

# Eastern Learning Alliance

## Financial Control Procedures

Reviewed September 2022

<b>Approved by Trustees</b>	October 2022
<b>Review cycle</b>	Every 2 years (September 2024)

**To be read in conjunction with:**

Academies Financial Handbook

Master Funding agreement

Articles of Association

This Policy is written with the intention of ensuring compliance whilst enabling all academies to operate in clear and efficient ways.

Regular review will ensure it remains so however any issues with the guidance provided within this policy should be directed to the Chief Finance Officer in the first instance.

<b>Contents</b>	<b>Page</b>
. Introduction	3
. Roles and Responsibilities	4
. Financial Planning and Budgeting– Strategic Development Plan	7
. Funding and income	8
. Reserves policy and investment	9
. Monitoring and review, Audit and Management reporting	10
. VAT	11
. Payroll and PAYE	12
. Pensions	13
. Banking and cash	13
. Apprenticeship Levy and allowances	13
. Conflicts of Interests and related party policy	14
. Procurement and staff training	14
. Tender Process	15
. Summary of freedoms and delegations	15
. Transaction processing	18
. Reimbursement of expenses	18
. Gifts and Hospitality	18
. Banking Arrangements	19
. Insurance	19
. Fraud, theft, irregularity, and cybercrime	20
. Other financial procedures	20

## Introduction

The purpose of this document is to ensure that Eastern Learning Alliance (the Trust) maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreements with the Education and Skills Funding Agency (ESFA).

Each academy within the Trust must comply with the principles of financial control outlined in the academies guidance published by the ESFA in the Academy Funding Agreement and the Academies Financial Handbook.

This manual expands on those and provides detailed information on the accounting procedures and these financial regulations must be read by all staff involved with financial systems and copies made available as necessary. It also provides a standard approach to all finance related tasks within the Trust and its academies.

All staff are aware of the Trust's whistleblowing policy and to whom they should report any concerns regarding malpractice and wrongdoing. Any suspected financial irregularity will be reported to the DfE.

The Trust will be responsible for reviewing all controls and procedures of financial systems operating within the trust. A self-assessment of the financial administration and management within each school is carried out at all levels by the Accounting Officer and the Chief Financial Officer.

## Roles and Responsibilities

### Members

The members are akin to the shareholders of a company. They have ultimate control over the academy trust, with the ability to appoint some of the trustees and the right to amend the trust's articles of association.

### Trustees

The board of trustees of the academy trust has wide responsibilities under statute, regulations and the funding agreement. Principally, it is responsible for ensuring that the trust's funds are used only in accordance with the law, its articles of association, its funding agreement and this handbook. The board of trustees has wide discretion over its use of the trust's funds, which it **must** discharge reasonably and in a way that commands broad public support. It is responsible for the proper stewardship of those funds, including regularity and propriety, and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money.

### Accounting Officer

The Chief Executive Officer has overall responsibility for the trust's activities including financial activities. As the Accounting Officer for the trust, the Chief Executive Officer is personally responsible for:

- propriety and regularity of the public finances for which they are answerable. This covers standards of conduct, behaviour and corporate governance
- keeping of proper accounts
- prudent and economical administration
- avoidance of waste and extravagance
- ensuring value for money
- efficient and effective use of all available resources
- management of opportunities and risks
- ensuring that measures are in place to prevent loss and misuse of the trust's property and assets

The essence of the role is a personal responsibility for:

**Regularity** - dealing with all items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement and this Handbook, and compliance with internal trust procedures. This includes spending public money for the purposes intended by Parliament;

**Propriety** – the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary control. This covers standards of conduct, behaviour and corporate governance;

**Value for money** – this is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the trust's charge, the avoidance of waste and extravagance, and prudent and economical administration. A key objective is to achieve value for money not only for the academy trust but for taxpayers more generally.

