of trustees, and this approval will be minuted. The annual budget will reflect the best estimate of the resources available to the trust for the forthcoming year and will detail how those resources will be utilised, establishing clear links to support the objectives identified in school development plans.

Both medium-term and short-term financial plans are prepared for the trust and each of the academies in the trust. The medium-term plan indicates how the educational aims and other objectives of the trust and each academy are going to be achieved within the expected level of resources over the next three years.

The development plan provides the framework for the annual budget.

Approved budgets will be presented to the local governing boards.

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

5. Budget management and monitoring

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

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

The SFO's at each academy are responsible for monitoring income and expenditure in their academy throughout the year as directed by the CFO and in accordance with the General Ledger Codes, SIMSF Financial procedures set for the MAT, and the direction from the external and internal auditors. The General Ledger Codes and SIMSF Financial procedures are live documents and updated as required.

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

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

The board of trustees will consider the management accounts when it meets and will ensure appropriate action is being taken to maintain financial viability. The board of trustees will select key financial performance indicators and measure its budgetary performance against these regularly.

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

The monitoring process will be effective and timely in highlighting variances in the budget so that differences can be investigated, and action taken where appropriate. The Finance and Resource Committee will continually monitor the quality of the financial information presented to them to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative.

The trust will submit a budget forecast return (BFR) to the DFE. The trust's budget forecast return outturn information will be included in the budget forecast return, which covers:

- September Yr1 to March Yr1 and April Yr1 to August Yr1
- September Yr2 to March Yr2 and April Yr2 to August Yr2
- Summary forecasts for September Yr3to August Yr3

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

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

6. Cash management

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

The SFO's of each academy and the CFO will prepare cash flow forecasts to ensure that the trust has sufficient funds available to cover day-to-day operations. The SFO's will record all transactions regarding cash flow for their academy, and the CFO will record transactions for the trust. When producing cash flow forecasts, if significant balances can be foreseen, steps will be taken to invest the surplus funds.

All cheques and other instruments authorising withdrawal from any of the trust's bank accounts will bear authorising signatures or electronic signatures in line with the scheme of delegation. The CEO and Headteachers are the authorising signatories in any academy, unless otherwise delegated.

Credit cards linked to a Trust Credit Card account are issued to personnel under the scheme of delegation to pay for goods and services when the normal ordering processes are not possible. The procurement of goods and services using credit cards will be kept to a minimum and monitored by the trust's CFO. Payment via credit card requires the same authorisation as that of BACS payments. Debit cards are not used within the Trust.

A petty cash tin is kept at each academy within the trust, which is the responsibility of the SFO, with the maximum amount of £100 being stored in the tin. The SFO is responsible for the management of petty cash and will:

- Ensure petty cash is held securely.
- Make reimbursements only on the Reimbursements to Individuals Form.
- In exceptional circumstances, make cash available to staff in advance of a receipt being available for items under £10.
- Reconcile petty cash monthly.
- Make the petty cash available for checking at any time. Record all petty cash transactions.

In the interests of security, petty cash payments will be limited to £15. Higher value payments will be made via online banking.

A petty cash voucher will be completed and submitted to the SFO for processing before petty cash is received. Valid receipts for all goods purchased will be attached. The staff member SFO will sign the petty cash voucher to acknowledge receipt.

Details of monies held in the safe will reflect balances shown in the Trail Balance.

7. Purchasing, procurement and returns

All academies within the trust will act in accordance with the trust's Tendering and Procurement Policy, and comply with the procurement rules and thresholds in The Public Contracts Regulations 2015 and for high value contracts, usually over the DFE Find a Tender service.

The trust uses the DE's deals for school's service if possible.

Procurement basics

The trust will ensure that:

- Spending is for the purpose intended and there is probity in the use of public funds.
- Spending decisions represent value for money.
- Internal delegation levels exist and are applied.

- A competitive tendering policy is in place and applied, and GPA procurement rules and thresholds are observed.
- Professional advice is obtained where appropriate.

Procurement thresholds

The trust will run a Public Contracts Regulations (PCR) compliant buying process if:

- It cannot get what is needed through one of the DfE's recommended deals for schools or a framework agreement.
- Something is being bought that is over the PCR procurement thresholds.

