



Salterns Academy Trust

Finance Policy

2023-2024

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Introduction

The purpose of this Policy is to ensure that the Trust and its schools maintain and develop systems of financial control which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate effectively to meet the requirements of the funding agreement with the Education and Skills Funding Agency (ESFA) and the Department for Education (DfE).

The Trust must comply with the principles of financial control outlined in the guidance for academies published by the ESFA/DfE, most notably the Academy Trust Handbook and Academies Accounts Direction and operate within the limits of delegation outlined. In the absence of any doubt of financial control/procedures the Academy Trust Handbook takes precedence.

The Trust has adopted principles of good practice across all its financial management responsibilities and seeks to continually improve the processes and controls that are in place.

Scope

This policy applies to the Trust and all members of staff and should be read by all staff involved in financial systems and procedures.

The Finance Policy and its Appendices will be reviewed annually, and the updated version will be presented to and approved by the Trust Board at the first meeting of the academic year.

Organisation

The Trust has defined the roles and responsibilities of those involved in the administration of Academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for Directors and staff.

Roles and Responsibilities

Board of Directors

The Academy Trust Board of Directors has overall responsibility for the administration of the Academy Trust finances. They make key decisions about the allocation of financial resources across the Trust. It is therefore necessary to ensure that the board have sufficient knowledge about the financial procedures regarding how funds are obtained and spent to make these decisions.

The Trust Board has autonomy over financial transactions during the normal course of business. Some transactions have delegated authority limits beyond which approval must be obtained by ESFA. The Trust must also specifically disclose figures for a list of specific transactions. The Trust Board will ensure that it is familiar with these requirements.¹

¹ Academy Trust Handbook, paras 5.1-5.4 and 5.6

The main responsibilities of the Board are prescribed in the Funding Agreement between the Trust and the DfE and in the Trust's Scheme of Delegated Authority and include:

- agreeing the long-term financial objectives for the Trust.
- ensuring that the grant from the DfE is used only for the purposes intended.
- ensuring that funds from sponsors are received according to the Trust's Funding Agreement and are used only for the purposes intended.
- approval of the annual budget forecast and budget forecast outturn.
- receiving reports on the expenditure against budget.
- appointment of auditors.
- authorising expenditure and the award of contracts additional to delegated budgets within the Approval Limits (see Appendix).
- approval of annual accounts.
- appointment of the CEO.
- approval and review of the internal control mechanism for the Trust.
- appointment of the Executive Headteacher/Head teacher for each Academy.
- appointment of other senior central Trust staff.
- setting executive pay²

The Board of Directors must understand their statutory duties as Company Directors as set out in the Companies Act 2006. These comprise the duties to:

- act within their powers.
- promote the success of the company.
- exercise independent judgement.
- exercise reasonable care, skill, and diligence.
- avoid conflicts of interest.
- not to accept benefits from third parties.
- declare interest in proposed transactions or arrangements.

These duties are especially relevant when entering transactions with connected parties.

The Board and its committees must meet regularly enough to discharge their responsibilities under the Articles of Association, the Funding Agreement, and these procedures to ensure robust governance and effective financial management arrangements. Board meetings must take place at least three times a year and business conducted only when quorate.³

The Board of Directors must provide details of the Academy Trust's governance arrangements in the governance statement published within its annual accounts. A key feature is Directors' review of governance including a consideration of the composition of the board in terms of skills, effectiveness, leadership, and impact.

The Trust Board will provide financial rigour, scrutiny and oversight whilst delegating financial authority to the Local Governing Bodies of each of its schools as laid out in the Scheme of Delegated Authority (see Appendix K). The approach reflects the size of the Trust and, therefore, there is not a separate Finance and Resources committee⁴. The Trust Board will ensure that the Trust is a going concern and is financially sustainable.

² Academy Trust Handbook, paras 2.27-2.28

³ Academy Trust Handbook, para 2.3

⁴ Academy Trust Handbook, paras 2.4-2.5

Chief Executive Officer

The Chief Executive Officer (CEO) provides vision, leadership and direction for the Trust and ensures that it is managed and organised to meet its aims and targets, which are established by the Board of Directors.

Within the framework of the Trust Growth Strategy (as approved by the Trust Board), overall responsibility sits with the CEO who is accountable for:

- the internal organisation, management, and control of the Trust.
- advising on and implementing the Trust Board's strategic framework.
- formulating aims and objectives, policies, and targets for the Trust Board to consider and adopt.
- reporting regularly on progress to the Trust Board.
- providing the Trust Board sufficient information and advice to ensure Directors are confident that their responsibilities are being met.
- leading and managing the Trust Development Plan.
- the Trust's performance.
- submission of annual budget plans to the Trust Board, for the Trust Board and each of its schools.
- ensuring that there are sound financial controls in place.
- ensuring that the Financial Procedures set out in this document are adhered to by all staff.
- approving new staff appointments within the authorised establishment.
- approving items as specified in the Scheme of Delegated Authority subject to financial thresholds identified in the Approval Limits (see Appendix J).
- ensuring that financial considerations are taken fully into account in reaching decisions and their execution.

The Accounting Officer

In accordance with the Academy Trust Handbook, the Academy Trust's Directors and managers must have the skills, knowledge, and experience to run the Academy Trust, and should undertake an annual assessment to review the Board's composition in terms of skills, effectiveness, leadership, and impact.⁵

The Board of the Academy Trust must⁶ appoint a senior executive leader at Chief Executive level or equivalent to act as the Accounting Officer, under the guidance of the Board, and must ensure that there is appropriate oversight of financial transactions. The Accounting Officer is the Chief Executive Officer who must:

- ensure that bank accounts, financial systems and financial records are operated by more than one person.
- ensure that all the Trust's property and assets are under the control of the Directors, and that measures are in place to prevent losses or misuse.
- keep full and accurate accounting records.
- prepare accruals accounts, giving a true and fair view of the Trust's incoming resources and application of resources during the year, and the situation at the year-end, in accordance with existing accounting standards
- sign a statement on regularity, propriety, and compliance each year to accompany the audited accounts.

⁵ Academy Trust Handbook, paras 1.27-1.31

⁶ Academy Trust Handbook, paras 1.33-1.44

Chief Finance Officer (CFO)

In accordance with the Academy Trust Handbook, the Trust must appoint a CFO and have finance staff that are appropriately qualified and/or experienced.⁷

The CFO leads the Finance Department. The CFO role takes account of the ESFA recognition that many Chief Finance Officers combine their specific financial responsibilities with a range of other support and leadership responsibilities.

The CFO works in close collaboration with the CEO, the Executive Headteachers and the Chief Operating Officer. The CFO is line managed by the CEO.

The CFO has responsibility for implementing the financial policies and procedures of the Trust and will ensure that all finance staff will have sufficient financial management competencies to satisfy their role.

The main responsibilities of the CFO are:

- the preparation of the annual accounts.
- the preparation and monitoring of the budget.
- technical advice.
- liaison with auditors.
- the day-to-day management of financial issues including the establishment and operation of a suitable accounting system.
- the management of the trust financial position at an operational level within the framework for financial control determined by the Trust.
- providing financial advice and ensuring that accountancy principals are applied.
- developing financial policies and procedural processes for the Trust.
- the maintenance of effective systems of internal control.
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy.
- approval of items as specified in the Scheme of Delegated Authority subject to financial thresholds identified.
- the preparation of monthly management accounts.
- ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.
- compliance with the Financial Procedures as set out throughout this document.