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

In practice, much of the financial responsibility is delegated to the Chief Financial Officer but the Chief Executive Officer still retains responsibility for:

- authorising orders, contracts and signing cheques / releasing payments in conjunction with other authorised signatory in accordance with the agreed Scheme of Delegated Financial Authority
- authorising budget plans in conjunction with the Chief Financial Officer
- seeking trustees approval for purchase orders or contracts in excess of delegated thresholds
- submitting reports to the trustees giving details of income, expenditure and commitments to date
- ensuring any actions resulting from the annual audit are implemented

### **Chief Financial Officer**

The Chief Financial Officer works in close collaboration with the Chief Executive Officer through whom they are responsible to the members. The Chief Financial officer also has direct access to the trustees. The main responsibilities of the Chief Financial Officer are:

- day to day management of financial issues including the establishment and operation of a suitable accounting system for the Multi Academy Trust's central budget and individual academies
- management of the Academy financial position at a strategic and operational level within the framework for financial control determined by the members and directors
- preparation of budget plans in conjunction with the Chief Executive Officer and Principals
- the maintenance of effective systems of internal control
- maintenance of adequate fixed asset registers

- liaising with auditors to ensure that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust
- the preparation of monthly management accounts, including income and expenditure reports
- ensuring forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance
- Undertaking internal risk reviews for each of the schools in the trust, focusing upon the systems of internal control at each school.
- additional roles, some of which are not directly finance related, as outlined in the Chief Financial Officer's job description

### Local Governing Body/Principal

The LGB's responsibilities are as outlined in the Scheme of Delegation but the Principal of each school retains the responsibility on their behalf for the budget related to their school.

The Principal is accountable to the Chief Executive Officer for all financial matters and regular monitoring meetings to review the overall financial position take place with the Chief Financial Officer, who reports back to the CEO and Trustees on performance of the academy against budget.

## Financial Planning and Budgeting– Strategic Development Plan

ELA Strategic aims are within the ELA Development Plan but are re-iterated below for reference.

### ELA Strategic Aims

1. To establish and grow a family of local schools operating successfully as a mixed phase/setting Multi-Academy Trust
2. To be an excellent Trust where students flourish and thrive as learners securing outstanding outcomes and all work in a climate of 'high challenge, low threat' (Myatt, 2016)
3. To ensure the Trust grows through efficient and effective use of all resources and maximises income generation through appropriate and ethical activities across the Trust
4. To communicate successfully and engage positively with all stakeholders of the Trust
5. To ensure the Trust continues to promote its role at the heart of the whole community and its composite local communities

The budget setting parameters are drawn with these aims in mind and also considered in more detail in the Development Plan.

The CEO and CFO will ensure that all budgetary plans reflect the aims and developments above reporting back to the Trustees on an annual basis on progress. Where issues are arising which may mean strategic financial changes are required these will be discussed and agreed with Trustees.

### Annual budgets

Annual budgets will reflect the best estimate of the resources available to each academy for the forthcoming year and how those resources are to be utilised by each academy. There should be a clear link between the Strategic Aims and Development Plan and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of ESFA grant receivable
- review of other income sources available to the individual academies within the trust to assess likely level of receipts
- review of past individual performance against budgets to promote an understanding of the trust cost base
- identification of potential efficiency savings
- review of the main expenditure headings in light of the strategic plan objectives and the expected variations in cost, e.g. pay increases, inflation and other anticipated changes

- liaising with external agencies including major suppliers to ensure that the trust's best financial interests are met

Individual academy plans and budgets will need to be revised until income and expenditure are in balance. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding.

If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available.

It will be the responsibility of each Principal in conjunction with the Chief Financial Officer to set/recommend to the Chief Executive Officer a budget for their respective academy for submission to the trustees. Such approval should be clearly minuted in sufficient time to allow prompt submission of aggregated plans to the ESFA and should be accompanied by a statement of assumptions and explanations behind the plan so that if circumstances change, it is easier for all concerned to take remedial action.

The Chief Financial Officer, in conjunction with the Chief Executive Officer, is responsible for preparing and obtaining approval for the trust's annual budget, which aggregates the budgets of each academy in the trust.

The approved aggregated budget must be submitted to the Education and Skills Funding Agency (ESFA) by 31 July each year or at a date specified by the ESFA and the Chief Financial Officer is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

### Capital projects

All capital and major projects will be agreed as part of the budget setting process – school projects will be agreed between the Principal, the CFO, CEO and Director of estates, and the expenditure will be monitored and reported to the trustees.