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Capital purchases

Capital purchases are defined as individual items over the value of £1000 (ex VAT)

Purchasing of assets of an individual value of £1000 must be signed off by the CFO prior to quotes being sought.

The following thresholds are in place in relation to how goods, works or services can be procured:

Order value	Process required
Under £2000	Best value will be obtained for all purchases.
£2000 to £10,000 (low)	At least three quotes from suppliers. Reference Specifications below
£10,000 to £50,000 (medium)	At least three quotes from suppliers Reference Specifications below
Over £50,000 and up to PCR procurement thresholds (high)	Framework agreement or run an in house buying process
Over PCR procurement thresholds: • Goods – £214,904 • Works – £5,372,609 • Most services – £214,904	Framework agreement or PCR-compliant buying process (unless covered in the list of services in the lighter touch regime, in which case the threshold is £663,540)

Specifications

No matter what procurement process is followed, a specification will always be written outlining what the trust wants to procure. All specifications will include:

- A precise description of the goods, work or services required and what it should do.
- The amount required and when it is needed.
- The expected quality of the goods, work or services.

Where practical three written quotations should be obtained for all orders in value over £2000 to identify the best source of the goods/services. However, the MAT acknowledges that obtaining quotations is a time consuming and therefore costly, exercise for both the MAT and suppliers. For some services the academies in the MAT have built up excellent working relationships with preferred suppliers who have demonstrated that they provide best value in terms of high quality within an agreed timescale at a competitive price.

Where relevant the MAT/school use suppliers which have contracts approved by a government procurement service. Such suppliers have already been vetted by these procurement agencies to ensure they provide good value and they often offer discounts. In some cases, preferred suppliers or suppliers with these contracts may be used where it is not practicable to obtain 3 written quotations within the required timeframe.

Small and medium purchases

Any purchase or service estimates below £10,000 are considered to be 'small' purchases, and any below £50,000 are considered to be 'medium' purchases.

Purchases for goods or services that have not been allowed for in the annual budget will require approval from the board of trustees.

Where possible, the trust will request quotes from at least three suppliers, where practical, to purchase small and medium goods, works or services.

All suppliers will be sent the same information, as follows:

- Specification
- Deadline for submitting the quote.
- When the trust will make a decision
- How the supplier can ask questions about what the trust is buying or its process
- A link to the trust's terms and conditions, if needed Award criteria will be set before any suppliers are contacted.

To avoid legal challenges, the trust will:

- Treat all quotes fairly and equally.
- Keep confidential, secure and auditable records.
- Buy from the highest scoring supplier.

Where a relevant approved supplier list exists, approved suppliers will be used.

The trust will ensure that at least three people (the CFO, Head Teacher, CEO and Premises Manager, SFO as required) assess each bid and, when comparing scores, that they:

- Discuss where they have scored differently. Reach an agreed score.

The SFO/School Administrator trust will send a purchase order, to the chosen supplier, including details of:

- What has been purchased.
- The total cost.
- The delivery address.
- The delivery date and any other important dates. When the trust will pay the cost.

The SFO/School Administrator will raise an order on SIMSF and attach:

- A copy of all quotes
- The criteria for selecting the supplier.
- In the event that three quotes are not received from suppliers, details of the supplier's name, dates and evidence of quote request should be scanned and attached to the order on SIMS F.

All invoices will be kept in the school for a period of 6 years after the initial purchase. The SFO will process each invoice and ensure they are available for inspection where necessary.

The Senior Administrator/ SFO is responsible for overseeing the arrangements for the delivery of goods and checking items upon delivery. Any items that are either not part of the order, damaged or not fit for purpose will be returned. When goods are returned, the Senior Administrator/SFO will record:

- The name and product code of the item.
- The cost of the item.
- If damaged, photographic proof.
- Details of the item.
- The reason for rejection.

A record of goods rejected and delivered will be kept in the school.

High-value purchases

The trust will seek legal advice before making large purchases where necessary.

Any purchase or service estimated to cost over £50,000 will be put to formal tender or through an in house buying process, inviting suppliers to submit bids. Evidence of Trustee approval to be recorded in the meeting minutes. In the case of major building works or construction, the services of an architect will be sought before the tendering process is undertaken.