The Accounting Officer is ultimately responsible for the roles and responsibilities assigned throughout this document, unless specifically stated otherwise. The carrying out of the roles may be delegated to the CFO or to finance staff as appropriate.

Local Governing Bodies

The Local Governing Body for each school in the Trust has responsibility for the monitoring of the finances within their school, in accordance with the Scheme of Delegated Authority (see Appendix J). It is therefore necessary to ensure that the governing bodies have sufficient knowledge about the financial procedures regarding how funds are obtained and spent to make these decisions.

The Local Governing Bodies will discharge their responsibilities in line with the framework and vision set by the Trust Board so that each school aligns itself to the Trust's overall strategy.

⁷ Academy Trust Handbook, paras 1.38-1.40

The main responsibilities of the Local Governing Bodies (LGB) include:

- preparing annual budgets for approval by the Trust Board.
- managing the approved school budget.
- deciding how to spend delegated budget.
- determining the extent of delegated authority to its Executive Headteacher. This must be in accordance with the Trust delegation to the school.
- ensuring accurate accounts are kept
- recommending the staffing structure to the Trust and implementation of the Trust's Pay and Conditions Policy.
- acting as a critical friend to the Executive Headteacher by providing advice, challenge, and support.
- ensuring the implementation of the Trust's Appraisal Policy.
- ensuring that grants from the ESFA/ DfE and all public money is used only for the purposes intended.
- recommending Executive Headteacher appointments to the Trust in accordance with Trust policies.
- approving items of expenditure as specified in the Scheme of Delegated Authority subject to financial thresholds identified.
- undertaking self-review of financial management competencies and ensuring adequate succession planning and recruitment strategies are in place so that the LGB maintains the appropriate financial skill set to discharge its responsibilities.

Executive Headteachers/Headteachers

The Executive Headteachers (or Headteachers) work in collaboration with the CEO. Much of the operational financial responsibility for the Trust has been delegated to the Chief Financial Officer (CFO) but the Executive Headteachers/Headteachers still retain levels of responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the Board of Directors have agreed should be approved by them, the CEO or the Trust Executive Leadership team.
- authorising the orders and the award of contracts within the Approval Limits (see Appendix J).
- authorising payments within the Approval Limits (see Appendix J).
- agreeing the delegated budget and authorisation responsibility within the Academy.
- monitoring the regular budget reports with the CFO and acting on overspends or risk.

Providing information as required to enable the CEO to reporting to the Trust Board on at least a termly basis

Finance Team and Budget Holders

Other members of staff, including budget holders, will have some financial responsibilities and these are detailed in this policy. All staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

The main responsibilities of budget holders include:

- responsibility for their individual budget allocations including monitoring their departmental spending.
- not exceeding their departmental budget allocation.
- following procedures laid down within the Trust's Finance Policy in respect of purchasing of goods and services.
- ensuring that all orders of goods are via the Finance Office including liaison with the finance team staff who are responsible for the ordering process.
- reviewing the monthly update of their spending profile. Budget holders will be able to view their budgets and keep track of spending via the finance software.

Trust Audit and Risk Committee

The Audit and Risk Committee is appointed by the Trust Board. It meets at least three times per year⁸.

The Academy Trust Handbook describes the functions of the Audit and Risk Committee as:

- to direct the Trust's programme of internal scrutiny and external audit
- to ensure that risks are addressed appropriately through internal scrutiny and recorded in the Risk Register
- to report to the Trust Board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks.

Through a programme of scrutiny, the Audit and Risk Committee can provide assurance to the Trust Board over the suitability of and compliance with its financial systems and operational controls and to ensure that risks are being adequately identified and managed.

The Academy Trust Handbook notes that a firm providing external audit to the Trust should not provide internal scrutiny services. The Chair of the Audit and Risk Committee will ensure that the most appropriate method for internal scrutiny is used. The Chair will also appoint external auditors to certify that the annual accounts present a true and fair picture of the Trust's financial performance and position.⁹

The Trust Board will review the Risk Register, the Business Continuity Plan and the Trust's insurance arrangements on an annual basis.¹⁰

⁸ Academy Trust Handbook, para 3.6-3.14

⁹ Academy Trust Handbook, paras 3.15-3.23 and paras 4.5-4.6, and paras 4.16-4.17

¹⁰ Academy Trust Handbook, paras 2.38-2.42

Internal Control

The Internal Control systems are determined by the Board and provide the Directors with an independent oversight of the Trust's financial affairs. This will provide the Board with independent assurance that:

- the financial responsibilities of the Board are being properly discharged.
- resources are being managed in an efficient, economical, and effective manner.
- sound systems of internal financial control are being maintained; and
- financial considerations are fully considered in reaching decisions.

The Board will appoint internal auditors to undertake a regular programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Board. A report of the findings from each visit will be provided to the Audit Committee and Trust Board for review.

Register of Business Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that may arise all Directors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services.

The Register of Business Interests is held on the Trust website. The register includes all business interests such as directorships, shareholdings, or other appointments of influence within a business or organisations which may have dealings with the academy. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a director or a member of staff by that person.

The existence of a Register of Business Interests does not detract from the duties of directors and staff to declare interests whenever they are relevant to matters being discussed by the Board or a committee. Where an interest has been declared, directors and staff should not attend that part of any committee or other meeting.

Accounting System

System Access

All the financial transactions of the Trust must be recorded on the implicit financial accounting system. Entry to the system is password restricted and the CFO is responsible for implementing a system which ensures that passwords are changed at least on an annual basis.

Access to the component parts of the system can also be restricted and the CFO is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

The IT Network Manager is responsible for ensuring that there are effective back-up procedures for the system.

Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this policy. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in associated procedures.

Reconciliations

The CFO is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- sales ledger control account.
- purchase ledger control account.
- payroll control account.
- all suspense accounts.
- bank balance per the nominal ledger to the bank statement.

Financial Planning

The Trust and each school will prepare both medium-term and short-term financial plans, meeting the requirements of the ESFA to submit and monitor a three-year budget plan.

The medium-term financial plan is prepared as part of the Trust's strategic planning process. The Trust's approach to strategic planning indicates how educational and other strategic objectives are going to be achieved within the expected level of resources over the next three years and provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to each academy and the planned use of those resources for the following year.

Strategic Planning

The Trust's strategic planning is concerned with future aims and objectives of the Trust and of each of its schools, and how they are to be achieved. The Trust will set overall objectives which will be addressed, as applicable, in specific objectives for each school. The Trust's strategic planning will ensure that the Trust's objectives and targets are matched to the resources expected to be available. Plans will be kept relatively simple and flexible. They are the 'big picture' within which more detailed plans may be integrated.

The form and the content of the Trust's strategic planning will be set by the CEO and due regard should be given to any guidance issued by the DfE, including the Academies Accounts Direction.