Capital expenditure will be recorded on the fixed asset register and reported to Trustees at each meeting. Items of Expenditure over £10,000 will be considered for capitalisation. The value as well as the specific item will be considered when deciding to capitalise or not e.g. length of time to be in use (must be over 2 years), frequency of purchase (is the same purchase made annually i.e. chrome books)

All assets belong to the Trust. Whilst individual Academies will be free to manage their own Assets and should have a record of all assets kept in a central register, there are specific limitations where written approval from the ESFA is required for the following:

- Acquiring freehold land or buildings
- Disposing of a freehold land or buildings
- Disposing of heritage assets beyond any limits set out in the Trust's funding agreement



- Other than land, buildings and heritage assets, trusts can dispose of any other fixed asset without the ESFA's approval. Trusts must ensure that any disposal achieves the best price they can reasonably be obtained and maintains the principles of regularity, propriety and value for money. This can involve public sale where assets have a residual value.

All items purchased which are considered to be a Fixed Asset must be entered into an asset register. The asset register must contain the following information: asset description; date of acquisition; asset cost; source of funding if not from DfE grant; expected useful economic life; depreciation; current book value.

The IT team will keep a detailed schedule of computer software licences and assets where they exceed the capitalisation limit.

A copy of the asset register is held by the CFO.

Assets which are to be disposed of by sale or destruction must be authorised for disposal by the CFO and, where significant, sold following competitive tender.

The Academy is expected to reinvest the proceeds from all asset sales for which capital grant was received, 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 must be agreed in advance with the Secretary of State.

## Funding and income

All funding from the Education and Skills Funding Agency (ESFA) and the Local Authority will either be paid to a central bank account held by the Trust. Funds will then be allocated by the Trust to each academy after the deduction of a "Top Slice" retained by the Trust to cover the cost of central services or paid directly to the academy and a top slice recharged. The value of the Top Slice will be agreed on an annual basis and schools advised of the sum to be levied to them by the Trust.

Each academy also obtains income from students (for trips and catering) and the public (mainly for use of school facilities).

## Reserves Policy and investment

As a newly formed trust, all policies have been updated as part of the merger. In 2021 the Trust did not hold a current Investment Policy due to the financial uncertainties of Covid. The Trust board decided that it would be better to waiting for a more stable financial environment to set a policy with a quantify value, it is agreed that the aim would be to build the unrestricted reserves to a level that will provide sufficient working capital to cover delays between spending and receipt of grants and to cushion to deal with unexpected emergencies such as urgent maintenance

Investments must be made only in accordance with written procedures approved by the Trust. All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be 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.

## Monitoring and review, Audit and Management reporting

### Statutory Audit

In accordance with the Companies Act 2006, academy trusts **must**:

- appoint an auditor, to certify whether the accounts present a true and fair view of the trust's financial performance and position
- produce audited accounts

External auditors are appointed at the Annual General Meeting of the Trust and letters of appointment subsequently put in place to ensure statutory compliance. Audit takes place in each Academy during the autumn term to enable accounts to be produced and submitted for Trustee approval by the end of November each year with submission of the Trust's accounts to Companies House by 31 December annually.

The Trust will co-ordinate centrally the audit function but each Academy within the Trust will be required to assist with the audit process providing information and responses to queries raised by the auditors about their individual academies.

An accounting officer's statement on regularity, propriety and compliance **must** be included in the academy trust's annual report. This is a formal declaration by the trust's accounting officer that they have met their personal responsibilities to Parliament for the resources under their control during the year. It includes a responsibility to ensure that:

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

### Internal Audit

The trust board delegates internal scrutiny to the risk committee. The risk committee will oversee and approve the trust's programme of internal scrutiny, ensuring that all categories of risk are being adequately identified and addressed appropriately.

The risk committee will then report to the board on the adequacy of the trusts internal control framework and report on the findings and recommendations.

The risk committee must identify on a risk-basis (with reference to its risk register) the areas it will review each year. The audit committee will use independent external auditors to carry out the tests that would otherwise be carried out by a Responsible Officer on their behalf.

For example, this may involve greater scrutiny where procedures or systems have changed.