Large purchases under the PCR procurement thresholds

When the trust makes purchases with a value under the PCR procurement threshold, it will:

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- Assess the market.
- Prepare the contract and tender documents.
- Advertise in the right places.
- Consider using an expression of interest to cut the number of bids needed to assess later.
- Send an invitation to tender to people who reply to the advert.
- Fairly assess all the bids received, using the same process.
- Choose the bid that offers the best value for money.

- Award the contract to the highest scoring bidder.

Large purchases over the PCR procurement threshold

When the trust makes purchases with a value over the PCR procurement threshold, it will:

- Assess the market.
- Check the relevant frameworks to see if the purchase is available via an alternative route.
- Prepare the contract and invitation to tender.
- Consider whether to use the restricted procedure to reduce the number of bids to assess later, or the open procedure to let anyone bid.
- Advertise a contract notice using the e-notification service Find a Tender (FTS).
- Make the invitation to tender and all other documents available electronically from the time that the contract notice is published.
- Assess all the bids fairly, using the same process.
- Choose the supplier that offers the best value for money.
- Award the contract to the highest scoring bid supplier.

Purchasing Process

Purchase of low value day to day school resources

a. Staff member raises a written purchases requisition.
b. Head Teacher and Deputy/SFO sign the requisition.
c. School Administrator raises a purchase order on SIMSF.
d. CFO authorises orders under a value of £5000 on SIMSF.
e. CEO authorises orders over a value of £5000 on SIMSF.

School personnel should seek written approval; from the CFO/CEO before entering into any framework or tender process.

Purchase of higher value items- not restricted to: Capital purchases, Multiple purchases of equipment – IT, furniture, etc., repairs to buildings, spend from Devolved Formula Capital, contract renewals etc.

a. Head Teacher to discuss purchase with CFO.
b. CFO to seek initial approval from Trustees as appropriate.
c. Purchasing process agreed
d. CFO to authorise purchase and advise SFO on financial coding.

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e. Staff member raises a written purchases requisition.
f. Head Teacher and Deputy/SFO sign the requisition.
g. School Administrator raises a purchase order on SIMSF.
h. CFO authorises orders under a value of £5000 on SIMSF.
i. CEO authorises orders over a value of £5000 on SIMSF.

Invoices

All invoices will be recorded and stored for future reference, with checks on the following information:

- The mathematical validity
- The goods or services ordered and delivered.
- Any difference between the agreed and delivered price.
- The authorisation for payment
- The amount paid in VAT

- The total payment made.

8. Income and expenditure

When allocating funding, the board of trustees will consider the funding needs and allocations of each academy within the trust. Headteachers of constituent academies can appeal any funding allocation decisions to the board of trustees. If, after this appeal, the situation is not resolved, the headteacher can make an appeal to the DFE.

The CFO monitors the receipt of grants, ensuring that all grants due to the academies within the trust are appropriately collected.

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

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

There are two main areas of expenditure:

Salaries – this forms the largest element of expenditure. Salaries of teaching staff members will be reviewed on an annual basis by the headteacher, with effect from 1 September and no later than 31 October. Pay review recommendations are then given to the Trustee Remuneration Committee for discussion and authorisation. The Trustee Remuneration Committee confirms pay awards, incremental progression and performance-led pay increases, all of which the CFO will cost, using known figures and estimates, when preparing the draft budget. Support staff salaries are reviewed on an annual basis with effect from the 1st of April.

- **Premises maintenance** – a combination of maintenance surveys and historical costs will form the basis for planned maintenance. The CFO will incorporate an allowance for unexpected contingencies, as well as for any small new works which may be proposed in-year.

Each SFO will keep an up-to-date record of the income and expenditure for their academy.

Each SFO will bank the entirety of any money collected in return for goods or services, such as a school trip, in the appropriate bank account.

Each SFO is responsible for preparing reconciliations between the sums collected via the online parent portal, the sums deposited at the bank and the sums posted to the accounting system. Reconciliations will be prepared promptly following the receipt of income and will be reviewed and certified by the CFO.

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

9. Investments

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

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

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

10. Borrowing and debt

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

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Credit cards will only be used for business expenditure. Payment via credit card requires the same authorisation as that of BACS payments. Credit card balances will be cleared before any interest accrues.

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

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

The SFO will contact individuals of any outstanding debts owed after 30 days of the debt accruing. The School Administrator or SFO will issue payment reminders to any non-payments at the following intervals:

- 4 weeks from the debt accruing – initial verbal reminder.
- 6 weeks from the debt accruing – first formal written reminder.
- 10 weeks from the debt accruing – second formal written reminder.