Annual Budget

The CFO is responsible for working with the Finance team, the Executive Headteachers/Head teacher and other stakeholders to prepare a draft annual budget forecast for consideration by the CEO. The CEO is responsible for the approval of the budget by the Board of Directors.

The approved budget forecast must be submitted to the DfE by the specified deadline and the CFO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

The annual budget forecast will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the strategic planning objectives and the budgeted utilisation of resources.

Balancing the Budget

A balanced budget should be set considering the current level of reserves, medium-term projections, and the need to invest to meet the longer-term business plan.

Monitoring and Review

Monthly reports will be prepared by the CFO. The reports will detail actual income and expenditure against budget.

The CFO will prepare briefing notes, summary documents and financial dashboards as necessary to supplement the monthly reports. Budget reports will be shared with the CEO, Executive Headteachers/Headteachers, LGBs and the Trustees monthly. The Trust Board must minute the review of the reports at each of its meetings.

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated, and action taken where appropriate. If a budget overspend is forecast, it may be appropriate to vire money from another budget or from the contingency. All budget virements must be authorised by the CEO or appropriate Executive Headteacher/Headteacher as shown in the Approval Limits (see Appendix J).

Novel and Contentious Transactions

The ESFA defines novel payments as those in which the Trust has no experience; or are outside the range of normal business activity for the Trust. Contentious payments are defined as those which might give rise to criticism of the Trust by the public or media. Novel and contentious payments must be referred to the ESFA for explicit prior authorisation.¹¹ If there is any doubt about the propriety of a payment the Trust must ask the ESFA in advance.

¹¹ Academy Trust Handbook, para 2.26 and para 5.6

Payroll

The main elements of the payroll system are:

- staff appointments.
- payroll administration and payments.

Staff Appointments

The Board will approve a staffing structure for each school in the Trust annually, and each LGB/Executive Headteacher/Headteacher is responsible for their own school, within the oversight of the CEO. Permanent changes can only be made to this structure with the approval of the Trust. The CEO and Executive Headteachers/Headteachers have authority to appoint staff within the authorised establishment except for the appointment of Executive Headteachers/Headteachers.

The CEO or Executive Headteacher/Headteacher must ensure that adequate budgetary provision exists for any establishment changes.

Payroll Administration and Payments

The detailed Payroll Administration and Payments process are described in associated procedures. Changes to staff must be approved by the CEO or Executive Headteacher/Headteacher. The monthly payroll will be prepared by the finance team, checked, and reviewed by the CFO, and then approved by the Executive Headteacher/Headteacher prior to payments being made. If necessary, the CFO can approve the payroll in the absence of the Executive Headteacher/Headteacher and the CEO.

Purchasing

The Salterns Academy Trust wants to achieve the best value for money from all its purchases. This means they want to get what they need in the correct quality, quantity, and at the required time at the best price possible. A large proportion of their purchases will be paid for with public funds and they need to maintain the integrity of these funds by following the general principles of:

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

It is particularly important that any tenders where a Salterns Academy Trust Director may have a conflict of interest are managed with utmost probity.

Routine Purchasing

Budget holders will be informed of the budget available to them at the beginning of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Budget holders can view and track spending against their allocated budget by logging in to the finance software.

Appropriate authorisation limits are reviewed annually and approved by the Trust (see Approval Limits (Appendix J)).

The Trust will procure best value by using approved suppliers and/or obtaining up to three quotes, depending on the value of the order (see Procurement and Tendering Appendix H).

Procurement/Tender

The Trust will seek to adhere to Best Value principles in the procurement of goods and services. See Procurement and Tendering Policy (Appendix H).

Virtual decision making

Where it is not possible for all parties to be physically present, decision-making responsibility can be exercised virtually, through email or virtual minuted meetings (e.g., Zoom). In the case of emergency action, as defined by Standing Orders, the CEO and Chair of the Trust Board can consult and the Chairman will make a formal decision. All such decisions would be ratified at the next Trust Board meeting.

Credit Cards

A limited number of credit cards will be issued for small value transactions. Credit card limits will be reviewed annually. For limits see Approval Limits (Appendix J).

Income

The main sources of income for the Trust are the grants from the DfE. The receipt of these sums is monitored directly by the CFO, who is also responsible for ensuring that all grants due to the Trust are collected.

The Trust also obtains income from:

- students, mainly for trips.
- the public, mainly for lettings.
- other organisations for staff time (e.g., Maths Hub, Teaching School).

Trips

Trips are agreed at Senior Leadership Team level with the school. A designated staff member must be appointed for each trip to take responsibility for the collection of sums due. The designated staff member will be responsible for estimating the costs, ensuring the money is collected, liaising with Student Services and the Finance team to ensure the trip is viable.

Lettings

Lettings and Hire of each school will be conducted in line with the Lettings Policy for each school which includes a scale of charges, which will be reviewed annually.

Custody

Monies collected should be held securely in the school safe and should be banked and reconciled promptly.

Cash Management

Bank Accounts

The opening of all accounts must be authorised by the Board of Directors who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

All cheques and other instruments authorising withdrawal from Trust bank accounts must bear the signatures of authorised signatories. This provision applies to all accounts, public or private, operated by or on behalf of the Board of Directors of the Trust.

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

Petty Cash Accounts

Each school maintains a maximum cash balance of £800.

The only deposits to petty cash should be from cheques cashed specifically to top up the petty cash balance.

In the interests of security, petty cash payments will be limited as shown in Approval Limits (Appendix J). Higher value payments should be made by cheque or BACS directly from the main bank account as a cash book payment.

Fixed Assets

Asset Register

All items purchased with a value over each academy's capitalisation limit of £2,500 must be entered in an asset register and capitalised.

Items over £500 or considered portable or attractive will be added to the register but not capitalised.

The Asset Register:

- ensures that staff take responsibility for the safe custody of assets.
- enables independent checks on the safe custody of assets, as a deterrent against theft or misuse.
- manages the effective utilisation of assets and to plan for their replacement.
- helps the external auditors to draw conclusions on the annual accounts and the academy's financial system.
- supports insurance claims in the event of fire, theft, vandalism, or other disasters.

Security and Disposal of Assets

See Write Off and Asset Disposal Policy (Appendix F)

Loan of Assets

Items of Trust property, except staff laptops, tablets, or phones, must not be removed from academy premises without the authority of the Head of School or Executive Headteacher/Head teacher.

If assets are on loan for extended periods or to a single member of staff on a regular basis, the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Trust's auditors.

Staff Expenses

The Salterns Academy Trust staff may claim for reasonable expenses occurred to perform their duties or to repay them for items bought on behalf of the Trust. Expenses should be agreed in principle in advance and then claims authorised by the employee's line manager. In the case of the CEO, expenses must be approved by the Chair of the Trust.

Reasonable expenses include:

- travel by public transport.
- use of own car and parking (excluding home to work travel, or travel between academy schools).
- unavoidable overnight accommodation.
- reimbursement for approved items bought on behalf of the school or The Salterns Academy Trust.

Rates and allowances are laid out in a schedule of allowed expenses which will be reviewed annually.

Staff must submit an approved expense claim form and send it to the Finance Team to be paid. All claims must be accompanied by appropriate receipts.

The CFO will monitor claims to ensure compliance with this policy.

