



# Finance Regulations Manual

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\*\*This document replaces the following policies:

- Financial Administration Policy 20-21 ELT Appendices
- Financial Administration Policy 20-21 ELT
- Gifts & Hospitality Policy
- Governors' Allowances and Expenses Policy
- Reserves Policy

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## **INTRODUCTION**

Enlighten Learning Trust (ELT, the Trust) is a multi-academy Trust, which is one legal entity responsible for the running of academies. This ELT Finance Manual sets out how the Trust and schools handle their finances in a clear and responsible manner, meeting the requirements of the ESFA Financial Handbook (reviewed on an annual basis). The Trust is accountable to the Education Skills Funding Agency (ESFA) for proper use of public funds.

The purpose of this document is to set out the financial regulations the Trust and academies adhere to, therefore providing the ELT Board with assurances that the resources are being properly applied in delivering the educational objectives of the Trust.

These regulations are applicable to the Trust and all ELT academies and are relevant to staff at all levels in particular, office administration staff, senior leaders, Executive/Head teachers, and central staff.

## **GOVERNANCE & ORGANISATION STRUCTURE**

The Members of the Board and Trustees have ultimate responsibility for the Trust's finances, and it has put in place the structure outlined within this document to make sure their responsibility is met. The Members have the authority to appoint and remove trustees, appoint the Trust's auditors, and receive the Trust's audited annual accounts. If the Trust ceases to exist, they have a limited financial liability defined in the Memorandum and Articles of Association. It is specifically responsible for ensuring that the Trust's funds are used only in accordance with the following documents:

- Enlighten Learning Trust Articles of Association
- The Funding Agreement
- The ESFA Academy Trust Handbook

The main responsibilities of the Board, as outlined in the Funding Agreement, include:

- Ensuring that the grant from the funding body is used only for the purposes intended
- Approving the annual budget
- Approving the scheme of delegated authority
- Appointing key members of staff (CEO, Executive Head Teacher, Head teacher/Head of School and Chair of Local Governing Body)
- Establishing a Finance & Audit Committee/Local Governing Body, setting and varying its terms of reference and reviewing its work. The F&A committee is currently undertaken by the LGB.

The members of the Board have statutory duties as Company Directors, which are set out in sections 170 to 177 of the Companies Act 2006. These comprise of duties to:

- Act within their powers
- Promote the success of the company
- Exercise independent judgement
- Exercise reasonable care, skill and diligence
- Avoid conflict of interest
- Not to accept benefits from third parties, and
- Declare any interest in proposed transactions or arrangements

### **Board of Trustees**

- The Board of Trustees should identify the skills and experience that it needs, utilising the competency framework for governance, and address any gaps through recruitment, and/or induction, training and other development activities, particularly at key transition points e.g., the growth stage of an existing multi-academy trust. The Board should also address this for any Local Governing Bodies.

- Trustees should follow the guidance in the Governance Handbook which sets out principles of good governance and the legal duties applying to, and core role and strategic functions of, boards of trustees.
- Trustees must be aware of the Charity Commission's guidance for trustees CC3: The Essential Trustee: What you Need to Know, what you need to do and should be aware of other guidance listed in Annex D of the charities commission guidance.
- The Board of Trustees must ensure requirements for managing related party transactions are applied across the trust in accordance with the Academy Trust Handbook, 7 principles of public life and the Articles of Association (6.6 – 6.9).
- The Board of trustees must understand their statutory duties as company directors as set out in the Companies Act 2006.
- The Board of trustees must approve, before submission, a:
  - balanced budget
  - budget forecast return outturn (BFRO) by the published deadline in May
  - 3 year budget forecast return (BFR3Y) by the published deadline in July
  - Self-assessment checklist (SRMT) by the published date in November
  - internal scrutiny report by the published deadline in January
  - set of Financial Statements by the published deadline in January
  - Annual Accounts return (AAR) by the published deadline in February
- Management accounts must be considered regularly at board meetings as per the agreed schedule, they must be shared with the Chair twelve times a year, and with the other trustees six times a year. The management accounts must include an income and expenditure account, variation to budget report, cash flows and balance sheet.
- The Board must select appropriate financial KPIs and ensure appropriate action is being taken to maintain financial viability including addressing variances between the budget and actual income and expenditure.
- The board must measure its performance against the financial KPIs regularly, including analysis of this in its annual trustees' report as explained in the Accounts Direction.
- The board must maintain a risk register as per the Academy Trust Handbook guidance

#### **Finance & Audit Committee/Local Governing Body**

The committee responsible for finance in each school has delegated authority from the Local Governing Body and Trustees to oversee the production of the annual budget, which is recommended for approval to the Board of Trustees and monitor expenditure in line with the budget.

Management accounts must be considered regularly as per the agreed schedule. They must be shared with the Chair of Governors every month, and with the committee responsible for finance six times a year. If the board meets less than six times a year it must describe in its governance statement, accompanying its annual accounts, how it maintained effective oversight of funds with fewer meetings.

Periodically The committee must monitor the financial KPIs and ensure appropriate action is being taken to maintain financial viability including addressing variances between the budget and actual income and expenditure.

See Terms of Reference for the committee responsible for finance and the Local Governing Body for each school.

Virement and authorisation limits are reviewed annually by the committee responsible for finance and agreed by the Trust- [Appendix A - Summary of ELT Financial Authorisation & Procurement Levels](#)

#### **Organisation structure**

In order to meet the financial management and internal control objectives outlined above and its wider responsibilities to the DfE, the Trust has established the following structure:



### Scheme of Delegation - Powers and Duties Reserved for the Trust

The Trust is responsible for the operation and the financial probity of its academies. As such, the ELT Board has provided the Scheme of Delegation [Scheme of Delegation \(enlightenit.education\)](http://enlightenit.education) that delegates responsibility to its academies and it expects them to exercise financial responsibility in the operation of their delegated arrangements, in line with this Financial Handbook.

The Accounting Officer, a role carried out by the Chief Executive Officer/Executive Head Teacher, reserves the right to suspend and/or withdraw delegated authorities in whole or part where these regulations are not being adhered to. This would effectively withdraw delegated financial authority to make expenditure on staff or other resources.

The Accounting Officer role is mandated by the DfE and this role is personally responsible to Parliament, and to the ESFA, for the resources under their control, and must be able to assure Parliament and the public of the high standards of the probity in the management of public funds. The Accounting Officer takes personal responsibility for regularity, propriety, and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money. The Accounting Officer must advise the board in writing if, at any time, in his or her opinion, any action or policy under consideration by them is incompatible with the terms of the articles, funding agreement or the Academy Trust Handbook. The Accounting Officer must adhere to the ‘seven Principles of public life’ this applies to all staff and governance across the Trust. The full responsibilities of the Accounting Officer are set out in the Academy Trust Handbook

### Senior Officer Roles

The following list provides an overview of the senior roles within the Trust who are responsible for financial management:

**Executive Headteacher/ Accounting Officer Responsibilities (CEO)**—As the appointed Accounting Officer, this is the key executive responsible for delivering the overall strategy of the Trust, including its educational outcomes within the constraints of financial sustainability. This role leads on the deployment of resources on a day-to-day basis. This role has specific responsibilities ultimately for financial matters and the Trust compliance with the Education and Skills Funding Agency (ESFA) and is responsible to Parliament and the public for the highest standards of probity in the management of funds.

**Chief Operations Officer (COO)** - This role is responsible to oversee the strategic operations of ELT Academies, Risk management, Finance, HR, IT, Estates, Health and Safety, procurement & resource management, and Trust expansion infrastructure. The COO is also responsible for the management of the trust’s capital assets, including rolling replacement programmes as part of the budget setting process. Maintaining a trustee

approved risk register ensuring contingency and business continuity, to support the trust's effective operation. The Disaster recovery plan sits alongside the Emergency Plan for each constituent school, which is monitored by the individual schools LGB, the FC is to support with KPIs to inform this process. The Accounting Officer has delegated some financial responsibility to the COO in line with the narrative in these finance regulations.

**Chief Financial Officer (CFO)** -The CFO role is currently undertaken by the COO with support from the FC- This role is responsible for the maintenance of effective systems of internal financial control, the management of the Trusts Financial Statutory reporting ensuring that annual accounts are properly presented and adequately supported by the underlying books and records of the trust, including planning of statutory audits and progression of any audit recommendations. Ensuring an effective payroll system is operated in compliance with relevant legislation and that all external returns are submitted on time. Ensuring adequate insurance cover is maintained. The CFO is responsible for the strategic lead of the finance information and the overall setting and monitoring of the budget and benchmarking.

**Finance Controller (FC)**– The role of the Finance Controller is to predominately support the COO with the preparation of the financial information on a monthly basis. The FCs supports the COO with the upkeep of the financial regulations, monitoring of compliance and internal audit, guidance on budget framework, and monthly budget monitoring, completion of the ESFA Returns, external audit, information to auditors, year-end accounts and controls over finance and banking. Ensure effective financial processes and systems are developed and implemented within ELT Academies. Regularly review's academy systems and provide support where needed across the ELT network. Provides a link between The Trust Head Office and Academies, working with the Finance staff in the Academies. The Trust currently outsources the Finance Controller role to an external provider.

**HR Manager** – The role of the HR manager is to support the COO with the HR functions across all academies.

**Head Teacher/Head of school** – Responsible to the CEO for the management of the academy's finances. The Head Teacher takes responsibility for the management of the academies financial position, ensuring basic controls over the finances are adhered to and making sure that all financial matters are conducted with due consideration for regularity, propriety, and value for money. The Head Teachers allocate budget holders at the start of the Academic year to oversee and manage elements of the school's budget. The Headteacher, or Senior Leader with delegated responsibility for the area, must monitor the financial KPIs and ensure appropriate action is being taken to maintain financial viability including addressing variances between the budget and actual income and expenditure.

**The Head of school and Head teachers will be referred to as Head Teachers in this document.**

#### **Retained funding for Central Trust Operations and Services**

Schools are delegated the majority of the Trust's funding for the delivery of educational standards in the Academies. The Trustees agree the amalgamation of a % proportion of GAG funding to form one central fund. This funding is used towards the funding of central trust resources for the executive and management team and running of the trust offices. The services provided are set out in the [Appendix E – Trust Services to Academies](#) and includes the role of maintaining authority for all the academies in the Trust, finance and governance services and support, school improvement services and support, human resources, facilities and estates, IT and communications, marketing and executive leadership. This proportion is forecast at the point that the draft budgets are requested, and finalised/approved together with the drafts received. The Trustees are mindful of the individual needs and allocations of each constituent academy when setting this proportion and will balance this against the requirement to deliver statutory requirements in a timely and informed manner.

As a single entity, ELT is bound by procurement requirements and legislation (as outlined in this document). Local purchasing arrangements for goods and services are set out in the Scheme of Delegation, this is [Scheme of Delegation \(enlightenlt.education\)](#) applicable to each academy but may be subject to review by the CEO. This is in order to achieve value for money and economies across the Trust and the central team will play a key role in tendering/management of contracts.