The School Administrator or SFO will pursue any debts for pupils /staff leaving the school prior to their leaving date.

If overdue payment reminders are not responded to, another letter will be sent to the debtor advising them that the case has been to the Trust's legal advisors and Trust Board

It is then for these parties to agree on a timeframe for a repayment or, if necessary, a payment plan for separate instalments.

The Trust expects that the debt should be repaid as soon as possible, particularly after repeated reminders; however, this can be negotiated at the discretion of the CFO.

If there is a case where the debtor is deemed to be refusing to pay without sufficient reason, the school may consider involving the Trust's legal services to resolve the issue and recuperate owed funds.

Individual **debts** to the value of £1000 will not be written off without the express approval from the board of trustees. The trust will also obtain prior approval from the DFE where it wishes to write off debts and losses, enter into guarantees or letters of comfort, and/or indemnities which are not in the normal course of business, where the following delegated limits apply:

- 1 percent of total annual income or £45,000 (whichever is smaller) per single transaction.

  Trusts that have submitted timely, unqualified accounts for the previous two financial years
- Cumulatively, 5 percent of total annual income in any financial year per category

The SFO will keep accurate records of the debt process, including:

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

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Full details are outlined in the ELAT Debt Recovery Policy

11. Fixed assets

The trust will obtain prior approval from the DFE for the following transactions:

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

Other than the transactions outlined above, the trust does not need the DFE's approval to dispose of any other fixed assets.

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

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

12. Leasing

For the purpose of this policy, there are two types of leases:

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

The trust will obtain prior approval from the DFE for the following lease transactions:

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

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

13. Gifts

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

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

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

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14. Related party transactions

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

be even-handed in their relationships with related parties by ensuring:

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

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

The board of trustees will ensure procedures pertaining to related party transactions are applied across the MAT. The board of trustees and accounting officer will manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with 'The Seven Principles of Public Life'.

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

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

Transactions with individuals in a position of control and influence, including the chair of trustees and the accounting officer.

- Payments to organisations with a profit motive, as opposed to those in the public or voluntary sectors.
- Relationships with external auditors beyond their duty to deliver a statutory audit.

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

The trust will report all related party transactions made on or after 1 April 2019 to the DFE in advance of the transaction taking place. The trust will obtain prior approval from the DFE for related party transactions that are novel, contentious and/or repercussive, regardless of value, using the DFE's enquiry form.

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

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

- The contract or other agreement exceeds £20,000.
- The contract or other agreement, regardless of the value, 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.

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

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

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

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

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

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

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

Declared Conflicts of Interest Register

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

- Directorships, partnerships and employments with businesses.
- Trusteeships and governorships at other educational institutions and charities.

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- For each interest: the name of the business, the nature of the business, the nature of the interest and the date the interest began.

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

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

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

'At cost' requirements

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

- Any member or trustee of the trust
- Any individual or organisation related to a member or trustee of the trust, namely:
  - A relative of a member or trustee: defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner.

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

- Any individual or organisation given the right under the trust's Articles of Association to appoint a member or trustee of the trust, or any body connected to the individual or organisation.
- Any individual or organisation recognised by the Secretary of State as a sponsor of the trust, or any body connected to the individual or organisation.

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

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

'At cost' requirements do not apply to the trust's employees unless they are employed by one of the parties outlined in this section. 'At cost' requirements apply to contracts for goods and services from a related party agreed on or after 7 November 2013. 'At cost' requirements apply to contracts for goods and services from a related party exceeding £2,500, cumulatively, in any one financial year. Where a contract takes the trust's cumulative annual total with the related party beyond £2,500, the element above £2,500 must be at no more than cost.

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

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

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

- Supported by a statement of assurance from the individual or organisation to the trust confirming their charges do not exceed the cost of the goods or services.

- On the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply.

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

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

15. Payroll and HR

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

Each academy within the trust will act in accordance with the ELAT Pay Policy.

The main elements of the payroll system include staff appointments, payroll administration and payments. Payroll is notified of any staff absence using the absence recording in the itrent payroll system. The School and HR administrators (either staff or bought in service) are responsible for ensuring recoding is up to date and timely.