Directors' and Governors' Expenses

It is expected that Directors and Governors will wish to minimise the level of expenses claimed so that the maximum resources can be applied to the core purposes of the Trust.

Directors and Governors may not claim for:

- time spent working as a director or Governor.
- loss of earnings.
- food or refreshment.
- travel to and from meetings.

In the exceptional cases of a Director having to incur costs on Trust business, such as travel to meetings with the Department of Education in London, these expenses can be claimed through the usual Trust system by submitting a claim form and attaching the appropriate receipts. The claim must be agreed in principle in advance and then authorised by either the Chair of the Trust or the CFO. All claims will be subject to an independent audit.

Travel expenses where a director uses their own vehicle must not exceed the HM Revenue and Customs (HMRC) approved mileage rates.

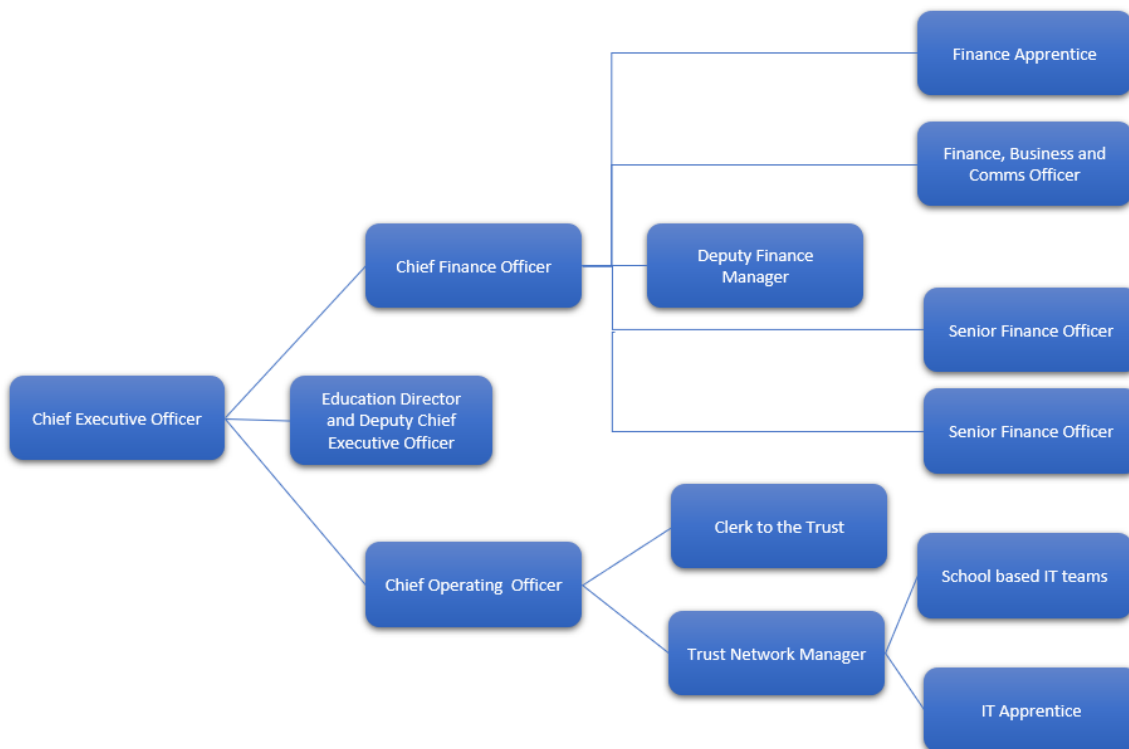
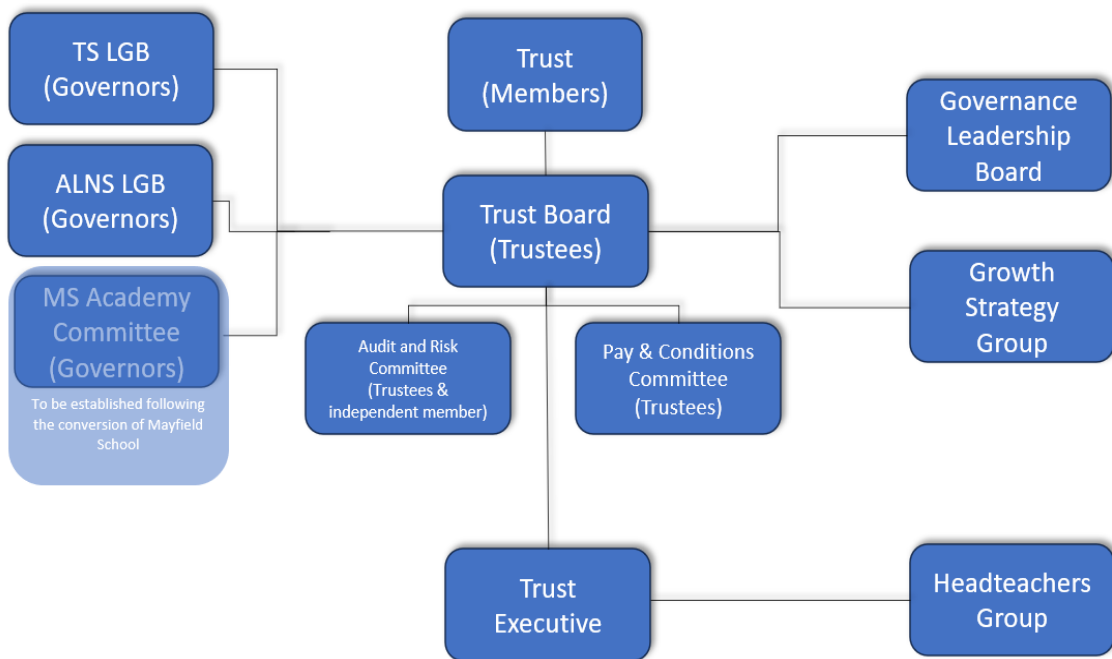
Monitoring Outcomes and Review

Outcomes will be monitored and reviewed by regular internal checks and scrutiny by each Local Governing Body. Outcomes will also be monitored by the Audit and Risk Committee, supported by External Audit and internal scrutiny. Audit results will be presented to the Trust Board, Audit and Risk Committee and Local Governing Bodies. Findings and recommendations will be used to revise this policy and associated procedures.

Key indicators of the success of this policy are:

- no inappropriate use of money.
- adherence to Budgets.
- best value expenditure targeted on key priority areas.
- timely reports to the DfE, Trust Board and others.
- up to date, accurate records.

APPENDIX A – Structure Charts



APPENDIX B - Depreciation Policy

The Salterns Academy Trust will depreciate fixed assets in line with recognised accounting standards, academy best practice and DfE guidelines. Depreciation is calculated using industry standard terms. Any revisions thereafter will be approved by the Board.

APPENDIX C - School Companies Policy

The Salterns Academy Trust will not form any companies, subsidiaries, or joint ventures without the approval of the Board.

APPENDIX D - Charging and Remission Policy

Each Local Governing Body has approved a Charging and Remission Policy.