## **OPENNESS AND INTEGRITY**

### **Value for Money**

Value for money is achieving the best possible educational and wider societal outcomes through economic, efficient, and effective use of all resources in the Trust's charge, the avoidance of waste and extravagance, and prudent and economical administration.

The Trust and its academies should get value for money from all purchases: purchasing the correct quantity, with the appropriate quality, at the right time and at the best possible price. All purchases must be made in line with the purchasing and procurement section of this manual.

### **Regularity and Propriety**

As a publicly funded organisation and in line with our ethical approach, we must demonstrate the following Principles:

- Regularity – The requirement to deal with all the items of income and expenditure in accordance with legislation, the terms of the Trust's Funding Agreement and Academy Trust Handbook, and compliance with internal Trust procedures. This includes spending public money for the purpose intended by Parliament.
- Propriety – The requirement to deal with expenditure and receipts in accordance with the Parliament's intentions and the principles of parliamentary control. This covers standards of conduct, behaviour and corporate governance.

### **Register of Business Interest**

It is important that anyone involved in the spending of public money demonstrates that they do not benefit personally from the decisions they make. The Trust is committed to corporate transparency.

In line with the [Appendix C – Declaration of Interests](#) all Board Members, Trustees, Local Advisory Board members, members of the senior leadership teams, finance staff and senior officers (as set out above), will be required to complete a declaration of interest form, which will be published on the Trust or academy website as appropriate. Board members, Trustees and members of staff are required to inform the academy of any changes in their interests as these arise so that they can be entered in the register. The register is also updated annually. Nil returns are obtained as appropriate.

The Trust must pay no more than 'cost' for goods or services ('services' do not include contracts of employment) provided to it by the persons named in the ATH. The 'at cost' requirement applies to contracts with 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.

Trusts must report all contracts and other agreements with related parties to ESFA in advance of the contract or agreement commencing. Trusts must obtain ESFA's prior approval, 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 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.

**As ELT are a Church of England Trust, the Diocese will be a related party.**

### **Connected or Related Parties**

As well as demonstrating propriety in its relationships, ELT must be even-handed in their relationships with 'connected or related parties' by ensuring that Board Members, Trustees, Local Advisory Board Members and senior officers (As set out above) understand and comply with the statutory duties as Company Directors to avoid and manage conflict of interest.

These include not to accept benefits from third parties and to declare interest in proposed transactions or arrangements.

### Receiving of - Gifts or Hospitality

In order to protect all individuals associated with the Trust, and the reputation of the Trust and its schools, from accusations of bribery or corruption, staff and Trustees must take extreme care that none of their dealings, directly or indirectly, could be deemed as a reward or benefit, in line with the Bribery Act 2010. The following guiding Principles should be followed by all Trustees and members of staff:

- Conduct of individuals should not create suspicion of any conflict between their official duty and their private interest;
- The action of individuals acting in an official capacity should not give the impression that they have been influenced by a benefit to show favour or disfavour to any person or organisation.

Academies may receive donations and gifts, which must be recorded. This record is through the [Appendix B – Gifts & Hospitality Register](#) which must be returned to the ELT Finance Team as minimum by the end of each academic year in line with ESFA audit requirements. Discounts cannot be viewed as charitable donations but must be shown as a reduction in costs.

### Acceptable

As a general rule, you may accept gifts or hospitality which constitute a token gesture, and which have an equivalent value of £30 or less. You do not need prior approval in these circumstances and the items will not need to be recorded in the Trust's Gifts and Hospitality Register.

Examples of these are:

- courtesy hospitality at business lunches/dinners or attendance in an official capacity at a public function
- incidental promotional gifts such as calendars, diaries or pens
- receipt of small items from suppliers or contractors as expressions of gratitude such as boxes of chocolate or individual bottles of drink.

When accepting a personal gift consider whether your acceptance could be interpreted as a sign of support or favour because of the circumstances in which it is offered. If acceptance makes you feel uncomfortable in any way, then do not accept. If in any doubt, always speak to a member of the Senior Leadership Team.

Gifts which are intended for the school, rather than as a personal gift, may be accepted but must not be retained by the individual who received them. Such items must be passed on to the COO who will determine whether it is appropriate to accept. Hospitality in the form of working lunches, coffees etc. are perfectly acceptable, and it would be appropriate to offer this to gain cordial relationships in support of good relationships with visiting staff or business colleagues. These would not be added to the register. If not accepting a gift would be regarded as causing offence, (such as a sudden and unexpected gift, or one where it would cause cultural offence) the item should be accepted. The matter should then be brought to the attention of the COO as soon as possible who may decide to return the gift, discuss it with the Headteacher or Executive Headteacher, or/and may donate it to a school raffle/ fair or a charitable cause.

### Not acceptable

Any gift or hospitality which is more than a token gesture (more than £30 in value) should be politely refused or returned. If you feel unable to refuse the gift or if you were not present when it was given, it should be passed on to the COO who will determine the appropriate course of action. Only in exceptional circumstances, and with the prior written authorisation of the CEO/COO, can a gift or hospitality in this category be accepted. All offers of gifts over £30 in value must be recorded in the Trust's Gifts and Hospitality Register, which is held by the Finance Team at each location, even if the gift was declined or returned. The COO will refer the matter to the CEO if there is any doubt attached to accepting the offer.

You must never accept:

- Cash or monetary gifts
- Gifts or hospitality offered to a person close to you (e.g., friend or relative)
- Gifts or hospitality from a potential supplier or tenderer in the period prior to, or during, the tender process

- Lavish or extravagant gifts or hospitality.

The Trust will need to disclose total gifts in kind within its financial statements and will be required to split this by school for reporting to the ESFA.

### **Expenditure on Gifts, Hospitality, Entertainment and Favours**

The Head teachers are authorised to approve any expenditure on gifts, hospitality, ex-gratia payments up to the value of £50 and flowers up to the value of £35. No staff are authorised to give cash or cash equivalent, an item that could be considered a cash equivalent would be a voucher from a retailer. A voucher can be purchased if the voucher or good cannot be exchanged for cash up to a maximum of £50 (HMRC Personal Tax and VAT boundaries apply over this limit). The COO or CEO must authorise any expenditure above the value of £50 and the academy maintains a log of these. Such expenditure is only authorised if the accounting officer can demonstrate that they have taken into account the principles of probity, accountability and value for money.

Expenditure on hospitality from public funds is only incurred in the provision of education. Hospitality is generally only provided in the workplace and usually restricted to tea/coffee, biscuits, soft drinks, or sandwiches simple buffet. Modest hospitality is occasionally provided outside the workplace.

The purchase of alcohol is strictly forbidden unless it is for a religious ceremony.

### **Anti-Fraud and corruption**

It is a duty of all members of staff, management, and the Board to notify the CEO or the COO immediately whenever any matter arises which involves, or is thought to involve, irregularity including fraud, corruption or any impropriety. Attached is the [Appendix E – Anti-Fraud and Corruption Policy](#)

[ELT is committed to promoting an](#) anti-fraud culture. It already has procedures in place to reduce the likelihood of fraud occurring. These include segregation of duty, a scheme of delegation and financial regulations, documented policies and procedures and a system of internal control. All cases of fraud, corruption and irregularity are taken very seriously, it is ELTs policy to prosecute where justified, and to take appropriate disciplinary action where employees are involved. The ESFA must be notified were frauds with a value of > £5,000 are identified.

ELT wishes to encourage anyone having reasonable suspicions of suspected or actual fraud, malpractice, corruption or irregularity to report them using the Trust's Whistleblowing Policy.

### **Novel and contentious transactions**

Novel payments or contentious transactions are those which the Trust has no experience or are outside the Trust range of normal business activity. Contentious transactions are those which might give rise to criticism of the Trust by Parliament, and/or the public/media.

Novel and/or contentious transactions must always be referred to the ESFA for explicit prior authorisation via the Accounting Officer or CFO.

### **Whistleblowing**

The Trust is committed to the highest standards of openness, probity, and accountability. The ELT *Whistleblowing Policy* is published on the Trust's website and seeks to encourage employees and others with serious concerns about any aspect of ELT work to come forward and voice those concerns without fear of reprisals, considering the requirements of the Public Interest Disclosure Act 1998 (updated August 2013).

## **FINANCIAL PLANNING AND BUDGETING**

### **Central function**

Each Academy makes a contribution towards the central function, the Trustees agree the Central charges, this is then split between the academies based on PN to form one central fund. For future year budget the Trust will agree the amalgamation of a % proportion of GAG funding based on the central charges. This Central charge is used towards the funding of central trust resources for the executive and management team and running of the trust offices. The services provided are set out in the [Appendix E – Trust Services to Academies](#).

### **Academy Funding**

All academies GAG funding from the ESFA/DfE is based on prior year pupil numbers (lagged funding) and this needs to be taken into account in the 3-year budget setting process. The GAG funding is informed through the ESFA Funding Letter, which is predominately pupil led factors. From this funding letter a budget is constructed which is a detailed statement of the expected resources available to the school and the planned use of those resources for the following 3 years. All other ESFA/DfE funding is pupil-led, where the greater the number of pupils, the more funding received by the academy. This is monitored through the school census returns to the ESFA, once a term with the October census being the primary driver for the current and future academic year funding.

For the school, the following documents inform the financial planning process:

- Staffing structure
- Pupil Numbers
- Annual Contracts and SLAs
- Materials, books and equipment
- Anticipated overheads for the school which include utilities etc.
- Other historical expenditure incurred to run at the academy

The Trust Strategic Plan (school improvement plan) provides a key framework for the annual budget. The development planning process and the budgetary process are described in more below. These plans are concerned with the future aims and objectives of each academy and the Trust and how they are to be achieved; that includes matching the academies objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the “big picture” within which, more detailed plans may be integrated.

The CEO alongside the COO and FC will set the budget “framework and benchmark information” to be approved by the Finance & Audit Committee/Local Governing Body. These form the content for the coming academic year and should be aligned with the Trust Strategic Plan, outlining objectives for the following two to three years.

For each objective, the lead responsibility for ensuring progress is made towards the objective will be assigned. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the Executive team on a quarterly basis. The Head Teacher will report to the CEO, if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

### **Annual Budget Setting Process**

The Head Teachers/Head of Schools, supported by central Finance, are responsible for the individual Academies budget, preparing and obtaining approval from the CEO prior to submission to the Finance & Audit Committee/Local Governing Body. Final approval is required from the Members of the Board and Trustees, ahead of submission to the ESFA by the July specified date. To support this process, the Trust use SBS budget tool to set the 3 year budget and monitor the rolling monthly & 3 yearly working budgets. The Annual budgets are uploaded to the PS Financials System.

The COO and FC will establish an annual timetable which allows sufficient time for budget approval with the Head Teachers/Head of Schools, Executive team, Finance & Audit Committee/Local Governing Body and Members of the Board and Trustees.