The headteacher and HR administrator are responsible for ensuring that:

- Payments are made only to bona fide employees.
- Payments are in accordance with individuals' conditions of employment.
- Payments are made only in respect of services provided to the academy. Amendments to the payroll are properly processed.

The payroll provider Devon County Council are responsible for ensuring that:

- Deductions, including income tax, national insurance and pensions, are properly administered.

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

- Contract of employment
- Letter of employment
- Changes to employment
- DBS and safeguarding checks
- Salary
- Bank account details.
- Personal details
- Any deductions or allowances payable

The HR Administrator checks the Staff Assignment list monthly to ensure staff are paid correctly. Head Teachers check the assignment list, and any errors are reported to the CFO immediately. This

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check is categorised as high priority and expected to be completed within two working days of the publication of the Assignment List.

During the Spring term each year, the CEO, CFO and Head Teacher will review staffing requirements for the following academic year and propose any changes. These proposals will be reviewed and approved by the Finance and Resources committee.

The Remuneration Committee is responsible for authorising the following salary changes:

- Performance-related pay progression for Teachers

Payroll is continuously monitored and reviewed by the SFO's to ensure any changes have been implemented correctly and the information is up to date.

Payslips will be produced on a monthly basis by the payroll provider and administered to employees via itrent on the 25th of each month.

Executive pay

The board of trustees will ensure that 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 will be involved in deciding their salary.

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

- **Process** – that the procedure for determining executive pay and benefits is agreed by the board in advance and documented. The board ensures that both pay and benefits are kept proportionate.
- **Independence** – decisions about executive pay and benefits reflect independent and objective scrutiny by the board and conflicts of interest are avoided.
- **Robust decision-making** – factors in determining pay and benefits are clear, including whether educational and financial performance considerations, and the degree of challenge in the role, have been considered.
- **Proportionality** – pay and benefits represent good value for money and are defensible relative to the public-sector market.
- **Commercial interests** – the board is sighted on broader business interests held by senior executives and is satisfied that any payments made by the trust to executives in relation to such interests do not undermine the transparency requirements for disclosing pay in accordance with the Academies Accounts Direction.
- **Documentation** – the rationale behind the decision-making process, including whether the level of pay and benefits reflects value for money, is recorded and retained.
- A basic presumption that executive pay and benefits should not increase at a faster rate than that of teachers, in individual years and over the longer term.
- Understanding that inappropriate pay and benefits can be challenged by the DFE, particularly in any instance of poor financial management of the trust.

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

Where the trust has entered into an off-payroll arrangement with someone who is not an employee, the amount paid by the trust for that person's work will also be included in the website disclosure where payment exceeds £100,000, as if they were an employee.

16. Charging and remissions

The local governing board is responsible for creating a Charging and Remissions Policy. Each academy will act in accordance with the trust's Charging and Remissions Policy at all times.

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

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

The trust may charge parents for the cost to replace items broken, damaged or lost if it is due to pupil behaviour. Payments for activities will be processed and recorded by the SFO. The SFO is responsible for ensuring that the correct invoices are sent to parents, and that payment is received.

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

17. VAT procedures

The trust, and the academies within it, are not registered for VAT and are entitled to reclaim VAT on qualifying purposes through a monthly VAT return.

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

A report is run for each of the academies within the trust by the SFO, to provide the data necessary for the completion of the VAT reclaim form. VAT is reclaimed quarterly. The CFO submits one return for the trust as required by HMRC.

The trust is eligible to reclaim most of the VAT it pays on invoices from HMRC. Any invoices for which VAT cannot be reclaimed, as the purchases were for business activity, are identified and deleted.

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

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

On receipt of the reclaimed VAT from HMRC, the CFO will review the remittance, confirm whether this equals the claim made.

18. Risk management

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

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

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

The trust has adequate insurance cover in compliance with its legal obligations and is a member of the academies risk protection arrangement.

19. Special payments

For the purpose of this policy, special payments include:

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

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

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

Under no circumstances will the trust make severance payments where the money could be interpreted as a reward for insubordination or failure.

Where the trust is considering a severance payment equal to or greater than £50,000, the trust will seek prior approval from the DFE. The DFE will refer the transaction to HM Treasury so the trust will allow sufficient time for this to be considered. Value for money will be shown for all severance payments.