APPENDIX E - Investments Policy

The Investments Policy sets out the processes by which Directors will meet their duties under the Articles of Association and Academy Trust Handbook issued by the ESFA to invest monies surplus to operational requirements in furtherance of the Academy's charitable aims and to ensure that investment risk is properly and prudently managed.

The MAT's Articles gives Directors the power *'to expend the funds of the Trust in such manner as they shall consider most beneficial for the achievement of the Objects and to invest in the name of the Trust such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Objects'*.

Decisions on how much to invest and how long to invest for, will be based on operational requirements, demonstrated by cash flow forecasts. The cash flow forecasts will take account of the annual budget and spending plans approved by the Trust and/or Local Governing Body and updated monthly.

A sufficient balance must be held in the current account so that the Trust's financial commitments can always be met without the bank account going overdrawn. The size of the balance will be determined by a forecast of future need and kept under review.

Investments for a fixed term should not normally exceed one year to provide flexibility for the following year's plans unless a clear rationale is provided for exceeding one year to the benefit of the Trust.

The Trust has authorised signatories, two of which are required to sign instructions to the deposit taking institution.

The CFO is responsible for producing reliable cash flow forecasts as a basis for decision making. The CFO will monitor the investments held and the performance of investments against objectives to the Trust Board and Local Governing Body at appropriate intervals,

depending on the terms of the investments. For example – if investments are held for one year, then an annual report is appropriate, providing sufficient management information to the Trust Board so it can review and monitor investment performance.

The Trust aims to achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation. The Trust will only invest funds surplus to operational need based on all financial commitments being met without the Trust Bank Account becoming overdrawn.

By complying with this Policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the Trust, commanding broad public support.

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation. For selection, assets will only be considered with banking institutions which have credit ratings assessed by Fitch and/or Moody¹² to show good credit quality.

To manage the risk of default, deposits should be spread by banking institutions and be subject to a maximum exposure of £500,000 with any Prudential Regulation Authority (PRA) authorised institution by the Bank of England (refer to Financial Conduct Authority (FCA)). Whilst this exceeds the protection limit of £85,000 provided by the FCA it is accepted that it is not always practicable to find enough investments of this size that meet the prudent criteria outlined in this policy.

APPENDIX F - Write off and Asset Disposal Policy

Items for write off or disposal should be listed on the write off/disposal authorisation form, detailing model and serial number, a brief description of the item, and the reason for write off/disposal. The form should be signed and dated by the member of staff requesting write off/disposal, and then passed to the CEO or Executive Headteacher or CFO for authorisation. When authorised, the form should be returned to the CFO.

The inventory/Asset Register and the insurance should be updated accordingly, and the items disposed of as authorised and appropriately according to appropriate regulations.

The CFO will report all write-offs to the Trust Board. For items over £5000, the CFO will detail the items proposed for write off/disposal and the Trust will be asked to ratify the decision. Details of the items should also be minuted.

When determining whether to write off debts, such as unpaid lettings accounts, the decision would be made by the Executive Headteacher of the relevant school, following discussion with the Chair of the Local Governing Body, and reported/minuted at LGB. The extract from the LGB minutes must be forwarded to the CFO promptly to allow reporting to the Trust Board. The limit per LGB meeting for a single item or cumulative limit for multiple items is £2000.

Heritage assets¹³, land and buildings can only be disposed of with the written approval of the ESFA.

¹² Credit Rating Companies

¹³ Heritage Assets are defined in Financial Reporting Standards as: "A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture".

The Trust must seek ESFA approval for writing off debts and losses and entering guarantees, letters of comfort or indemnities, when the value exceeds the delegated limits.¹⁴

APPENDIX G - Reserves Management Policy

Background

The Salterns Academy Trust has considered the guidance within the Academy Trust Handbook (and associated DfE guidance), the Accounts Direction, and the Charities Commission guidance.

Deciding the level of reserves that the Trust needs to hold is an important part of financial management and forward financial planning. Failure to do this may result in reserves levels which are either:

- higher than necessary and may tie up money unnecessarily. Holding excessive reserves can unnecessarily limit the amount spent on education and the potential benefits the Trust can provide
- too low, increasing the risk to the Trust's ability to carry on its activities in future in the event of financial difficulties, and increasing the risks of unplanned and unmanaged closure and insolvency

The Reserves Policy will:

- demonstrate good stewardship and active financial management
- demonstrate the Trust's resilience and capacity to manage unforeseen financial difficulties
- give voluntary funders, such as grant-makers, an understanding of why funding is needed to undertake a particular project or activity
- give assurance that the Trust can meet its financial commitments
- manage the risk to a Trust's reputation from holding substantial unspent funds at the year-end without explanation

Developing a reserves policy is also an important part of the internal financial management for the Trust and will:

- assist in strategic planning, for example considering how new projects or activities will be funded
- inform the budget process, for example is it a balanced budget or do reserves need to be drawn down or built up?
- inform the budget and risk management process by identifying any uncertainty in future income streams

Strategy

The Trust believes that it is prudent to retain some reserves to protect the Trust from financial risk, generated by, for example:

- any uncertainty, turbulence or expected reduction in funding arrangements
- unexpected falls in student numbers
- cash flow issues due to delays in receipt of funding
- emergencies
- unexpected and unplanned events

These reserves would ensure that the Trust can continue to deliver educational provision and fulfil its key purpose. At the same time, the Trust wishes to ensure that it uses its

¹⁴ Academy Trust Handbook, para 5.19-5.22

funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

Research

The Trust Board has used the following sources to inform their decision-making:

- The Academy Trust Handbook
- The Accounts Direction
- The Charities Commission publication CC19: Charities and Reserves
- HWB Accountants. Reserves generally held by trusts of a similar size to Salterns Academy Trust range from 10%-15% of income or equate to 1-2 months, based upon expenditure.
- The level of protection provided by the DfE's Risk Protection Agreement, including considering any exclusions.
- Portsmouth City Council's pupil place planning for the future demographics of Portsmouth shows projected growth in student numbers, which provides a high degree of confidence of the likely levels of future GAG income, as this is predominantly based on student numbers

Review Process

The Trust reviews the nature of income and expenditure streams, the need to match income with commitments and any findings are informed by the Local Governing Bodies.

Income forecasts will be reviewed to establish whether there will be any downward pressure by looking at factors such as:

- future changes in student numbers, and three-year projections of income based on predicted student numbers.
- funding protections received by the school and the likely increases/decreases in these protections: Minimum Funding Guarantee, ESG protection, changes in levels of Pupil Premium, etc.
- changes in other catchment areas and other local school's admission policies.

Expenditure projections should take into consideration:

- contingencies depending on the stage of development of the school.
- reasonable cost increase projections.
- impact on the working reserves.
- the need for major projects or expenditure, for example as identified in the Estate Strategy or the IT Strategy.
- an externally or internally commissioned condition survey of the site to identify the life span of major assets not covered by annual maintenance budgets such as boilers, kitchens, science laboratories, sports halls, AstroTurf pitches, multi-use games areas, etc.

Retention of Reserves

The Trust carefully considered its risk position and balanced this against the need to use its funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

To enable the Trust to achieve a level of cash reserves to support bringing Mayfield School in to the Trust, a retained level of Trust reserves to include a cash contingency of 1.5 months Trust expenditure is set for FY23-24 which is £1.7m. The retained level of reserves

will be reviewed on an annual basis to ensure it meets the need for ongoing investment in the development of all our Trust Schools.