The budget planning process will incorporate the following:

- Forecasts of pupil numbers to estimate the amount of ESFA grant receivable

- Review of other income sources available to each academy and the Trust
- Review of past performance against budgets to promote an understanding of the academy cost base and provide guidance on benchmarking and sustainable budget plans
- Identification of potential efficiency savings, shared resources, and economies of scale
- Review of the main expenditure headings, including staff, educational resources, premises, catering, IT and management and administration

### **Balancing the Budget**

It is the Trust policy that no academy will set a deficit budget unless prior approval from the Members of the Board and Trustees is received. The CEO must notify the ESFA within 14 calendar days of its meeting if proposing to set a deficit revenue budget for the current financial year for the Trust, which it cannot address after taking into account unspent funds from previous years, as this would be non-compliant with the funding agreement and the ATH.

### **Finalising the Budget**

Once the different options and scenarios have been considered, a draft budget should be prepared by the FC and COO alongside the Head Teacher. The budget is signed off by the CEO then circulated to the Finance & Audit Committee/Local Governing Body- who recommend the budget to the Members of the Board and Trustees. The approved budget should be communicated to all staff with responsibility for budget headings.

### **Budget Monitoring and Review**

The budget is seen as a working document which may need revising throughout the year as circumstances change through budget virements as outlined in the scheme of delegation and academy limits document or through formal approval by the Finance & Audit Committee/Local Governing Body. Budget Virements are made between budget headings, provided that the carried forward situation at the close of the year is no worse than agreed in the original budget, and the conditions of grant for any restricted funds will be met. A Forecast outturn for each academy and the Trust is to be reported on a monthly basis, so that the on-going accurate position can be adapted. The summary/consolidated budgets will be reported to Finance & Audit Committee/Local Governing Body on a termly basis and actions agreed.

The monthly Forecast reports will be prepared by the FC for review by the COO. A Monthly consolidated position is prepared for the COO, CEO, Finance & Audit Committee/Local Governing Body & Board of Trustees, the reports need to be submitted in conjunction with the ELT reporting and accounting timetable to be issued on an annual basis. The monthly Forecast reports will consist of a detailed report (P&L) and summary with commentary identifying original budget, profiled budget, actuals to date, revised forecast and variance. A trust summary reporting pack will include a detailed P&L, balance sheet and cash flow forecast.

Budget monitoring will be conducted across all budget headings on a monthly basis, with reports provided to the Budget Holders each month. Budget holders discuss their budgets with line managers. Any potential overspend against the budget must in the first instance be discussed between the Budget holder and COO, no payment should be made which will put the budget heading as overspent unless approved by the Head Teacher or COO. If the budget holder feels for any reason that they will require further funding in the current academic year to support the departmental improvement plan these should be referred by their line manager to the Head Teacher. The Head Teacher can then allocate additional funds from contingency funds if this is appropriate, and they are available or present. If a budget Virement is requested a business case needs to be submitted to the Finance & Audit Committee/Local Governing Body via the COO. Where the increase in expenditure would alter the planned outturn for the school, but the Finance & Audit Committee/Local Governing Body feel that it is necessary, the business case should be approved by the Board of Trustees. Where this is urgent, the expenditure can be approved by written resolution. The only exception to this is where aligning with increases in pension or HMRC contributions.

All academies have access to PS Financials accounting system, which provides them the current accounting information against budget.

### **Reserves Policy**

**Aims:**

- Create the understanding that the Trust is a single financial entity; a collaborative structure that helps to drive school improvement.
- Generate a central surplus to be able to target funding, to have greater flexibility to respond to specific needs in individual academies and/or to direct funds to facilitate MAT policies that are being implemented to support the trust's vision e.g., growth.
- Support recovery plans for academies in financial difficulty, simplifying the provision of support to schools experiencing a period of transition due to identified local issues or change of leadership until they can reach a position of stability and/or grow their pupil numbers.
- Create a contingency for cash flow issues or unforeseen emergency costs.
- Increase central resource and achieve efficiency savings MAT-wide.

In general, it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that each school's primary objective is preserved. At the same time, the Trust wishes to ensure that it uses its funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

1. To support the stated aims Governors will monitor levels of reserves in financial reports provided by the COO & CEO. Governors will look to ensure that a prudent level of reserves is maintained, bearing in mind the recurrent spending needs to ensure high quality provision. In maintaining the school's level of reserves Governors will be supported by analysis against DfE financial benchmarking KPIs/metrics. These metrics are clearly defined in the School Resource Management: Top 10 Planning Checks for Governors - GOV.UK ([www.gov.uk](http://www.gov.uk)), supported by the analysis in the School Resource Management Tool and intrinsically included in the published risk assessment trigger points on the face of the Strategic Risk Register.
2. These aims are further supported by the Trusts budget planning and monitoring procedures outlined in the Budget planning and Monitoring guidance of this Finance Policy, and local governing bodies are expected to consider:
  - the school's annual budget (focussing on sustainability)
  - the need for any large project spends, such as facilities development or building condition needs
  - any uncertainty, turbulence or expected reduction in funding arrangements
  - anticipated funding over the next three years
  - the requirement of the Academies Trust handbook to submit a balanced three year budget
3. Within the Strategic Risk Register, KPI trigger points have been included by the Trustees regarding the minimum and maximum level of reserves that schools should maintain to remain financially sustainable whilst meeting the imperative to consider actively the use of reserves to enhance educational provision.

The KPI minimum level set is 5% of in year funding excluding UIFSM and High Needs Funding, and the KPI maximum level is 8%. To provide context DfE Benchmarking suggests that non-salary expenditure has historically constituted approximately 20% of expenditure in most schools, this therefore provides as a minimum a lower level of reserves that would, on average, support 3 months non-salary expenditure.

- All schools holding reserves that exceed the maximum KPI should provide detailed plans about how they will reduce their reserve to the maximum desired level through actions linked to their SIP, or detail why they are being held i.e., to support a period of transition.
  - If a school is holding reserves lower than the minimum KPI reserve level, on joining the Trust, or long-term budget plans indicate that they would be in this position in a future period, they must present detailed plans about how they will be returning the school to a sustainable position with a reasonable level of contingency in line with the published KPIs.
4. In order to support the aim of generating a central surplus to be able to target funding, to have greater

flexibility to respond to specific needs in individual academies and/or to direct funds to facilitate MAT policies that are being implemented to support the trust's vision e.g., growth the Trustees have created and will maintain a central reserve of 1% of in year funding excluding UIFSM and High Needs Funding. Where the central contingency falls below 1% schools would be asked to contribute equitably to the maintenance of this figure on an annual basis with their contribution proportional to their NOR.

This methodology aligns with the Pooling of Annual Grant arrangements outlined in this finance manual.

## **FINANCIAL SYSTEM**

### **Accounting System**

The accounting system used by the academies and the Trust is PS Financials. All the financial transactions of the academy must be recorded on the accounting system. All transactions input into the accounting system must be authorised in accordance with the Scheme of Delegation.

Academies have access to the PS Financials Purchasing, which enables input of purchase orders, matches invoices to orders & details the budget holder reports. Finance staff have access to the full accounting system. PS Financials - **(See separate operations manual)**.

### **Accounting System – Access and Security**

Access to the PS Financials accounting system is password restricted and users are required to change the password every 90 days. The controls over security, including passwords and access levels, will be sufficient to protect the Trust data. Access and security levels are managed by the FC, these are reviewed on an annual basis, this also includes access to the PS Financials Purchasing.

### **System Back-up Procedures**

The finance system is held on a 'cloud-based server', and effective back up procedures are part of the licence agreement. A test restore from back-up should be undertaken at least on an annual basis.

The CEO and COO will prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by directors of the major risks to which the schools are exposed and the systems that have been put in place to mitigate those risks.

## **INCOME**

Income to the Trust and Academies is received mainly by direct transfer to the bank from the ESFA, Local Authorities, and other organisations and the termly transfer from the 'Funds' account. The Trust does not accept cash, however, sometimes cheques are accepted. Cheques get paid in using the bank paying in slip and internal paying in slip as the receipt.

All income received is accompanied by a remittance slip or payments schedule, these source documents are used to create the Nominal receipts (NR) posting in PS Financials to the cashbook and reconcile the income to the bank account.

The main sources of income for the academies are the grants from the ESFA/DfE including the General Annual Grant, Pupil Premium, Universal Free School Meals, PE Grant and Devolved Formula Capital. The receipt of these sums is monitored by the FC, who is responsible for ensuring that all grants due to the Academy are collected and challenged if in any doubt.

The academies and Trust also obtain income from:

1. Start-Up funds for new academies
2. Other ESFA Grants, Teachers Cost of Living Grant, Teachers Pension Grant, Catch up funding
3. Capital Grants including SFA and DFC
4. Schools Forum Funding

5. Local Authority grants including SEN
6. Lettings income
7. Catering income
8. Trip income

It is Trust policy that all academies will be cashless, and each Academy has a cashless system to help deliver on this commitment.

### **Cash Payments**

The Trust is in a transitional period to becoming a completely cashless Trust however on occasion it takes money for dinners or trips to clear unpaid debt if the student is leaving the school. The Academy Finance team is the designated staff members to oversee collection of cash. A receipt must be issued for all income received in the school and the receipt entered onto the finance system as a Nominal Receipt (NR) paid against the Bank paying in slip control account. The cash must be locked in the safe until it has is ready to be banked.

On a weekly basis, or sooner if the cash exceeds the safe limit, the cash is counted by 2 staff members one of which must be a member of the finance team. The bank paying in slip is completed and posted on the system as a Paying in slip (PS) document against the paying in slip control account and allocated against the receipts within the control account. Two members of staff should be present when the monies are taken to the bank to be deposited or an external security cash collection company should be used.

### **Petty Cash**

The Trust are transitioning to removing all the petty cash float tins from the Trust. The interim procedure will be an allocation of Float tins to departments until procurement cards have been set up.

### **Petty Cash Float Tins**

The Trust Secondary schools currently have £30 cash float tin for a the library, Science and Tech. The Floats are allocated to a staff member who signs the float form confirming receipt of the tin each Monday. The float tin is returned to the finance office at the end of each week. A member of the finance team counts the cash and checks the receipts. The float tin is topped up to the authorised limit then kept in the safe until it is signed out on the Monday. The Petty cash receipts are entered onto the system as PT documents against the petty cash control account. The petty cash control account is reconciled on a monthly basis against the Petty cash (PT) documents.

### **Charitable Collections**

The Academy Finance team is the designated staff members to oversee collection of cash contributions for charitable collections, e.g., Children in Need, Sport Relief. All contributions must be counted by two members of academy staff, who must complete and sign the internal ELT Paying in Slip. The funds must then be paid directly into the charity's bank account, using a paying in slip provided by them, with a copy of the paying in slip and bank receipt attached to the completed proforma. Two members of staff should be present when the monies are taken to the bank to be deposited into the Charity bank account.