The trust will also obtain prior approval from the DFE before making a special staff severance payment where:

- An exit package which includes a special severance payment is at, or above, £100,000.
- The employee earns over £150,000.

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Compensation payments will take account of the facts of the matter ensuring value for money is achieved. For compensation equal to or greater than £50,000, prior approval from the DFE will be sought.

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

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

20. Annual accounts

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

The audited accounts will be:

- Submitted to the DFE by 31 December each year.
- Published on the trust's website by 31 January.
- Filed with Companies House in accordance with company law requirements, usually by 31 May.
- Provided to every member (under the Companies Act).
- Provided to anyone who requests a copy.

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

21. Auditing

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

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

Internal scrutiny

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

Internal scrutiny will focus on:

- Evaluating the suitability of, and level of compliance with, financial and nonfinancial controls, including assessing whether procedures are designed effectively and efficiently, and checking transactions to confirm whether agreed procedures have been followed.

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- Offering advice and insight to the board on how to address weaknesses in financial and non-financial controls.
- Ensuring all categories of risk are being adequately identified, reported and managed.

The programme of internal scrutiny will be covered by a scheme of work, driven and agreed by the audit and risk committee, and informed by risk. The programme of work will be spread appropriately over the year to ensure higher risk areas are reviewed in good time.

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

Internal scrutiny will take account of output from other assurance providers to inform the programme of work. Independence in internal scrutiny will be achieved by establishing appropriate reporting lines whereby those carrying out checks report directly to a committee of the board.

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

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

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

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

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

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

External auditing

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

The contract with the external auditor will be in writing and be accompanied by a letter of engagement that only covers the details of the external audit including the requirements of the DfE. There will be a separate letter of engagement for additional services beyond the prescribed audit.

The trust will retender its external audit contract at least every five years, unless circumstances require an extension to this term.

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

The accounting officer will produce a statement on regularity, propriety and compliance and this will be included in the trust's annual accounts. The statement on regularity, propriety and compliance will include a responsibility to ensure that:

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

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

22. Record keeping

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

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

The CFO is responsible for keeping up-to-date records of the trust's financial state. The SFO is responsible for keeping up-to-date records in relation to the finances of their academy.

All electronic and paper files are held and filed as directed in the SIMS Financial Procedures.

Records will include the following information:

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

Supplier change of bank details must be received by post. The SFO must contact by telephone a person known within the company to verify the bank details. Email or electronic verification is not acceptable. Change of bank detail letters plus details of the telephone confirmation should be retained.

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

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A record will be kept of all the monies kept on the premises prior to banking, as well as the amount which is kept as petty cash. All financial records will be kept securely in each academy's finance or admin office.

Third party access rights

The DFE or its agents may carry out audits and investigations at the trust. The trust will provide the DFE with access to all books, records, information, explanations assets, premises and staff, and the DFE may take copies of relevant documents.

Where the DFE has concerns about financial management and/or governance at the trust, it may wish to obtain from third parties' information or documentation about the trust which the DFE considers relevant for the purposes of its investigation. The trust will provide the DFE with written authority giving permission for any third party to provide such information to the DFE or its agents.

23. Notices to improve

Where the DFE has concerns about the trust's financial management and/or governance and has issued a Notice to Improve (NtI), the trust will comply with this notice. The DFE will notify the trust of the date of which it published the NtI.

The trust will publish any NtI issued by the DFE on its website within 14 days of it being issued and retain this on the website until it is lifted by the DFE. If a NtI is issued, the trust will seek prior approval from the DFE for all transactions outlined in section 19 specifically:

- Special staff severance payments.
- Compensation payments.
- Writing off debts and losses.
- Entering into guarantees, indemnities or letters of comfort.
- Disposals of fixed assets beyond any limit in the funding agreement.
- Taking up a leasehold or tenancy agreement on land or buildings of a duration beyond any limit in the funding agreement.
- Carrying forward of unspent general annual grant (GAG) from one year to the next beyond any limit in the funding agreement. Pooling of GAG.

Where required, the trust will seek prior approval from the DFE before entering into transactions with related parties. The trust will submit additional information, such as monthly income and expenditure accounts, if required by the DFE.