Local Governing Bodies can request expenditure from the Trust remaining reserves for clearly identified and costed purposes, including capital investment in the school site.

The Trust Board can also review the reserves level at any time during the academic year if risks change or in response to a recommendation from the Audit and Risk Committee.

APPENDIX H - Procurement and Tendering Policy

The minimum required numbers of tenders or quotations from appropriate contractors for a given estimated value of contract are summarised in the Approval Limits (see Appendix J). The values are for single items or groups of items which must not be disaggregated artificially.

Quotations

Orders can be placed, in line with the Approval Limits (Appendix J).

The Trust will seek best value for purchases, and this will be judged on a combination of the most advantageous cost, the ability to deliver to the Trust/school's timescales, and the quality of the product (linked to the school's specific requirements). The Salterns Academy Trust expects the goods and services it produces and suppliers it contracts with to meet the highest ethical standards, and compliance with UK laws.

It is noted that there will be occasions where bespoke items or items which are not the cheapest are approved, and this will be subject to a through consideration of the quotation.

For transparency, any order which is not the cheapest quotation will be referred to the CFO for approval. The CFO will record the rationale for the decision and report any such decisions to the next Trust Board meeting for scrutiny.

Tendering Procedure

Purchases with a value greater than £100,000 must be put out to formal tender unless an exception has been agreed in advance by the Trust Board. The following procedures must be followed in such circumstances:

1. A specification will be prepared, which will be reviewed by the COO. The specification will be authorised the CEO *or* Executive Headteacher and presented to Trust Board for approval.
2. The Invitation to Tender should be issued to at least three suppliers, either drawn from a list of known providers/suppliers, or through a recognised procurement framework category.
3. The Invitations to Tender will include:
 - a. An introduction/background to the project.
 - b. The scope and objectives of the project.
 - c. Any technical requirements.
 - d. Implementation details for the project.
 - e. The terms and conditions of the tender.
 - f. The form and date of response to the Trust.

4. Tender replies will include one hard copy, addressed to the COO in a plain sealed envelope marked 'Tender' to reach them by a specified date, and an electronic copy.
5. The tenders will be opened by the COO at the same time and details of the contractor, quotations and any other pertinent details will be recorded at the time of opening.
6. No contractor will be allowed to amend the tender after the time fixed for receipt.
7. A separate correspondence file for each tender will be opened which will contain copies of all correspondence or other relevant information.
8. The tenders will be evaluated for quality and cost to establish the most economically advantageous tender. The panel must consist of a minimum of two people, including the CFO and the COO.
9. The COO will present the findings of the evaluation panel to the Trust Board for scrutiny and to determine the successful tender.
10. The reasons for accepting a tender must be documented, especially if it is decided to accept other than the lowest tender.
11. Throughout the process the COO will liaise with the Trust's legal provider to ensure all aspects are managed in accordance with the relevant legislation.

Acceptance of Tender

The following points will be considered when deciding which tender to accept:

- The overall price and the individual items or services which make up that price.
- Whether there are any 'hidden' costs; that is additional costs which the academy will have to incur to obtain a satisfactory product.
- The ability to deliver the contract in a timely manner, and in line with the Trust's timescales.
- Whether there is scope for negotiation, while being fair to all tenderers.
- The qualifications and experience of the supplier, including membership of professional associations.
- Compliance with the technical requirements laid down by the school.
- Whether it is possible to obtain certificates of quantity.
- The supplier's own quality control procedure; presales demonstrations, after sales service and, for building works, a six-month defects period and insurance guarantees.
- The financial status of the supplier.
- References from other establishments.
- Understanding and compliance with Health and Safety, CDM regulations and Child Protection issues related to working on a school site.

Once a tender is accepted an order should be issued immediately to the supplier in the normal way.

APPENDIX I - Anti-Fraud Policy

The Trust is committed to ensuring that it demonstrates the highest standards of business conduct and that it maintains an honest and open environment within the Trust and its Academies. It is also committed to promoting an anti-fraud culture, the prevention and detection of fraud and irregularity and the investigation of any such cases. Any apparent fraud or financial irregularity will be investigated, and appropriate disciplinary action will be taken where there is evidence of such. The recovery of money/assets from individuals found to be guilty of participating in fraudulent activity will be pursued (through formal criminal and civil action where appropriate). All staff have a duty to:

- protect the assets of the Trust and its Academies.
- report all reasonably held suspicions of fraud or irregularity.
- cooperate with any investigation.

Fraud can be minimised through carefully designed and consistently operated management procedures, which deny opportunities for fraud. Staff must comply with and should be given training in the school's policies and procedures on segregation of duties, data security and conflict of interest, and the school's financial regulations. A continuous review of systems by internal audit may deter attempted fraud and should result in continuous improvements. The risk of fraud should be a factor in internal audit plans.

Fraud is a serious matter, and the governing body is committed to investigating all cases of suspected fraud. Any member of staff, regardless of their position or seniority, against whom prima facie evidence of fraud is found, will be subject to disciplinary procedures that may result in dismissal. The Trust/school will normally involve the ESFA and the police and may seek redress via civil proceedings.

A major thrust of this anti-fraud policy is prevention.

Definitions

The following definitions are useful to assist the understanding of this policy:

Fraud is the deliberate use of deception and dishonesty to deprive, disadvantage or cause a loss or the risk of loss (usually financial) to another person or party.

Under the Fraud Act 2006, the offence of fraud can be committed by false representation, by failing to disclose information and/or by abuse of position.

In each case, the perpetrator's conduct must be dishonest and his/her intention must be to make a gain or cause a loss or the risk of a loss to another (no gain or loss needs to have been made).

The Fraud Act 2006 also covers other offences such as:

- possession, making or supplying articles for use in frauds.
- obtaining services dishonestly with intent to avoid payment.

Theft is dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it.

Bribery covers four offences (Bribery Act 2010):

- the offence of bribing another person. This can occur where a person offers, promises, or gives a financial or other advantage to another individual to perform improperly a relevant function or activity.
- the offence of being bribed. This is where a person receives or accepts a financial or other advantage to perform a function or activity improperly.
- bribery of a foreign public official. This is where a person directly or through a third party offers, promises, or gives any financial or other advantage to a foreign public official to influence them.
- a corporate offence of failure to prevent bribery. A commercial organisation could be guilty of bribery where a person associated with the organisation, such as an employee, agent or even a sub-contractor, bribes another person intending to obtain or retain business for the organisation.

Corruption is the offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions of any person. Both parties are equally guilty of an offence. Other irregularities could apply to the Trust as well as individual schools, and includes:

- failure to observe the Trust's Financial Regulations, policies, and procedures
- breach of the Trust's Funding Agreement with the EFSA
- breach of the requirements of the Academy Trust Handbook
- spending grant income in ways inconsistent with the purposes for which it was intended.

Leadership

Governors and senior managers should ensure that their behaviour is demonstrably selfless and transparent and should champion the Trust/school policies regarding conflicts of interest, hospitality, and gifts.