### **Cashless Systems/School Fund**

The current cashless systems in the Academies is Tucasi, this is an online payment systems for academies and is reviewed on an annual basis. The systems allow parents to pay quickly and securely for school meals, trips, afterschool care and activities, music lessons and fees. The Systems allow for the academies to manage their income efficiently and effectively. It reduces the transactions going through the bank account and enables schools to be cashless. (See separate guidance manuals for how to use the systems).

Parents make payments direct to Tucasi via online payment system Scopay. Tucasi is the monitoring system which pays money into the school Santander bank account. A bank reconciliation is completed on Tucasi finance system by the school finance office on a monthly basis. On a monthly basis Tucasi is reconciled with any finish trips or clubs being closed down and the balances transferred to the Trust bank account. All

non-VATable School Trips are paid direct from Tucasi out of the Santander bank account by cheque. VATable trips are paid via the main finance system then a cheque is raised from Tucasi to refund the school. If a trip or club make a loss, a 'write off' form must be completed.

Dinner money is paid via Scopay with the funds going direct to the catering Provider. The school is responsible for the collection of dinner money which is managed via Tucasi. If a parent owes debt the debt procedure is followed.

The schools' unrestricted funds account is subject to the same standards of accounting as for the trust's other funds. The accounts form part of the consolidated trust's accounts and are audited as such.

### **Lettings**

Any long-term arrangement will be considered as a lease and require Board approval and approval from the Diocese.

The Trust Finance officer manages the invoicing and income side of the lettings management, the Trust Resource Manager oversees the running of the Hirers including contracts, insurance, documents, and site management. The School Finance Team is responsible for reconciling the income and ensuring the funds are credited on a monthly basis. Sales invoices are issued for all lettings prior to the start of the letting as a SI document on PSF. For best practice payment is preferred in advance or within 14 days of hire if agreed by the COO. Payment is to be made via Bank transfer into the Academy bank account, cash and cheque payment is not accepted. Payment receipts should be entered onto PSF as an SR document and allocated against the invoice.

### **Sales Invoices**

If academies have a need to raise sales invoices, these should be raised through the Finance Office, who will generate them through PS Financials sales ledger as a SI document. The Trust standard terms for payment is within 30 days, unless it is a condition of the service that payment is received first. Payment is only accepted directly into the Academy bank account (as will be stated on the invoice).

### **Debt recovery and write offs**

The academy should always pursue recovery of amounts owed to it. The Online Payment systems allow for academies to receive payment ahead of the clubs, trips or activities taking place and for school meals to be paid in advance. Every effort should be made for the academies to be proactive in this respect.

An Aged debtors Report is reviewed on a monthly basis and all outstanding debt chased. After 30 days, a first reminder should be issued, this can be via a telephone call but must be followed up with a text, email or letter. After a further 14 days, a second reminder should be issued in writing. After a further 14 days, a final reminder should be issued and the debt referred to the COO.

If a debt remains unrecoverable after one year, or, if during the year, it becomes clear that the debt will remain unpaid, the COO makes a request for approval to write off the debt. Bad debts are only written off when the academy has followed all possible procedures to ensure their recovery.

The academy should only consider writing-off losses after careful appraisal of the facts, including whether all reasonable action has been taken to effect recovery from the debtor in line with the ELT Write-Off Guidance in the Scheme of Delegation.

Debt write off must be signed within the limits of the [Appendix A - Summary of ELT Financial Authorisation & Procurement Levels](#).

## **PURCHASING AND PROCUREMENT**

The Trust's aim is to achieve the best value for money from all purchases. This includes getting the correct quality and quantity to the best price possible. A large proportion of purchases will be paid for with public funds and we therefore need to maintain the integrity of these funds by following the general Principles of:

- **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the school.
- **Accountability**, the school is publicly accountable for its expenditure and the conduct of its affairs
- **Fairness**, that all those dealt with by the school are dealt with on a fair and equitable basis

### **Purchasing**

All transactions must be pre-approved **BEFORE** any commitment to purchase goods or services are made. To provide an audit trail of this, a requisition form is submitted to the finance team for processing, either direct onto PSF online portal, electronically via email or paper requisition form. The requisition form must be approved by the budget holder prior to it being transferred into a Purchase order via electronic signature, e-signature or wet signature.

The Finance team checks there is adequate provision in the cost centre prior to sending the requisition to be a Purchase order (PO). The system generated PO number is written on the order form. The finance staff member will email over the PO direct to the supplier or supply the budget holder with a PO number to place the order directly with the suppliers. All completed order forms are kept in the outstanding orders folder until the invoice has been received. It is the responsibility of the budget holder to manage their budget and ensure that funds are available to cover the expenditure, the relevant procurement process should be considered, with the total amount of the entire contract.

All annual commitment orders are entered onto the PSF finance system at the start of the year, a commitments form is completed and signed by the budget holders and kept in the outstanding order file to ensure a full audit trail is maintained.

All purchase transactions must only be made in accordance with the Scheme of Delegation and limits set out in [Appendix A - Summary of ELT Financial Authorisation & Procurement Levels](#).

### **Delivery of Goods (GRN)**

On receipt of the goods or service a person must undertake a detailed check of the goods or services received against the goods received note (GRN) or invoice (if a GRN is not available) and make a record of any discrepancies between the goods or services delivered and the GRN or Invoice. The GRN or invoice (if a GRN is not available) must be signed to confirm Goods or service have been received satisfactory and passed to the finance office for processing. Discrepancies should be discussed with the supplier without delay and marked on the GRN or Invoice. The finance office marks the item as Goods received on the PSF Finance system ready for invoicing.

If any goods are rejected or returned to the supplier because they are not as ordered, the invoice should be retained, with authorisation only being given once all goods or services have been received. A record of the Good Receipt Note and/or Delivery Note should be included with the submission of the invoice for payment.

### **Invoices**

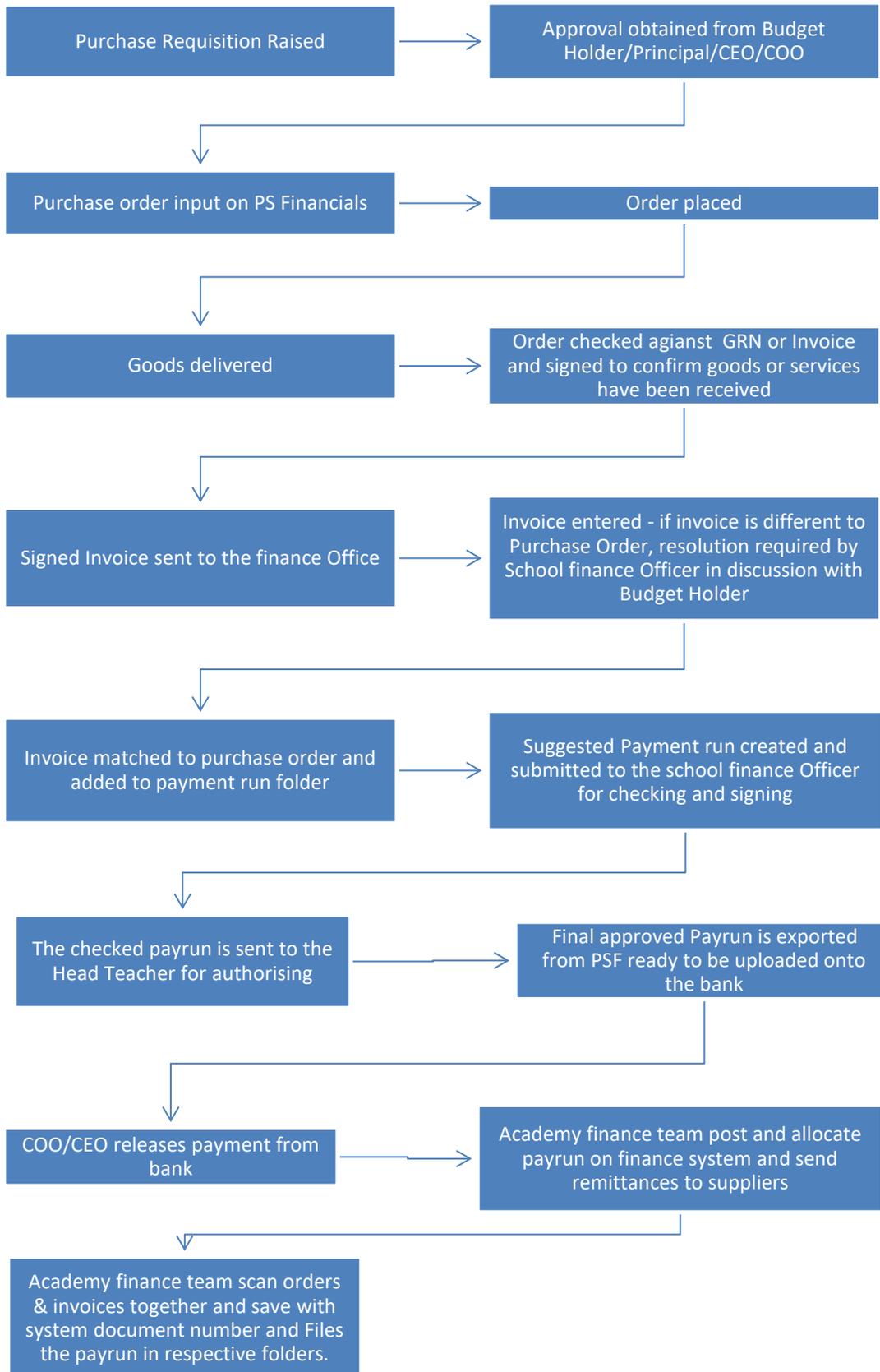
All invoices/GRN once signed should be passed to the finance office for processing. Order Invoices (POIN) are entered onto the PSF Purchasing finance system and matched against the GRN checking the coding VAT status is correct. Non order invoices are entered direct onto PSF Finance System as a Purchase invoice (PI) document and an explanation obtained as to why the PO process was not followed, with the exception of Food, Agency, exams and Indirect employee expenses invoices. All non-order invoices must be signed off by the Head Teacher, over £2,000 must be signed off by the COO

All invoices will be scanned and held electronically with the signed order form and if applicable 3 quotes. For commitment invoices the PO number is written onto the invoice.

Once the invoice has been entered all documents are stapled together and stored in the payments run folder ready for payment.

The Trust will follow the same purchasing process as the academies, with a Purchase Order raised for every transaction, signed off by the COO or CEO as per the scheme of delegation.

**Purchasing flowchart**



**Payments**

Suppliers are paid via Bacs payment runs which are completed fortnightly (if required), normally suppliers are paid within 30 days of the invoice date or as per the supplier payment terms if supplied.