The Internal scrutiny focus on evaluating the suitability of, and level of compliance with, financial and nonfinancial controls. This includes assessing whether procedures are designed effectively and efficiently and checking whether agreed procedures have been followed. Offering advice and insight to the board on how to address weaknesses in financial and non-financial controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of the trust

### Management Accounts

Using the academies accounting packages, reports are created in which actual variances are highlighted against budget allocations. Monthly reports will be prepared for each Academy in the trust by CFO. The reports will detail actual income and expenditure against budget for the period of reporting, the year to date and a forecast of projected year end balances.

The Chief Financial Officer will produce and provide an aggregated report for the Chief Executive Officer, the Principal, and the trustees. The monitoring process will be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. Any potential overspend against budget must, in the first instance, be discussed with the Principal and the Chief Financial Officer who will then liaise with the Chief Executive Officer.

This process will require Management Accounts for each Academy to be produced by the middle of each month following the end of the last accounting month/period. This will enable consolidation of group accounts to be submitted to the Trust Board with the latest information available.

All Balance sheet codes will be reconciled at month end. Debtors and creditors will be monitored and chased as necessary. No new letting booking will be accepted without clearing out standing debits.

The Fixed Asset register will be maintained centrally and updated by the Chief Financial Officer.

### VAT

ELA is registered with HMRC for VAT purposes.

The Trust has a group VAT Code and all Academies within the Trust must adopt the same code and VAT convention to ensure the Trust remains within HMRC requirements.

Monthly VAT returns to HMRC must be submitted centrally by the Trust on behalf of all schools and this is undertaken by the Finance Manager in the central team.

## Payroll and PAYE

Payroll will be managed by Education Personnel Management (EPM) on behalf of the academies individually. The payroll process is carried out by the Finance Manager within the central team, in conjunction with HR managers. Access to the EPM system is password protected and restricted to personnel that require access.

All salary payments are made by BACS via EPM and the Finance Manager or Finance Officer updates the Sage nominal ledger with the payroll costs for the month.

ELA is the employer for all employees within each academy in the Trust. All academies will therefore adopt the same PAYE code which is

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Each Academy Principal is responsible for the payroll and salary expenditure within their Academy. The Chief Accounting Officer will liaise with the Principals and Finance Manager to ensure propriety and compliance is in place.

### Setting Executive pay

The board of trustees must ensure its decisions about levels of executive pay (including salary and any other benefits) follow a robust evidence-based process and are a reasonable and defensible reflection of the individual's role and responsibilities.

No individual can be involved in deciding their remuneration.

The remuneration committee will lead the process of setting executive pay and report into the board.

The approach to pay and benefits must be transparent, proportionate, and justifiable.

The rationale behind the decision-making process must be documented and retained, including whether the level of pay and benefits reflects value for money. A basic presumption that executive pay and benefits should not increase at a faster rate than that of teachers, in individual years and over the longer term.

## Pensions

The Teachers' Pension Scheme (TPS) and Local Government Pension Scheme (LGPS) are offered to all employees of the Trust.

The recording of each Academy's Assets and Liabilities for the LGPS are recorded separately to ensure annual returns are reflecting each academy's own pension position. The consolidated position will be reported in the Trust's accounts but should it be necessary for any academy to withdraw from the fund or apportion liabilities

individually to their own academy, the academies own valuation will apply. These will be sought from actuaries at the time if needed.

Three yearly annual review of assets and liabilities will be carried out setting the individual employer contribution rate for each school.

End of Year audit and certification in respect of TPS will be arranged centrally for the MAT with individual financial records provided by each academy prior to audit.

## Banking and cash

Each academy has their own current account. This can be consolidated with all other Trust accounts for treasury management purposes. The account details are held by the Chief Finance Officer and the account signatories are a combination of: Chief Executive Officer; Chief Finance Officer; Finance Manager, Senior Finance Officer.

All cheques and other instruments authorising withdrawal from the bank accounts must bear the signature of two authorised signatories. Signatories may not sign a cheque reimbursing themselves.

The finance manager must ensure that bank statements are received / downloaded regularly and that reconciliations are performed on at least a monthly basis. Reconciliation reports are sent to the Chief Financial Officer on a monthly basis.