Staff appointments

Potential new members of staff must be screened before appointment, particularly for posts with financial responsibility. For example:

- references should cover a reasonable, continuous period of at least three working years, and any gaps should be explained.
- an official employer's reference should be obtained.
- doubts about the contents of the reference should be resolved before confirming the appointment. If this is done by telephone, a written record of the discussion should be kept.
- where possible, qualifications should be checked before making an offer of employment, for example by requiring original certificates at the interview.
- checks should be undertaken e.g., Enhanced Disclosure & Barring Service with barred list information.
- checks should be undertaken to verify that candidates for teaching posts are not prohibited from teaching.

Cash

Management of cash should include:

- segregation of duties - systems should prevent one person from receiving, recording, and banking cash. Where there are many outlets, the system should incorporate additional supervisory management, and unannounced spot checks. Segregation of duties should continue during periods of leave or sickness absence.
- reconciliation procedures - an independent record of cash received and banked may deter and detect fraud. Documents used in reconciliation processes, such as paying-in slips, should not be available to the officer responsible for banking.
- receipts should be issued in return for cash received, to provide an audit trail.
- physical security, such as access to keys and access codes should be kept secure.
- frequent banking.

Cheques

The following preventative measures should be taken:

- physical security - unused, completed, and cancelled cheques should never be left unsecured. Spoiled cheques should not be destroyed but should be clearly marked 'VOID' and lines marked through the print. They should then be filed along with the relevant documentation for future reference.
- frequent bank reconciliations - some frauds have gone undetected for long periods because accounts have not been reconciled promptly, or because discrepancies have not been fully investigated.
- segregation of duties.
- use of bank account names which it is difficult to represent as personal names, to prevent the simple theft of cheques in the post and their conversion into cash.
- clear instructions to debtors about correct payee details and the address to which cheques should be sent. The address should normally be the accounts department, not the department which has provided the goods or services.
- central opening of all post by and recording of all cash and cheques received.
- rotation of staff responsibilities, including the regular rotation of counter-signatories, to reduce the risk of collusion.
- training in secure completion of cheques.
- use of electronic funds transfer (such as BACS) as an alternative to cheques.

Purchasing

Many of the largest frauds suffered in education institutions have targeted the purchase ledger. Preventative measures should be taken as follows:

- minimising little used or unusual account codes.
- ensuring that all account codes are effectively monitored and approved by line management.
- segregation of duties.
- secure management of the creditors' standing data file, including segregating the origination and approval of new or amended data.
- requiring purchase orders, wherever possible, for the procurement of all services, as well as goods.
- matching the invoice amounts to the purchase order commitment in all cases. Where service order variations occur, these should be authorised by the CFO.
- where possible, a certified delivery note should be matched to the invoice for payment.

Gifts and Hospitality

The following general rules apply and must guide decisions on receipt of gifts and hospitality as an employee of the Trust.

- to accept gifts should be the exception. Staff may accept small 'thank you' gifts of token value, such as a diary, a coffee mug or bunch of flowers, not over £25 in value. Any gift or hospitality over this value should be reported to the CFO for entry in the Register of Business Interests.
- always say 'no' if you think the giver has an ulterior motive. Be sensitive to the possibility that the giver may think that even small gifts or simple hospitality will elicit a prompter service or preferential treatment.
- never accept a gift or hospitality from anyone who is, or may be in the foreseeable future, tendering for any contract with the Trust, seeking employment with the Trust or is in dispute with the Trust, even if you are not directly involved in that service area.
- where items purchased for the Trust include a 'free gift', such a gift should either be used for Trust business or handed to the CFO to be used for charity raffles.
- if you are in doubt about the acceptability of any gift or offer of hospitality, it is your responsibility to consult the CFO or CEO.

A gauge of what is acceptable in terms of hospitality is whether the Trust would offer a similar level of hospitality in similar circumstances.

- occasional working lunches with customers, providers or partners are generally acceptable as a way of doing business if they are not to an unreasonable level or cost.
- invitations to corporate hospitality events must be judged on their merit. Provided the general rules have been considered, it may be acceptable to join other company/organisation guests at sponsored cultural and sporting events, or other public performances, as a representative of the Trust, or at other special events or celebrations. Consideration should be taken of the number of these events what the public perception is likely to be if they knew you were attending. Acceptability depends on the appropriateness of the invitations, in terms of the level hospitality, the frequency and the status of the invited employee. In all such cases the CEO must be consulted.
- paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation nor the use of company villas/apartments.
- if you are visiting a company to view equipment that the Trust is considering buying, you should ensure that expenses of the trip are paid by the Trust. Acceptance of refreshments and/or a working lunch may be acceptable, but care must be taken to ensure that the Trust's purchasing and/or tender procedures are not compromised.
- acceptance of sponsored hospitality that is built into the official programme of conferences and seminars related to your work is acceptable.
- Offers to speak at corporate dinners and social gatherings, or events organised by, for example, a professional body, where there is a genuine need to impart information or represent the Trust must be agreed in advance with the CEO. Where your spouse or partner is included in the invitation, and approval has been given for you to attend, it will be acceptable for your spouse or partner to attend as well, but if expenses are incurred, these will be met personally.
- any invitation accepted should be made in your professional/working capacity as a representative of the Trust.

Detection

Detective checks and balances will be designed into all relevant systems and applied consistently, including segregation of duties, reconciliation procedures, random checking of transactions, and review of management accounting information, including exception reports. Systems should identify transactions which have not followed normal procedures.

Behaviour patterns

Suspect patterns of behaviour among staff dealing with financial transactions should be investigated, for example, living beyond apparent means, taking few holidays, regularly working alone out of normal hours and resistance to delegation. Any indication of addiction to drugs, alcohol or gambling should be addressed promptly, for the welfare of the individual and to minimise the risks to the Academy.

Whistle blowing policy

Anyone suspecting fraud may use the Trust's whistle blowing policy, which may provide protection against reprisal for any such disclosure.

Fraud Response Procedure

The Fraud Response Procedure defines authority levels, responsibilities for action and reporting lines in the event of suspected fraud or irregularity. Those investigating a suspected fraud should:

- aim to prevent further loss.
- liaise with the Academy's insurer.
- establish and secure evidence necessary for criminal and disciplinary action.
- inform the police.
- notify the ESFA.
- endeavour to recover losses.
- take appropriate action against those responsible.
- keep internal personnel and outside organisations with a need to know suitably informed, on a confidential basis, about the incident and the academy's response.
- deal with requests for references for employees disciplined or prosecuted for fraud.
- review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud.

Initiating action

Members of staff, students or members of the governing body may suspect fraud or irregularity in the academy. If so, they should report it as soon as possible to the CEO, Executive Headteacher/Headteacher or CFO.

The person to whom the suspected incident is reported should then ensure that it is made known without delay to the CEO and the CFO.

The Accounting Officer should, as soon as possible (and with the aim of acting within 24 hours), decide on the initial response, liaising as necessary with:

- Executive Headteacher/Headteacher
- CFO
- COO
- Chair of the Audit and Risk Committee
- Chair of the LGB

Responsibility for investigation

The Accounting Officer, in liaison with the Chair of the Trust Board and the Chair of the Audit & Risk Committee, will decide on the action to be taken.