A draft payment run is created by the finance staff taking the payment run folder and selecting all the signed invoices on the finance system that match, the signed invoices and supporting paperwork. The School Finance Officer checks the draft payments run; all valid invoices appear on the payment run, all invoices have been authorised for payment and include appropriate supporting documentation (PO/quotes), the supplier bank details, name, invoice number and Gross amounts match the invoice. Once the School Finance Officer has completed the checks the payrun is signed and passed to the Head Teacher for authorising. The authorised draft payrun file is returned to the finance office. If any corrections are needed the process, it repeated until the final payrun is correct.

The finance Staff produces a BACs file for upload to the bank, the School Finance Officer uploads the approved payrun run Bacs file onto the Bank ready for the CEO or COO to approve and release the payment. Once the payment has been released from the bank the Finance team post and allocate the payrun on the finance system. Paper copies of the payments are filed in the BACs folder held at each Academy.

The Finance Staff produces remittance advices electronically and sends them direct to the suppliers via the PSF finance system.

On occasion a faster payment will need to be made, to do this the finance staff input a signed invoice onto the finance system and a faster payment or payrun form is completed and signed off by the COO or CEO. The payment details are entered direct onto the bank account as a faster payment and the signed invoice and faster payment report passed to the CEO or COO to approve and release the money from the bank. Due to the risks involved with a faster payment to ensure segregation of duty, the person entering the payment onto the bank must not be the person signing the Faster payment form or be the person releasing the money from the bank.

**Direct Debit**

Some companies, in particular utilities, require payment via Direct Debit. The funds are debited direct from the bank account and the finance team would enter a Direct Debit transaction onto the finance system. The supplier will need to provide an invoice which will be signed off by the budget holder, to confirm the goods or services have been delivered, the invoice is then entered onto the finance system and matched against the Direct Debit transaction on the cashbook. If an invoice is not available an annual payments schedule can be provided, and the budget holder must sign against each monthly payment line to confirm the service has taken place.

**Purchase Card**

Some companys do not operate a PO/Invoice system, particularly on-line purchases, in these instances or where greater value for money has been evidenced, using the Academy Purchase Card for the purchase of goods or services is acceptable. It also enables academies to make emergency purchases. The official ordering process should be used in the first instance before any Purchase Card purchase is made and invoice/BACS payment made where possible. Cash should under no circumstance be taken out from the Purchase Card. The Purchase Card, on some occasions, can be used by staff to purchase goods at the location i.e. pay for trips, purchase rewards, invoice payment should be sought in the first instance for all payments.

An order form is completed and signed by the budget holder; the finance team will enter the PO onto the finance system against the Purchase Card supplier. The finance team will then either issue the card to the staff member or make the purchase directly with the company. On completion of the transaction the card and receipt are returned to the finance office. The transaction is entered onto the PSF finance system as an invoice under the Purchase Card supplier.

The transactions are reconciled on a monthly basis once the Purchase Card statement arrives.

A Purchase Card has a maximum total transaction limit of £2,000 with a monthly procurement limit of £2,000. If the request exceeds this limit prior approval from the COO must be obtained.

## Procurement process and limits

In summary:

- All purchases under £2,000 require a value for money test
- All purchases under £2,001-£5,000 require a value for money test plus checking and signing by the COO.
- All purchases from £5,001-£40,000 at least three written quotations should be obtained to identify the best source of the goods/services. Written details of quotations should be attached to Purchase Orders. Where a service is bespoke and therefore quotes are not available, authorisation from the COO or CEO is required. Quotations/prices may be sourced from a catalogue or website. Evidence must be available before placing an order.
- All purchases over £40,001 must be conducted in accordance with the tendering policy below. The award of contracts over £40,000 shall be reported to the Finance & Audit Committee/Local Governing Body.
- All purchases over the Official Journal of the European Union (OJEU) limit of £189,330, requires a full European tender.
- All non-order invoices must be signed by the Head Teacher, if the Invoices is over £2,000 the COO must also sign the non-order invoice.

Only partnership arrangements for the supply of goods or services specifically approved by the Board will fall outside these arrangements for tenders and quotations.

Where the service/tool is required to support statutory or functional provision the product/process should be discussed with the COO. Ordering goods which are over £5,000 should be discussed with the COO **prior to any communication** with suppliers, to ensure that the correct procedures are followed from the outset. This is so purchases can be coordinated across the Trust to get best Value for Money.

## **TENDER**

### **Tender Policy**

As set out in the [Appendix A - Summary of ELT Financial Authorisation & Procurement Levels](#), higher value spend requires procurement procedures to be followed. The CEO with the COO has responsibility for overseeing and ensuring all higher-level procurement (contracts over £40,000) follow a clear tendering process.

Prior to undertaking a procurement process investigate framework agreements. A formal competitive tender procedure inviting not less than three tenders is required. In highly competitive markets or in cases where the specification is very precise and the tendering process is decided only on lowest price criteria, it may be useful to invite more.

The tender procedure for capital building projects/estates management services will be administered by a suitably qualified project manager.

An appropriately qualified person will draw up the specification for the purchase of ICT equipment/services under the direction of an appropriate working party/strategy group.

The Trust Resource Manager will oversee the procurement for any other purchases and follow good practice as defined in "Buying for schools" in carrying out the tender process.

[Buying procedures and procurement law for schools - Guidance - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Within pre agreed budgetary provision, the Local Governing Body has delegated responsibility for purchases for each school.

Contracts where the whole-life cost is in excess of the published EU public procurement threshold professional procurement advice should be sought via the Academy Business Leader

Leases cannot be entered into unless the COO, CFO has verified that they are an operating lease. They must be authorised by the AO.

## **PAYROLL**

**ELT produce a Pay Policy which is reviewed on an annual basis to ensure that all staff are valued and receive**

**recognition for their work and contribution to school life, refer to the ELT Pay Policy & Scheme of delegation in conjunction with the finance regulations.**

### **Staff Appointments**

The staff structure for each academy is approved by the CEO & the Members of the Board and Trustees on an annual basis, alongside the approval of the budget. The Scheme of delegation sets changes that can be made throughout the academic year, which are:

- **Appoint a new staff member (within agreed budget)**, working with the COO the Head Teacher has been delegated direct responsibility for replacing members of staff.
- **Appoint a new staff member (outside agreed budget)**, the Head Teacher is required to gain full approval from the CEO and the Members of the Board and Trustees before making this appointment.
- **Changing existing staff contracts including hours, weeks, pay point or allowance, (within agreed budget)** working with the COO the Head Teacher has been delegated direct responsibility for replacing members of staff.
- **Changing existing staff contracts including hours, weeks, pay point or allowance, (outside agreed budget)** the Head Teacher is required to gain full approval from the CEO and the Members of the Board and Trustees before making this appointment.

## Personnel Procedures

	Directed by	Actioned by	Checked by	Signed / authorised by
SPF leavers form	Employee resigning	HR Officer	Trust HR Manager/COO	Head Teacher
Re-evaluation of vacant post/job description and salary -to include variances to the SCC norm as per the charter i.e. Maternity/Paternity/Sickness etc.	DHT/HT with line management responsibility	Academy HR Manager/COO	Headteacher/DHT with line management responsibility if appropriate	Pay Committee/ appropriate resource committee/ trustees where this alters the structure/financial outturn approved in the budget for the year – Otherwise Headteacher
Placing of advert	DHT/HT with line management responsibility	HR Officer	Trust HR Manager/COO	Headteacher/DHT with line management responsibility if appropriate
Appointment Letter, confirming salary*. New staff and temporary promotions	Lead member of Interview Panel - Headteacher/DHT with line management responsibility if appropriate	HR Officer	Trust HR Manager/COO	Headteacher  If there is a proposed R&R this must be signed off by the DHT, reported to the Chair of the LGB immediately, and to the LGB at the next appropriate committee meeting
New Employee Forms SPF starter form	Automatic following appointment letter	HR Officer	Trust HR Manager/COO	Headteacher/DHT with line management responsibility if appropriate
Service Return	N/A	HR Officer	Trust HR Manager/COO	Headteacher, or DHT in their absence
Variations in pay, hours etc. SPF forms	Headteacher/DHT with line management responsibility if appropriate	HR Officer	Trust HR Manager/COO	Headteacher, or DHT in their absence – with reference to the staffing section of Appendix 4
Regrade of post	Member of Leadership team with line management responsibility	Trust HR Manager/COO	Headteacher/DHT with line management responsibility if appropriate	Pay Committee/ appropriate resource committee/and trustees where this alters the structure/financial outturn approved in the budget for the year – Otherwise Headteacher

Letter confirming Regrade of a post,	Headteacher/DHT with line management responsibility if appropriate	HR Officer	Trust HR Manager/COO	Headteacher
Agency Supply Teachers – <b>within agreed Budget</b>	Member of Leadership team with delegated responsibility	Member of staff with delegated responsibility	Member of Leadership team with delegated responsibility	N/A
Long Term Supply – <b>within agreed Budget</b>	Headteacher	HR Officer	Trust HR Manager/COO	Headteacher
All overtime and casual or temporary employment must be agreed by the Headteacher/DHT prior to the offer of additional or casual hours being made. It must be confirmed with the SBL/Academy Business Leader that these hours can be facilitated by the contingency budget, or that funds will be vired to support the expenditure. Payments to employees for services must always be processed via payroll.	Claim form via Line Manager	HR Officer	Trust HR Manager/COO	Headteacher, or DHT in their absence (included on service return)
	Line manager and HR Officer check arithmetic and period of claim for accuracy.			
Monitoring of salary payments made by payroll to staff	N/A	Finance Officer	Trust HR Manager/COO	Headteacher
Queries to payroll	Finance Officer generated via pay report or by employee	HR Officer	N/A	N/A
Staff expenses – travel	Line manager	Finance Assistant	N/A	Budget Holder
Courses and Training	Line Manager	Member of staff with delegated responsibility	N/A	Member of Leadership team with delegated responsibility

For all appointment and contract changes Head Teachers are expected to complete the [Appendix I – SUPPORT STAFF RECRUITMENT APPROVAL FORM](#) this form is then handed to the Finance Officer to check against the current budget, if the change/appointment is outside the board approved budget, approval from the CEO must be sought prior to change/appointment being made.

The academies maintain personnel files for all members of staff which include contracts of employment and pre-employment checks. All staff will be recorded on the Single Central Register (SCR), which is held in the academies. The Trust maintain personnel files for the central Trust team and the CEO, along with relevant employment information, these files are kept at academy level. Access to Personnel files is restricted to the Headteacher, Trust HR Manager/CFO/COO/HR Officer, Headteacher's PA/Office Manager (ST A) and Senior HR Assistant.

### Payroll Administration

The monthly academy payroll is administered under a managed service payroll bureau (currently Surrey CC) and the contract is managed by the Trust. Access to the system is password controlled. Password control and back up procedures are described in the [Appendix F – Anti-Fraud and Corruption Policy](#).