24. Whistleblowing and fraud

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

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

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

When reporting to the DFE on instances of fraud, theft or irregularity, the academy will include the following information:

- Full details of the event(s) with all key dates
- The financial value of the loss
- The measures taken by the trust to prevent recurrence.
- Whether the matter was referred to the police and if not, the reasons why.
- Whether the insurance or the risk protection agreement have offset any loss

If a member of staff suspects their colleagues are involving them in matters of fraud, they have a duty, as an employee of the trust, to raise suspicions to a member of their SLT. Reports of fraud will be treated in a fair and unbiased manner.

If the report of fraud is against a member of the SLT, the member of staff can go directly to the chair of trustees.

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

Upon receiving the SLT's initial findings, the board of trustees will:

- Determine whether further investigation is warranted.
- Determine the initial response to the alleged perpetrator when this is a member of school staff.
- Determine who will carry out the investigation.
- Determine which outside agencies will be involved.
- Assess the risk of the fraud and the perpetrator to the academy.
- Determine to whom day-to-day management of the response will be given.
- Allocate responsibility for damage limitation action.
- Determine the course of action to recover losses.
- Determine the course of action to be taken against the perpetrator.
- Evaluate the events which enabled the fraud to occur.
- Ensure preventative action is taken to prevent recurrence.
- Report to the DFE any instances of fraud, theft or irregularity exceeding £5,000 individually, or £5,000 cumulatively in the financial year.

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

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

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

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

25. Cyber-crime

The trust is aware of the risk of cyber-crime and will implement its Cyber-Security Policy and Cyber Response and Recovery Plan across the trust.

Proportionate controls will be put in place to manage risks, and appropriate action will be taken where a cyber-security incident has occurred.

The trust will obtain permission from the DFE to pay any cyber-ransom demands and understands that the DFE supports the National Crime Agency's recommendation not to encourage, endorse or condone the payment of ransom demands.

26. Self-assessment

The trust is aware of the risk of cyber-crime.

Proportionate controls will be put in place to manage risks, and appropriate action will be taken where a cyber-security incident has occurred.

The trust will obtain permission from the DFE to pay any cyber-ransom demands and understands that the DFE supports the National Crime Agency's recommendation not to encourage, endorse or condone the payment of ransom demands.

27. Monitoring and review

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

The CFO will review and monitor all financial records continuously throughout the year. The SFO will review and monitor each academy's financial records, raising any concerns with the CFO.

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28. Scheme of Financial Delegation

			Decision Level				
Function	**No.**	**Tasks**	**Trust Exec Board**	**CEO**	**CFO**	**LGB**	**Headteacher ***
Purchasing & Procurement **(subject to budgetary constraints)**	1.	Placing orders for goods and services (3 quotes required for items over £2,000. 2 signatures required for all requisitions)	To authorise spend over £10,000 (and formal tendering process)	To authorise spend over £5000.	To authorise spend up to £5,000 at Central MAT and academies. To recommend spend over £5000 to CEO.		To authorise all order requisitions. To recommend spend up at academies.
	2.	Tendering process	To authorise tenders for orders £50,000 and over (formal tendering)	To authorise orders over £5000 and all tenders. Recommend tenders to Audit and Finance Committee	To undertake tenders for MAT To authorise orders to £5000 and recommend orders over £5000 to the CEO and Audit and Finance Committee		To open, accept and evaluate tenders
	3.	Register of Business Interests	To complete annual declaration of business interest	To ensure staff with financial responsibility & directors complete annual declaration & register of interest on web		To ensure Govs complete annual declaration of bus interests & register of ints for govs & staff on web	To ensure staff with financial responsibilities complete annual declaration of business interests
	4.	Authorising Invoices (should not be authorised by person who placed order & follow tendering process. 2 signatures required.	To authorise invoices/ payments over £9,999 on recommendation from Finance Committee when required.	To authorise invoices/ payments & virements for MAT & schools over £5000	To authorise invoices/ payments and virements to £5,000 and recommend over £5,000 to CEO		To sign all order requisitions and non-order invoices.
	5.	Making payments (signing cheques, BACS paymts & bank transfers). 2 signatures required.		To make payments on approved costs for school/ MAT with approved signatory	To make payments for academies or central MAT with bank signatory		To authorise payments for academies
Annual Budget and Financial Management	6.	Approval of annual budget	To review and approve annual budget for MAT	To review and recommend annual budget to Trust Exec	To review and recommend annual budget to CEO and Trust		To prepare annual budget with CFO
	7.	Monthly budget summary and Management Accounts	To monitor monthly budget summary & mgmt a/cs for academies/MAT & recommend action	To monitor monthly budget summary & mgmt a/cs for academies/MAT & recommend action	To report on monthly budget summary & mgmt a/cs for academies & MAT to CEO & action		To review monthly budget summary & mgmt. a/cs
	8.	Authorised for virements between cost centres (no inc to overall budget)	To monitor virements across the MAT taking action as necessary		To approve virements To report on approved virements to Trust Exec Board		To recommend virements to CFO
	9.	Use of reserves or increase of overall annual budget	To review & approve use of reserves or increase in budget	To review & recommend use of reserves or increase in budget to MAT Exec Board	To review & recommend use of reserves or increase in budget to CEO		To recommend use of reserves