The Trust has a number of credit cards, with one allocated to each school / entity. Receipts must be retained and matched to monthly statements.

Each academy maintains their own petty cash tin, administered by the school. The amounts are periodically reconciled and supporting documentation sent to the finance team for entry in the accounting system. The balances can be topped up upon request to the finance team.

Monies collected must be banked in their entirety in the appropriate bank account. The finance manager is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. All cash and cheques must be kept in a safe prior to banking.

## Apprenticeship Levy and allowances

The Trust will be the recognised employer and as such will attract the levy of 0.5%. However each academy will retain its own payroll and deductions of 0.5% will be made from each academy's payroll by EPM and paid to HMRC on their behalf.

ELA will claim the allowance on behalf of all academies within the Trust and may be shared with the academies but this remains at the discretion of the Trust.

## Conflicts of Interests and related party Policy

A Conflicts of Interests Policy for Members, Trustees and LGB Governors covers the following areas:

1. Conflicts of Interest
2. Declarations of Interest
  - a. Pecuniary Interests
  - b. Non-Pecuniary Interests
3. Connected Parties
4. Personal relationships and family members

This policy will be reviewed by the Board as required to ensure it remains effective and covers all conflicts that could affect the Trust.

No member, trustee, local governor, employee or related individual or organisation uses their connection to the trust for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the trust.

The board of trustees must ensure requirements for managing related party transactions are applied across the trust. The board chair and the accounting officer must ensure their capacity to control and influence does not conflict with these requirements. They must manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the 7 principles of public life.

At cost requirements the trust must pay no more than 'cost' for goods or services. 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.

## Procurement and Training

Budgets are delegated to each Academy, but the Chief Accounting Officer retains overall responsibility for procurement compliance in the event of complaints or issues regarding commitments on behalf of the Trust.

Individual procurement limits are set as specified in the Scheme of Delegation for Academies include all purchases and contracts including trips. Even though these are deemed not to necessarily involve the use of public funds, they are still required to evidence good value for money and as such academies should follow normal procurement regulations when procuring trips.

All budget holders will be given their annual budget allocation by their line manager, each new academic year they will be given online training videos, the FCP, SICON WAP written instructions, face to face training opportunities and a contact email and phone number for their accounts support.

## Tender process

All Expenditure over £40,000 must follow the Trust Tendering process unless the expenditure falls under exceptional circumstances.

- Step 1: The budget holder and CFO will prepare a package that indicate the specifics of the project. It will communicate the goals, deadlines, priorities, and requirements of the project.
- Step 2: Request for Proposals. All projects or expenditure over £40,000 requires at least 4 quotes, if there are less than 4 viable suppliers/quotes the procurement dispensation request must be completed.
- Step 3: Bid Evaluation and selection. The bids will be evaluated by the Trust expert in that area (IT, Estates) and the CFO. The recommendations will go to the trust board for approval.

Due diligence is essential when evaluating bidders: it is helpful to review the bidding company's profile, history with the trust and their financial statements.

Exceptional circumstances would include an unforeseen need that requires urgent procurement where the Trust essential business continuity would be compromised by a delay in timescales. Approval must be sought from the CEO and CFO to not follow the usual tender process. The reasons will be presented to board at the next meeting.

## Summary of freedoms and delegations

All expenditure must be for the purpose the funds have been given, represent value for money in line with the delegation levels and professional advice should be obtained where appropriate. If there are less than the subscribed viable suppliers or quotes the procurement dispensation request must be completed.

It is recommended that deals for schools be used where possible.