All staff are paid monthly via Bacs; master files are sent from the payroll provider each month which contains the following information for each employee:

- Salary
- Bank account details
- Taxation status
- Personal details
- Any deductions or allowances payable

Any changes including starters and leavers must be completed on the [Appendix I – SUPPORT STAFF RECRUITMENT APPROVAL FORM](#), this form must be printed and signed by the HR Lead, Finance Lead, Headteacher, Governor/Trustee Approval (if applicable) prior to the Payroll system being updated. Each Academies designated payroll administrator notifies the payroll provider of any changes including new starters, leavers' expenses, pay changes etc direct on the payroll/HR online portal. The Trust HR Officer notifies the payroll provider of any changes to the central Trust team.

The designated payroll administrator in the academy must complete monthly staff returns on the payroll system to provide details of sickness and other absences during the month. In accordance with the monthly timetable, each report should be authorised by the budget holder for the appropriate staff.

Staff who are paid on submission of a timesheet must complete and return their timesheet to their line manager in accordance with the monthly timetable. Failure to do this may result in non-payment of salary by the school, and in these circumstances, the salary payment may not be paid until the next payroll run in the following month. The manager must then check and sign the timesheet and return it to the school designated payroll administrator, where documents will be filed for payroll processing.

All Amendments will be notified to the payroll provider by a date specified by the payroll provider each month to allow correct payments to staff on the agreed monthly payroll date. Under no circumstance should a person be authorising changes to their own records. The HR Manager will make changes to the Head Teachers contract or pay, which will be authorised by the CEO. Any changes to Head Teacher's salary are signed off by the CEO, with prior approval from the Pay committee. The HR Manager will make changes to the CEO contract or pay, which will be require prior approval from the Pay committee. Any changes in the pay date will only be approved by the COO.

Before the payroll is processed the file should be checked against source documentation. This check should be undertaken by the academy designated payroll administrator and then it should be signed off by the Head Teacher.

The COO will notify payroll, HR and Central Finance of any Trust-wide payroll changes, including cost of living pay rises, as approved by the Board and Trustees.

### **Payroll Payments**

After the payroll has been processed by the payroll provider, final payroll reports are downloaded and saved by HR. The Finance Controller downloads the payroll reports from the shared area and uploads the final payroll figures per staff member onto SBS budget software to complete a Budget V Actual check to ensure all staff have received the correct payment against the working budget. All variances need to be looked into and an explanation sought. All salary payments are made by BACS monthly on the dates specified by the payroll provider.

The payroll provider 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 are summarised on the B1 report and payments of these amounts should be prepared by the due date.

The finance officer or Finance Controller will upload a monthly payroll journal onto the PS Financial system and ensure the payroll control accounts reconcile. A monthly bank reconciliation is completed ensuring the third party payments reconcile. This will be monitored through the monthly closedown checklist.

On a monthly basis the HR Manager must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file.

## **FINANCE SYSTEM CLOSEDOWN**

### **Monthly Financial Closedown Checklist**

To ensure that inputting and signing off on transactions are correctly and accurately carried out, the Trust Finance officer will perform a monthly closedown, following a checklist to evidence all transactions have been accounted for correctly. The Trusts Finance Controller will sign off the month end checks.

The checklist will review the following items:

- **Tracking, System transactions**- Check all transactions have been posted to the correct cost codes.
- **Focus, Purchase & Sales ledger** - All supplier invoices, credit notes & payments have been posted to PS Financials, allocated & suppliers paid within the terms and queries looked into. The outstanding purchase orders report has been reviewed for any old items requiring attention (e.g., cancellation). Non-order invoices have been reviewed. Debtors invoices and credit notes have been raised, posted and all income receipts have been posted and allocated on PS Financials; all outstanding debtors have been chased for payment.
- **Focus, Control Accounts**– Check all accrual & prepayment accounting adjustments over £2k have been posted with supporting paperwork.
- **Payroll** –Payroll reports are uploaded with variances explained. Check the payroll control accounts on the finance system balance to Zero.
- **Bank account & Purchase Card** - Ensure all bank/Purchase Card entries have been posted on the finance system, reconcile the bank accounts.
- **VAT** – Ensure all Vatable supplies have relevant VAT description and VAT numbers allocated on the system.
- **Contracts Register** – Update the contract register with any variances highlighted from the monthly tracking sheet.

Finance Controller will complete:

- **Payroll** – Update the Budget system with staff changes and ensure the final payroll reports are uploaded with variances explained.
- **FMR** – Complete the Finance Monitoring Report (FMR) including the tracking & forecast has been completed and signed off.
- **Other balance sheet items** - Review balance sheet accounts and ensure that all balances are reconciled and understood.
- **Cashflow** - Produce monthly Cashflow.

### **Financial Year End**

The Trust's Financial Year runs from 1 September to 31 August. During September, the financial year closedown is performed, with documentation provided for the External Audit process to be conducted.

The [Year End checklist](#) is agreed with external auditors includes the following items:

- Aged debtors and creditors
- Expenditure accruals, prepayments, capitalisation and cancel old purchase orders from PS Financials
- Income accruals, deferred income and write offs
- Provisions
- Stock
- Related Parties
- Gifts and hospitality
- Cash, petty cash, including bank & Purchase Card reconciliation
- Control accounts
- Capital Income and Expenditure, Depreciation and Fixed Assets
- Staff Expenses
- FRS17 and FRS102
- Unrestricted, Restricted and Fixed Asset Funds
- Balance Sheet and Trial Balance

### **External Audit**

The Trust is required to have the annual report and accounts audited by a statutory external auditor. The requirements of the auditors will be managed by the FC and COO.

The FC, COO, and the Finance & Audit Committee/Local Governing Body oversee the Audit process and the external auditors will be commissioned by and report to the Finance & Audit Committee/Local Governing Body, on behalf of the Members of the Board and Trustees.

The Financial Year End closedown and trial balance for the previous financial year will be submitted to the External Auditors, so that the accounts can be sufficiently audited, with any visits or further information readily accessible, on request.

## **TREASURY MANAGEMENT**

Treasury management is defined as the management of funds in the Trust bank account and details are to be agreed by the Finance & Audit Committee/Local Governing Body. The information below sets out an overview of arrangements.

### **Bank Accounts**

The Trust will be moving to operating one main bank account for all income and expenditure for all the schools within the Trust. This is an account with Lloyds Bank. The opening of any new bank accounts must be authorised by the Finance & Audit Committee/Local Governing Body.

The Trust have an investment deposit account with Lloyds plus 2 accounts with Santander to manage the school fund.

### **Investments Policy**

Investments are made only in accordance with written procedures approved by the Finance & Audit Committee/Local Governing Body who will ensure that investment risk is properly managed. 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. Additional procedures may be required to ensure any income receivable from the investment is received.

Investments will be undertaken only through the schools nominated bank and any investments involving risk of any kind will not be either considered or undertaken. Currently Enlighten Learning Trust have a portion of the reserves in a low risk 32day deposit account held with Lloyds with an interest rate of 0.05%.

### **Bank Reconciliation**

Bank statements are received monthly for the Trust's bank accounts and a bank reconciliation is completed within the PS Financials system on a monthly basis. A monthly reconciliation summary is produced on Focus to ensure reconciliation identifies any unreconciled items, this is completed by the Trust Finance Officer and signed off by the FC or COO. Any material unreconciled items must be reported to the Finance & Audit Committee/Local Governing Body at the earliest opportunity.

### **Cash Flow Forecasts**

The FC prepares a cash flow forecasts for one year ahead, to ensure that the Trust has sufficient funds available to pay for day-to-day operations. The forecasts will be reported at every Finance & Audit Committee/Local Governing Body.

### **Journal adjustments**

All journal transfers completed by the finance staff at academies will be reviewed by the FC on a monthly basis during the month end procedure. The COO reviews journals completed by the FC on an annual basis.

### **VAT Guidance notes**

The Trust is currently not VAT registered and make a Monthly VAT126 VAT return reclaiming any eligible VAT back from HMRC. See separate [VAT Guidance Note](#) for procedure.

## **INSURANCE**

All ELT schools make use of the cover afforded by the Risk Protection Arrangements (RPA). Further information on levels of cover can be found at: <https://www.gov.uk/government/publications/risk-protection-arrangement-rpa-for-academies/academies-risk-protection-arrangement-rpa>. It is noted that some items, such as motor insurance, is not covered under RPA, thus arrangements for insurance will be reviewed annually as the needs of the Academy change.

All day to day matters relating to insurance, including the processing of claims will be dealt with by the COO.

## **INTERNAL CONTROL FRAMEWORK**

This section covers the processes and procedures the Trust uses to ensure that this Manual is complied with and therefore, the Trust is following the requirements outlined in the Academy Trust Handbook.

### **Risk Management**

The ELT Risk Management Policy sets out the process for managing risk across the Trust, including financial risks and this manual sets the policy and procedure to mitigate risks across the Trust. The PS financial system and Lloyds bank controls are in place to ensure that financial controls are in line with this manual.

### **Segregation of duties**

All policies and processes, especially payroll, are set to ensure there are segregation of duties, so the risks are mitigated and no individual can sign off contractual changes. Any changes to the CEO's salary must be approved by the Pay Committee.

### **Monitoring and control of Academies**

Throughout the daily control processes, the Finance Staff, FC, and the COO play a vital role in ensuring that the academies and Trust comply with the financial delegations and authorisations. This is the benefit of a centralised finance function across the academies, with all invoices over a threshold scrutinised.

### **Internal Audit**

Finance & Audit Committee/Local Governing Body oversee the appointment and reports of the Internal Audit. This function is carried out by independent internal auditors and conducted every term at academy and Trust level. The internal auditors are independent of the external auditors.

## **FIXED ASSETS**

Capital is defined as in the Academy Trust Handbook as "Capital assets or funding are those from which an academy Trust can expect to derive a benefit for more than one year with a value over £2,000: typically, land, buildings, vehicles, information technology etc, for Church of England schools the Building is transferred to the diocese and does not form part of the Assets. Capital assets are usually referred to as "fixed assets.". Items likely to be attractive to thieves, easily portable, of unusual nature or substantial value are recorded on the school inventory list.

Assets are identified at the point of purchase or by review of spend in accounts prior to year-end. This will be undertaken by the FC and any items moved to Capital Accounts along with any required funding.

The COO will report capital funding received to academies and to the Finance & Audit Committee/Local Governing Body.

### **ESFA Capital Income**

The Trust receives an allocation from the ESFA Schools Capital Allocation (SCA) or Devolved Formula Capital (DFC) Funding. ESFA capital income applies to capital funding for new academy buildings or refurbishments, including condition improvement, along with the funding from the ESFA for the set-up of Free Schools, which includes FF&E and ICT funding, where the ESFA have approved funding and delegated payments responsibility to the Trust.

The COO will closely monitor the progress with each capital project and will provide management accounts against

these budgets, for reporting to the Finance & Audit Committee/Local Governing Body.