Prevention of further loss

Where initial investigation provides reasonable grounds for suspecting a member or members of staff, governors or others of fraud, the group will decide how to prevent further loss. This may require the suspension of the suspect or suspects, under the appropriate disciplinary procedure. It may be necessary to plan the timing of suspension to prevent suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.

In these circumstances, the suspect or suspects should be approached unannounced. They should always be supervised before leaving the school premises. They should be allowed to collect personal property under supervision but should not be able to remove any property belonging to the school. Any security passes and keys to premises, offices and furniture should be returned. The Site Manager and Executive Headteacher should be required to advise on the best means of denying access to the school while suspects remain suspended, for example by changing locks and informing premises staff not to admit the individuals to any part of the premises. Similarly, the ICT Manager should be instructed to withdraw without delay access permissions to the Academy's computer systems.

The group will consider whether it is necessary to investigate systems other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate the Academy's assets.

Establishing and securing evidence

The school will follow disciplinary procedures against any member of staff or governor who has committed fraud and will normally pursue the prosecution of any such individual through the criminal courts. The Executive Headteacher will:

- ensure that evidence requirements are met during any fraud investigation.
- establish and maintain contact with the police.
- ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

Reporting lines

The group will provide regular, confidential reports to the Chair of the Trust Board and CEO, which will include:

- quantification of losses.
- progress with recovery action.
- progress with disciplinary action.
- progress with criminal action.
- estimate of resources required to conclude the investigation.
- actions taken to prevent and detect similar incidents.

Notifying the ESFA

The school must notify the ESFA of any attempted, suspected, or actual fraud or irregularity.¹⁵

¹⁵ Academy Trust Handbook, paras 6.11-6.15

Recovery of losses

The CFO will endeavour to ensure that the amount of any loss is quantified. Repayment of losses will be sought in all cases. Where the loss is substantial, legal advice should be obtained about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice may be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The school will normally expect to recover costs in addition to losses.

Final report

On completion of a special investigation, a written report, normally prepared by Investigating Officer, shall be submitted to the next Audit and Risk Committee meeting containing:

- a description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud.
- the measures taken to prevent a recurrence.
- any action needed to strengthen future responses to fraud, with a follow-up report on whether the actions have been taken.

The outcome will be reported to the complainant.

APPENDIX J – Approval Limits

Placing Orders (Value excluding VAT) – Expenditure within approved budget	
Up to £1,000	Delegated budget holder
Above £1,000 but less than £10,000	CFO <i>and</i> delegated budget holder
Above £10,000 but less than £30,000	CFO <u>and</u> Executive Headteacher/Headteacher of School OR CEO (with signed evidence of at least two quotations). If an item is very specific and two quotations cannot be obtained, the CEO should consider whether to approve the expenditure, and the decision must be recorded.
Above £30,000 but less than £100,000	CEO <i>or</i> Executive Headteacher/Headteacher of School <u>and</u> CFO (with signed evidence of three quotations). If three quotations are not available, the Chair of the Trust Board should consider whether to approve the expenditure. This may need to be discussed at Trust Board before a decision is made, and the decision must be minuted at Trust Board.
Above £100,000	CEO <i>and</i> Trust Board and will be subject to tender unless an exception is agreed in advance to disapply this requirement.
<i>Specific arrangement:</i> Exam Board invoices: Less than £100,000	Executive Headteacher/Headteacher of School <u>and</u> CFO

Authorising and Awarding Contracts (Value excluding VAT)	
Up to £30,000	Executive Headteacher/Headteacher of School <i>and</i> CEO and CFO
Above £30,000 but less than £100,000	CEO <i>or</i> CFO <u>and</u> Trust Board Director
Above £100,000	CEO <i>and</i> Trust Board and will be subject to tender unless an exception is agreed in advance to disapply this requirement. Tender process will be overseen by CFO.
Approving Payments (For example – signing cheques, authorising bank payments or payroll)	
Cheques up to £1,000	Any two authorised signatories
Cheques above £1,000	Will only be issued in exceptional circumstances Any two authorised signatories
Payments up to £5,000	Any two authorised signatories
Above £5,000 and below £30,000	Any two authorised signatories one of whom must be the Executive Headteacher/Headteacher <i>or</i> CEO <i>or</i> CFO
Above £30,000	Any two authorised signatories one of whom must be the CEO
Credit cards limit £14,000 (Joint limit)	<p>Issued to:</p> <ul style="list-style-type: none"> • CFO (ALNS and TS) • Finance, Business and Communications Officer (ALNS and TS) • Site Manager (TS) • Senior Finance Officers (ALNS and TS) • HR and Admin Manager (ALNS) • Buildings and Communities Manager (ALNS) • Cleaning Supervisor (ALNS) <p>Limits may vary. The statements will be reviewed, and payment authorised by the Finance Team.</p>

Credit cards limit (When Mayfield School join the Trust – 1 st January 2024) £21,000 (joint limit)	<p>Issued to:</p> <ul style="list-style-type: none"> • CFO (ALNS, TS and MS) • Finance Managers (MS) • Director of Operations (MS) • Finance, Business and Communications Officer (ALNS and TS) • Site Manager (TS) • Senior Finance Officers (ALNS and TS) • HR and Admin Manager (ALNS) • Buildings and Communities Manager (ALNS) • Cleaning Supervisor (ALNS) <p>Limits may vary. The statements will be reviewed, and payment authorised by the Finance Team.</p>
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Petty Cash	
Claims up to £100	Budget holder for expenditure, or if claimant is the budget holder, the line manager.
Above £100	Not permitted
Balance held at each Academy	£800

Individual cash claims limited to £10 or under. Over £10 claims will be paid by BACS.

Budget Changes and virement	
Transfers between expenditure items	CFO
Use of reserves other than to meet cash flow requirements	Trust Board
Use of reserves to meet cash flow requirements	CEO
Transfers between Academies	CFO/CEO/Trust Board depending on purpose.

APPENDIX K - Scheme of Delegated Authority

Refer to the Scheme of Delegated Authority and the accompanying Appendix A – Matrix.

APPENDIX L – Related Party Transactions

The trust **must** report all contracts and agreements with related parties to ESFA in advance of the contract of agreement commencing or being renewed, using ESFA's related party on-line form

The Trust must obtain ESFA's prior approval, using ESFA's related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party agreed on or after 1 September 2023 where a contract or other agreement exceeds £40,000 in the same financial year ending 31 August.

This approval requirement does not apply in the following circumstances:

- Contracts and other agreements for the supply of goods or services to the trust by the following establishments:
 - Colleges, universities and schools which are sponsors of the academy trust
 - State funded schools and colleges, including academies

This concession does not apply to transactions with a subsidiary of such a related party.

- the provision of services to an academy trust with a religious designation, for essential functions fundamental to the academy trust's religious character and ethos which can only be provided by their religious authority

For the purposes of reporting to and approval by ESFA, contracts and agreements with related parties do not include salaries and other payments made by the trust to a person under a contract of employment through the trust's payroll. ¹⁶

¹⁶ Academy Trust Handbook, paras 5.41-5.43