[Find a DfE-approved framework for your school - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Delegated Duty	Value	Delegated Authority
	Up to £5,000	Budget holder only

Quotations and tendering for delegated items	£5,000 to £9,999	One written quote and demonstration of value for money
	£10,000 to £40,000	Three written quotations are required – principal budget holder and CFO approval
	£40,001 to £75,000	Formal invitations to tender against a detailed specification, contract terms to a minimum of 4 suppliers. Approval by the CFO.
	£75,001 to public procurement Threshold	Formal invitation to tender by advertisement/approved list to at least 4 candidates. Approval by CFO.
	Over public procurement Limit	Advertising required, ELA Board approval
Ordering Goods and Services (raising requisitions) for delegated items	Up to £5,000	Principal or Budget Holder
	£5,000 to £10,000	One written quote and demonstration of value for money
	£10,000 to £40,000	Three written quotations are required – principal budget holder and CFO approval
	£40,000 to £75,000 or any non-delegated item	Formal invitations to tender against a detailed specification, contract terms to a minimum of 4 suppliers. Approval by the CFO, CEO or deputy CEO.
	Over £75,000	Chief Financial Officer /CEO in conjunction with another ELA Director
Signatories for cheques, BACS payment authorisations and other bank transfers		Two signatories in accordance with bank mandate
Signatories for EFA grant claims and EFA returns		Two signatories (or as required by EFA) from: <ul style="list-style-type: none"> <li>- Principal/CEO/CFO</li> <li>- Director of Finance (or equivalent)</li> <li>- ELA CEO</li> </ul>
	Up to £10,000	Principal



Virement of budget provision between budget heads (for delegated items)	Over £10,000	CFO
Disposal of assets	Up to £5,000	CFO
	Over £10,000	ELA Board
Write-off of bad debts (Subject to limits set by EFA that require EFA approval)	Up to £15,000	Principal/CFO
	Over £15,000	ELA Board

Novel, contentious and repercussive	Novel, contentious and repercussive transactions	ESFA agreement required
Special payments	Staff severance and compensation	ESFA agreement required if £50,000 or more before tax
	Ex gratia payments	ESFA agreement required
Write-offs and liabilities (subject to £250,000 ceiling)	Writing-off debts and losses	ESFA consent required if exceeds: • 1% of annual income or £45,000 individually; or • 2.5% or 5% of annual income cumulatively
	Entering into guarantees, indemnities or letters of comfort	
Acquisition and disposal of fixed assets	Acquiring freehold land/buildings	ESFA agreement required
	Disposing of a freehold on land/buildings	ESFA agreement required
	Disposing of heritage assets	ESFA agreement required
	Other disposals	Trust has full discretion, with the agreement of the Accounting Officer and Chief Financial Officer.
Borrowing	Loan, overdraft (on accumulated bank accounts balances)	ESFA agreement required
	Credit cards (for business use)	Trust has full discretion provided charges not incurred
Related party transactions	Supplies to the trust from related parties	ESFA agreement required over £20,000

## Transaction Processing

All transactions input into the accounting system must be in accordance with the procurement limits specified in this manual. Purchase requests where appropriate are made through appropriate requisition software and approved by the budget holder. Finance will then create a purchase order within the accounting system. Invoices without a purchase order are also approved by the budget holder before payment.

All invoices should be sent to the finance office. Once approval is complete, the invoice will be entered into the finance system by the finance team. The finance office will check the following: goods/services received; goods/services as ordered; prices correct; invoice arithmetically correct; invoice posted to purchase ledger; invoice authorised for payment.

A list of outstanding invoices from the purchase ledger will be checked periodically.

The finance manager will obtain and review system reports to ensure that all transactions are posted correctly to the accounting system. The finance manager will retain appropriate reports as evidence of review. The finance manager is also responsible for ensuring the following are reconciled each month: debtor control account; creditor control account; payroll control accounts; bank balances to the bank statements; VAT control account. To be countersigned by the CFO.

## Reimbursement of Expenses

### General Principle:

The Trust policy is that all regular purchases are subject to the normal procurement process as outlined above. Any member of staff committing their own funds or placing orders outside of the procurement process may not be guaranteed a refund if they choose to step outside of the procedures. No Alcohol is permitted to be purchased from academy funds under any circumstances.

### Travel and Transport:

All staff are responsible for ensuring they have a valid driving licence and are fit to drive before they undertake any journeys in connection with their work. All staff must have adequate motor insurance in place and in particular with added "Business use" cover for any additional travel that they may be required to do in connection with their work for the Trust. The Trust will not accept any responsibility for any insurance claim, policy excess, parking or speeding fine. An allowance however can be claimed for legitimate business mileage, parking fees by completing an expenses claim form and submitting this to the appropriate line manager for authorisation. The HMRC travel mileage and fuel rates and allowances should be applied to determine the rate at which fuel should be reimbursed. All travel should be carried out wholly and exclusive for the business.