### **Asset Register**

All items purchased where the Trust can expect to derive a benefit for more than one year and a value over £2,000 or is regarded as a desirable item must be entered on an asset register. The asset register should include the following information:

- Asset description
- Asset number (if applicable)
- Serial number (if available)
- Date of acquisition
- Asset cost
- Source of funding (% of original cost funded from DFE grant and % funded from other sources)
- Expected useful economic life
- Depreciation
- Current book value
- Location

The Trust Resource Manager will ensure that these items have been entered onto the [Asset Management system](#).

The Asset Register helps:

1. Ensure that staff take responsibility for the safe custody of assets
2. Enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
3. To manage the effective utilisation of assets and to plan for their replacement
4. Help the external auditors to draw conclusions on the annual accounts and the Trust's financial system and
5. Support insurance claims in the event of fire, theft, vandalism, or other disasters.

### **Depreciation**

The Trust will depreciate fixed assets in line with recognised ESFA guidelines. Depreciation rules will be approved by the Members of the Board and Trustees in advance of preparing the annual accounts. Any revisions thereafter will be approved by the Members of the Board and Trustees. The FC is responsible for the overall collation of the fixed asset register for all academies and the Trust plus the application of the depreciation charges on an annual basis.

### **Security of Assets**

Equipment must be secured by means of physical and other security devices. All the items in the asset register should be permanently and visibly marked as the academies property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Finance & Audit Committee/Local Governing Body.

Inventories of each academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it, this should be noted.

### **Disposals**

The majority of items purchased by the trust are retained until the end of their useful life and disposed of in line with WEEE directive. Asset items which are to be disposed of by sale, following the open market, or destruction must be authorised with the prior written authorisation of the COO. Following the limits set out in the scheme of delegation and [Appendix A - Summary of AIMAT Financial Authorisation & Procurement Levels](#).

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Academy would need to ensure licences for software programmes have been legally transferred to a new owner. Prior to disposal, any computer system will have all data deleted and purged from the hard drive.

Where items are disposed of, the asset register is updated. Following the annual inventory check any discrepancies or write offs are reported to the Finance & Audit Committee/Local Governing Body.

The Academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Academy assets. If the sale proceeds are not reinvested, then the Academy must repay to the DfE a proportion of the sale proceeds. All disposals of land and the sale of Heritage Assets must be agreed in advance with the DfE.

**Appendix A - Summary of ELT Financial Authorisation & Procurement Levels**

Delegated Duty	Proposed sign-off and procurement levels		
	Value	Delegated Authority	Procurement Method
Requisitions for orders/invoice approval	Up to £2,000	Headteacher, COO, CEO or Budget Holder	Value for money test
	£2,000 to £5,000	Headteacher, COO, CEO or Budget Holder <b>Plus COO</b>	Value for money test – evidence of price comparison required
	£5,000 to £40,000	Headteacher, COO, CEO or Budget Holder <b>Plus COO</b>	at least three written quotations should be obtained to identify the best source of the goods/services. Written details of quotations should be attached to Purchase Orders. Where a service is bespoke and therefore quotes are not available, authorisation from the COO or CEO is required. Quotations/prices may be sourced from a catalogue or website. Evidence must be available before placing an order.
	£40,000 to £189,330	Headteacher, Executive team or Budget Holder <b>Plus the COO &amp; CEO</b>	Formal tendering process *reported to the Finance & Audit Committee/Local Governing Body
	Over £189,330	Headteacher, Executive team or Budget Holder <b>Plus the COO &amp; CEO &amp; the Trust Board</b>	OJEU*see OJEU Table
Payments Run's	Any	Dual Process: Checked by the Finance Officer or Finance Controller  Authorised by the Head Teacher, COO or CEO	
		Input to Bank System by the Finance Officer or FC (After the above authorisation)	
		Released from to Bank System: COO or CEO	
Journals	Within the I/E	Finance Staff – Reviewed by Trust Finance Controller	
	Between income statement & balance sheet	Trust Finance Controller – Reviewed by COO	
Purchase Card	Monthly spend limit of £2,000, and £1,000 transaction limit	Headteacher, Executive team or Budget Holder	
	Monthly spend limit Above £2,000, and transaction limit above £1,000	COO or CEO	
Severance Payments	Equal to or below contractual notice	HR Director & Head Teacher plus COO or CEO	
	Above contractual notice	COO or CEO	

	>£50K	ESFA Approval	
ESFA returns	Any	Finance Controller or COO	
Virement of budget provision between budget headings	Up to £10,000	Head Teacher, COO, CEO	
	£10,001 to £20,000	Head Teacher, COO, CEO Plus Written approval F&A Committee	
	Over £20,000	Trust Board	
Disposal of assets (excluding the disposal of a freehold on land and buildings)	Up to £250	COO or CEO	ESFA approval required for disposal of heritage assets regardless of the value ( <i>Assets with historical, artistic, scientific,</i>
	£250 to £2,000	Written authorisation CEO & Finance & Audit Committee/Local Governing Body authorisation	
	Over £2,000	As above, plus Trust Board.	<i>technological, geophysical or environmental qualities)</i>
Write-off of bad debts	Up to £1,000	COO or CEO	
	£1,001 - £45,000	COO or CEO <b>Plus</b> Finance & Audit Committee/Local Governing Body or refer to debt collecting agency	
	over £45,000 or 1% of annual income	ESFA approval required	
Purchase or sale of any freehold property	Any	ESFA approval required	
Granting or take up of any leasehold or tenancy agreement	Any	COO or CEO and Trust Board	ESFA approval required for over three years
Raising invoices to collect income	Any	Finance Staff or Trust Finance Controller	

## OJEU

\*The academy advertises throughout the member states of the European Community where there is a legal requirement to do so, currently orders for goods and most services:

	Supply, Services <sup>1</sup> and Design Contracts	Works Contracts <sup>2</sup>	Social and other specific services <sup>3</sup>
Central Government <sup>4</sup>	£122,976	£4,733,252	£663,540
	€139,000	€5,350,000	€750,000
Other contracting authorities	£189,330	£4,733,252	£663,540
	€214,000	€5,350,000	€750,000
Small Lots	£70,778	£884,720	n/a
	€80,000	€1,000,000	

a single order or a period over 48 months must be advertised in the Official Journal of the European Union (OJEU). Please refer to the OJEU website for the updated thresholds <https://www.ojeu.eu/thresholds.aspx>

**Appendix B – Gifts & Hospitality Register**

All Academies and the Trust are required to record and report all gifts with a value of £30 or higher which were received and any gift or hospitality over £50 and flowers up to the value of £35 that was given.

Academies and central staff are required to complete the table below with all the records and return to the finance department by the end of the academic year.

Before any gift or hospitality is given or received, please refer to the Gifts & Hospitality section of the ELT Financial Manual.

Date the gift or hospitality was received	Employee name and academy represented	Name of organisation/individual providing/receiving the hospitality or gift	Describe the gift or hospitality and its monetary value	Authorising officer (COO or CEO)

**Appendix C – Declaration of Interests**

I [Name] declare as a [Board Members/Trustees/Local Governing Body Members/senior officers/Finance Staff]\*(please delete as appropriate) of [school name/Enlighten Learning Trust] that I hold the following personal and/or pecuniary interest(s):

Pecuniary interests	Please provide details of the interest	Date interest commenced	Date interest ended
Current employment			
Businesses (of which I am a partner or sole proprietor)			
Company directorships – details of all companies of which I am a director			
Charity trusteeships – details of all companies of which I am a trustee			
Membership of professional bodies, membership organisations, public bodies or special interest groups of which I am a member and have a position of general control or management			
Gifts or hospitality offered to you by external bodies while acting in your position as member/trustee/staff and whether this was declined or accepted in the last 12 months			
Contracts offered by you for the supply of goods and/or services to the trust/academy			
Any other conflict			

Personal interests	Name	Relationship to me	Organisation	Nature of the interest	Date started	Date ended
Immediate family/close connections to member/trustee/staff						
Company directorships or trusteeships of family/close connections to member/trustee/staff						

If you are a governor or trustee of any other schools and/or academies, please provide details below:

<b>Name of academy/Trust:</b>	
<b>Position held:</b>	
<b>Date appointed/elected to post:</b>	
<b>Date of termination to post:</b>	

To the best of my knowledge the information supplied above is correct and complete. I understand that it is my responsibility to declare any conflict of interest/loyalty, business or personal that relates directly or indirectly, to myself or any relation in any contract, proposed contract or other matter when present at a meeting at the academy or trust where such contract or matter comes under consideration. I understand that I must withdraw from any meeting during the discussion of such contract or matter and must not vote in respect of it. I agree to review and update this declaration annually and give consent for the information provided to be used in accordance with the trust conflicts of interest policy.

<b>Signed:</b>		<b>Date:</b>	
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## **Appendix D – Trust Services to Academies**

**The following ELT central services are provided throughout the academic year to its Academies:**

- ✦ Financial services
- ✦ Facilities Management
- ✦ ICT Management
- ✦ Educational support services
- ✦ Executive leadership
- ✦ HR Management
- ✦ Risk Management

Also included are a range of fixed costs which are absorbed at the Trust office including legal and audit costs.

## **Appendix E – Anti-Fraud and Corruption Policy**

ELT is committed to promoting an anti-fraud culture. It already has procedures in place to reduce the likelihood of fraud occurring. These include segregation of duty, a scheme of delegation and financial regulations, documented policies and procedures and a system of internal control. All cases of fraud, corruption and irregularity are taken very seriously, it is ELT's policy to prosecute where justified, and to take appropriate disciplinary action where employees are involved. The ESFA must be notified where frauds with a value of > £5,000 are identified.

ELT wishes to encourage anyone having reasonable suspicions of suspected or actual fraud, malpractice, corruption or irregularity to report them using the Trust's Whistleblowing Policy.

The Academy is determined that the culture and tone of the organisation will be one of integrity and opposition to fraud and corruption of any kind.

The Academy expects that the governing body and its employees at all levels will lead by example in ensuring adherence to legal requirements, financial rules, codes of conduct and prescribed procedures and practices.

The Academy implements and maintains systems of accountability and control to ensure that its resources are properly applied in the way it intended. These systems include, as far as is practical, adequate internal controls to detect not only significant errors but also importantly, fraud and corruption. The preventative systems, particularly internal control systems, within ELT have been designed to provide indicators of any fraudulent activity, although generally they should be sufficient in themselves to deter fraud. It is often the alertness of staff and the public to such indicators that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress

Governors, Academy employees and anyone acting for, or on behalf of, the Academy ("associated persons"), acting for the Academy are an important element in the Academy's defence against fraud and corruption; they are expected to raise any concerns that they may have on these issues where they are associated with the Academy's activities.

The Academy's senior management and governors will be robust in dealing with financial malpractice of any kind. Governors, employees of the Academy and 'associated persons' should follow the guidance issued in the Academy's Whistleblowing Policy.

All concerns reported, by whatever method, will be treated in confidence. Concerns should be raised with the Head of School in the first instance except when it relates to the Head of School in which case the concern should be raised with the COO or Governors. This may mean that, depending on the level, type and details of the concerns you raise, that your concerns are investigated by the Head of School, the Board of Governors or, in the case of very serious concerns, the Police.