	10.	Control Accounts Reconciliation	To monitor reconciling control a/cs for MAT & academies		To produce control a/cs reconciliations		
Decision Level							
Function	**No.**	**Tasks**	**Trust Exec Board**	**CEO**	**CFO**	**LGB**	**Headteacher ***
Banking Authority & Cash Mgmt	11.	Open a bank account Always open in name of school /Trust & 2 signatories		To authorise the opening of any bank accounts for MAT & academies	To recommend opening of any bank a/c for MAT & academies to CEO		
	12	Approving bank signatory	To approve bank signatories for MAT a/cs	To recommend approved bank signatories to Board 4 approval	To approve academy bank signatories		
	13	Authorised credit/charge card user (if applicable)	To approve MAT credit card users and card limit		To approve academy credit card users & limit. To recommend users to MAT		
Banking Authority & Cash Mgmt	14	Authorised to administer petty cash	Monitor administration of petty cash transactions		To administer petty cash for MAT & limit of £50 each		To approve staff to administer petty cash >£100
	15	Authorised collect/open income/remittances			To approve staff to collect income/open reconciliations with 1 other for MAT		
	16	Authorised to invoice, receipt and bank income in presence of 1 other			To approve staff to invoice, receipt & bank with 1 other for MAT		
Statutory Reporting	17	Completing annual & periodic financial reports to Trust Board/EFA/DfE	To review & approve financial reports pre submission as required	To review financial reports pre submission	To prepare financial reports pre submission & submit approved reports to MAT Boards		
	18	Authorised to complete VAT 126 Returns			To review & submit VAT 126 claim for MAT		
	19	Asset Register	To review & approve asset register for MAT & academies annually		To enter items over capitalisation limit of £1k to register for MAT		
	20	Security of assets			To ensure security for stores & equipment at MAT		To ensure security for stores/equipment at school
Fixed Assets	21	Disposal of assets	To approve disposal of assets over £5,000 to £44,999 EFA approval over £50k	To recommend sale or destruction or disposal of items over £1000 to £4,999? to MAT Board	To authorise sale or destruction or disposal of items up to net book value of £1000?		To recommend disposal of assets to CFO
	22.	Loan of assets		To approve loan of assets if loan register signed & maintained for MAT & ATs	To approve loan of assets if loan register signed & maintained for MAT		
Debts	23.	Write off bad debts/losses	To review & approve writing off bad debts/ losses over £1000	To approve writing off bad debts/ losses to value of £1000	To recommend writing off bad debts/ losses to CEO. To recommend to MAT Board if over £1000		To recommend writing off bad debts/losses to CFO to value of £500

Decision Level							
Function	**No.**	**Tasks**	**Trust Exec Board**	**CEO**	**CFO**	**LGB**	**Headteacher ***
Payroll	24.	Payroll administration		To authorise salary appointments, contract changes.	To authorise salary appointments, contract changes. To implement staff salary changes.		To inform CFO and CEO of staff changes asap. To seek authorisation for salary appointments/changes from CEO and CFO. To sign SOP and employment communications.
	25.	Payroll Payments			With HR Admin and SFO reconcile staff payments at MAT, check previous, adjust, starters, leavers, etc.		To check and sign monthly Assignment List to ensure staff paid
Insurance	26.	Insurance Premium renewal		To approve insurance arrangements for MAT & ATs	To review & propose sums insured, risk & claims handling for MAT & ATs		To manage insurance claims at the academy

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