Train tickets and other travel arrangements should be pre-booked through the finance office and are subject to the budget holder's authorisation.

Similarly, overnight stays for courses or other business related matters should be pre-booked through the finance office and are subject to budget holder's authorisation.

## Gifts and Hospitality

All staff are expected to conduct themselves with integrity, impartiality and honesty at all times and to maintain high standards of propriety and professionalism. Gifts and hospitality offered by or to contractors, suppliers, service providers etc. may place them and the Trust in a vulnerable position, even when offered and accepted without any hidden agenda and may lead to others misinterpreting the intention behind such gifts. For this reason all staff are expected to avoid putting themselves in a position where their professional integrity and/or judgment could be compromised.

In the interests of openness and integrity to protect individuals from accusations of impropriety, the following protocol applies to all Trust staff.

### Accepting Gifts or Hospitality:

Any offer of a gift or hospitality should be declared by the member of staff receiving the offer by completing the Declaration of Gifts and Hospitality. This should be signed by the principal in the Academy before accepting any offer or the CEO for central Trust staff.

Attendance by individuals at working lunches or dinners etc. as one of a number of guests is acceptable however invitations to sporting or social events or offers of tickets should be declared as per the above before accepting such an offer.

### Offering gifts or hospitality:

There will be occasions where it will be appropriate to offer hospitality on behalf of the Trust or its academies, usually in the form of refreshments during meetings or a meal, usually as part of the Trust's own normal business on site. This is acceptable providing the hospitality is not overly lavish, or excessively frequent. Offers must not be made however on behalf of the Trust or its academies which could appear to influence a business decision to the benefit of the Trust. Equally, members of staff should not seek personal inducements in order to encourage them to act in a particular way as part of their official duties. No Alcohol is permitted to be purchased from academy funds under any circumstances. If there is any uncertainty the matter should be referred to the CFO.

Gifts to staff to celebrate the birth of a child, retirement, birthdays etc. are done so at the discretion of the Principal in each Academy but do not require

declarations to be signed unless over £50 in value and where there is intent to use the academies or Trusts funds to cover the cost of such gifts.

## Banking Arrangements

The Trust has in place Bankers to cover the whole of its business requirements. All academies in the Trust will be required to use the same bankers for ease of administration and control.

This guidance does not extend to cash management in each academy but it is expected that this will follow the recommended guidance as set out by each Academy individually in its own operating procedures.

## Insurance

The Trust will arrange insurance for all its constituent academies but the cost of insurance will still be met at local level by each academy. The Trust currently has appointed the RPA as its insurance provider for both the Trust and the academies within it.

## Fraud, theft, irregularity, and cybercrime

Individuals must make the Accounting Officer, Chief Financial Officer, or the IT director aware of any suspected Fraud, theft, irregularity or cybercrime event. This in turn should be reported through the risk committee to the board of trustees. The ESFA must be notified as soon as possible, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any financial year.

## Other financial procedures

### Retention of records

#### **Accounts etc**

Sales Contracts	6 years after agreement ends
Purchasing Contracts	6 years after agreement ends
Stock Inventories	10 years
Published Accounts	Permanently
Taxation Returns	Permanently
External Audit Reports	Permanently
Cheques	6 years
Bank Statements	6 years
Deeds of Covenant	12 years after final payment
Primary Salaries & Wages Records	7 years
Expense Accounts	7 years

Pension Scheme Records	Permanently
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### **General**

Insurance Policies (Excluding	6 years after lapse
Liability Insurance Policies	Permanently / Indefinitely
Insurance Claims	6 years after settlement
Insurance Schedules	10 years
Academy Minutes	Permanently

### **Academy Records**

Student Records	5 yrs after leaving date
Academy Meal Records	Current year + 3 previous years
Receipt Books	Current year + 3 previous years
Voluntary Fund Records	Current year + 3 previous years
Finance System Back Up	Retained/maintained by supplier (PS Financials) for 6 years