Concerns in relation to potential breaches of security as a result of cybercrime should be reported immediately to the Head of School and the COO who will contact the IT department for advice.

The academy adheres to the external audit regime as outlined in the Academies Trust Handbook and as required by Companies House. A programme of checks to be carried out by an auditor is agreed by the full Governing Body.

The COO must inform the DFE/ESFA and the Governing Body immediately if the following are discovered or suspected:

- loss or misuse of money.
- financial irregularities.
- fraud or theft above £5,000 or any unusual or systematic fraud, regardless of value.

## **Appendix F – Expenses Policy for Governors and Trustees**



### **Rationale**

This policy statement has been developed in accordance with the School Governance (Roles, Procedures and Allowances) (England) Regulation 2013. These regulations give Governing Bodies the discretion to pay allowances from the school's annual budget allocation to governors for certain allowances which they incur in carrying out their duties. The Trustees of Enlighten Learning Trust believe that paying governors' allowances, in specific categories as set out below, is important in ensuring equality of opportunity to serve as governors for all members of the community and so is an appropriate use of school funds. The specific items allowable reflect this objective.

### **POLICY**

Governors of all schools within the Enlighten Learning Trust will be entitled to claim the actual costs, which they incur as follows:

1. Governors will be able to claim allowances providing the allowances are incurred in carrying out their duties.

Governors will be able to claim for the following, on a case-by-case basis and with the prior approval of the Governing Body:

- Childcare or baby-sitting allowances (excluding payments to a current/former spouse or partner);
- Cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner);
- The extra costs they incur in performing their duties either because they have special needs or because English is not their first language;
- Travel and subsistence costs, payable at the current rates for Enlighten Learning Trust staff; associated with attending national meetings or training events, unless these costs can be claimed from the LA or any other source;
- Any other justifiable allowances.

Governors will be able to claim for the following, up to £25 in any one school term, without the prior approval of the Governing Body:

- The cost of travel relating only to travel to meetings/training courses at the current Enlighten Learning Trust staff rate
- Telephone charges, photocopying, stationery, postage etc

1. Trustees of Enlighten Learning Trust acknowledge that:

- Governors may not be paid attendance allowance
- Governors may not be reimbursed for loss of earnings.

Governors wishing to make claims under these arrangements, once prior approval has been sought where appropriate, should complete a claims form (obtainable from the School finance office), attaching receipts where possible, and return it to the School within two weeks of the date when the allowances were incurred, when they will be submitted for approval by the Chair of Governors; claims for amounts up to £25 can be authorised by the COO or CEO.

Claims will be subject to independent audit and may be investigated by the Chair of Governors (or Chair of finance Committee in respect of the Chair of Governors) if they appear excessive or inconsistent.

## **Appendix G – Expenses Policy for Trust Staff**

### **Staff Expenses Procedure**

All goods should be purchased via an official order and invoiced accordingly where possible. Staff are not permitted to purchase goods and be reimbursed for the expenditure unless it is an emergency and prior approval has been sought from the Head of School.

To claim a reimbursement an expense claim form should be used this must be:

- Authorised by the budget holder & Head of school.
- Receipt attached to form (please note internet advice of orders must have details of payment made or a bank statement proving payment will need to be provided)
- Please indicate clearly the name/account number and sort code as expenses are paid via BACS
- Reason for purchase/ journey must be detailed
- The authorised forms will be processed within 3 months and will be paid by BACS. Any other forms of payment must be agreed by COO or Finance Controller.
- The purchase must be relevant and within budgetary provision
- NO PERSONAL CHEQUES ARE ALLOWED TO BE CASHED BY THE TRUST

### **Travel by car**

- Mileage is paid at 45p per mile
- Mileage may be claimed for authorised journeys made on the Trust's behalf. The mileage will be calculated from home to destination or from school to destination, whichever is the shorter distance
- Employees should car share wherever possible and for long journeys should investigate the cost of travel to use the most economic method. An additional 5p per mile will be paid where employees car share for business purposes
- Employees must ensure that their car is roadworthy and that either they have their own business travel or they have checked that they are covered under the Trust's policy
- Normal home to work travel is not reimbursed
- A form must be completed with the dates of travel, the reason and signed by the budget holder.

### **Subsistence**

Employees may claim cost of subsistence where they must take refreshments/meals at a venue other than the school, and where this is not provided as part of the event/activity. Receipts are required to support all claims and must detail any VAT.

As per the pay policy:

- Payments may be made to cover subsistence costs for teaching and support staff when accompanying a school trip – the rates for this are up to a maximum of £5 per person per day for trips in the UK and £10 per person per day on overseas trips. These rates are set with reference to HMRC's benchmark scale rates, and are subject to change accordingly. Reimbursement will not be made for alcoholic drinks.

### **Parking**

Reimbursement of cost (with receipt/ticket)

The Trust will not reimburse for fines relating to parking, speeding and non-payment of tolls/congestion charge.

### **Fares - public transport**

Reimbursement of cost (with ticket/receipt).

**Taxi Fares**

Taxi fares will be reimbursed only where taxi use has been pre-authorised and in exceptional circumstances where other means of transport are not available or appropriate.

**Telephone and mobile expenses**

- Business calls made from a home telephone may be reimbursed subject to provision of an itemised telephone bill attached to a duly authorised expense claim
- Calls from personal mobile phones made for business purposes may be reimbursed subject to provision of evidence of the calls attached to the Petty Cash Voucher
- Line or equipment rental will not be reimbursed unless the line has been installed specifically for the business of the Trust and with its permission
- The Trust only provides mobile phones for operational purposes. Such phones are only to be used for Trust business purposes and the individual will be required to reimburse the school for any personal use

**Professional subscriptions and membership of professional bodies**

Normally personal professional subscriptions for members of staff are the personal responsibility of individual members of staff. No reimbursement will normally be provided by the Trust for such costs, although individual staff members may be able to claim tax relief for such costs either through their tax code or on their own tax self assessment returns. However, if there are benefits to the Trust, by being a member of an organisation, payment may be allowable but this must be agreed, prior to the expense being incurred, by the COO in conjunction with the HR Manager.

**Spectacles for Display Screen Equipment (DSE) Users**

The following applies where staff habitually use VDUs as a significant part of their normal work:

The Trust will pay for the cost of an eye test for the provision of basic spectacles or £75 towards non-basic. (Per Surrey County Council allowances). In order to make a claim the claimant must obtain a form from the Personnel department for the optician to sign and stamp.

The Trust will not contribute towards the cost of spectacles with any element of everyday use, in other words the spectacles must be exclusively for VDU use.

**VAT**

For all claims, please ensure that the VAT number on the receipt is clear otherwise it is not possible to reclaim the VAT element of the purchase and it will be charged to your budget.

A tax invoice must be obtained where the value of the goods is £250 or more (including VAT)

The invoice must show the Trust/School as the customer. If you are paying by Purchase Card etc. you will need to request a VAT invoice made out to the Trust or School – without this the goods will cost the school 20% more as we will not be able to reclaim the VAT.

**Appendix H – Support Staff recruitment approval form**



**ESHER LEARNING TRUST – SUPPORT STAFF RECRUITMENT APPROVAL FORM**

<b>SCHOOL:</b>			
Internal / External Vacancy:		If Internal – will the vacancy be backfilled?	
<b>Post Details</b>			
<b>Section 1 – to be completed by HR / SLT Lead</b>			
Title of the post:			
<ul style="list-style-type: none"> <li>Is the post specified in the current structure? * - If no, then Governor /Trust approval may be required</li> <li>Is the post required in its current form?</li> <li>Has this been discussed with HR Manager?</li> </ul>	Yes /No	<b>Is the Post:</b>	
		An existing permanent post?	
		A new permanent post?	
	Yes /No	An existing fixed term contract?	
		A new fixed term contract?	
	Yes /No	A casual or temporary contract?	
		A job share contract?	
Current/previous postholder (where applicable):		Expiry date of current contract (where applicable):	
Anticipated start date for the appointment:		Anticipated end date for the appointment: (for fixed-term/temporary staff):	
Will the postholder be responsible for managing staff?		Yes / No	
Reason for fixed term/temporary appointment:			
Job share partner (if applicable):			
<b>Fu</b>	<b>Pa</b>	<b>All year</b>	<b>Term time</b>
If part-time, number of hours worked per week:		Term Time only - Please confirm the number of working weeks per year:	
Detail of working pattern including unpaid breaks:			
<b>Section 2 – to be completed by Trust HR Department</b>			
Support Staff appointments are normally made at points of the range	Salary Range	PS	
		Min £	Max £
	Actual	£	£
<b>Section 3 – to be completed by Trust Finance Department</b>			
Estimated Annual Cost inc on costs		Is Governor / Trustee Approval required: Yes / No	
<b>NOTES:</b>			

Role	Name	Date Approved
SLT Lead		
HR Lead		
Finance Lead		
Headteacher		
Governor / Trustee Approval (if applicable)		

**Appendix I – Teaching Staff recruitment approval form**

## ESHER LEARNING TRUST – TEACHING STAFF RECRUITMENT APPROVAL FORM



<b>SCHOOL:</b>				
Internal / External Vacancy:	If Internal – will the vacancy be backfilled? Yes/No			
<b>Post Details</b>				
<b>Section 1 – to be completed by HR / SLT Lead</b>				
Title of the post:				
<ul style="list-style-type: none"> <li>Is the post specified in the current structure? * - If no, Governor /Trustee approval may be required</li> <li>Is the post required in its current form?</li> <li>Has this been discussed with HR Manager</li> </ul>	Yes / No*	<b>Is the Post:</b>	<b>X</b>	
			An existing permanent post?	
			A new permanent post?	
		Yes / No	An existing fixed term contract?	
			A new fixed term contract?	
		Yes / No	A casual or temporary contract?	
		A job share contract?		
Current/previous postholder (where applicable):	Expiry date of current contract (where applicable):			
Anticipated start date for the appointment:	Anticipated end date for the appointment: (for fixed-term/temp staff):			
Will the postholder be responsible for managing staff?	Yes /No			
Reason for fixed term/temporary appointment:				
Job share partner (if applicable):				
<b>Full-time or Part-time:</b>	<b>If part-time - % of full-time contract (number of 100ths)</b>			
<b>Detail of working pattern:</b>				
<b>Section 2 – to be completed by Trust HR Department</b>				
Pay Scale including any TLR: Range FTE	MPR / UPR			
	<u>Min £</u>			
	<u>Max £</u>			
Actual Salary				
<b>Section 3 – to be completed by Trust Finance Department</b>				
Estimated Annual Cost inc on costs:	Is Governor / Trustee Approval required: Yes / No			
<b>Notes:</b>				

Role	Name	Date Approved
SLT Lead		
HR Lead		
Finance Lead		
Headteacher		
Governor / Trustee Approval (if applicable)		