



Salterns Academy Trust

## Finance Policy

**2021-2022**

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## 1. 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 Academies Financial Handbook and Academies Accounts Direction (both of which are updated annually), and operate within the limits of delegation outlined. In the absence of any doubt of financial control/procedures the Academies Financial 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.

## 2. 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.

## 3. 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.

## 4. 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.<sup>1</sup>

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<sup>1</sup> Academies Financial Handbook 2020, paras 5.1-5.4 and 5.64

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 Delegation 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 for each Academy.
- appointment of other senior central Trust staff.
- setting executive pay<sup>2</sup>

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.<sup>3</sup>

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 Delegation (see Appendix). The approach reflects the size of the Trust and, therefore, there is not a separate Finance and Resources committee<sup>4</sup>. The Trust Board will ensure that the Trust is a going concern and is financially sustainable.

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<sup>2</sup> Academies Financial Handbook 2020, paras 2.30-2.33

<sup>3</sup> Academies Financial Handbook 2020, para 2.3

<sup>4</sup> Academies Financial Handbook 2020, 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 Development Plan (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 delegation subject to financial thresholds identified in the Approval Limits (see Appendix).
- ensuring that financial considerations are taken fully into account in reaching decisions and their execution.

## **The Accounting Officer**

In accordance with the Academies Financial 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.<sup>5</sup>

The Board of the Academy Trust must<sup>6</sup> 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.

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<sup>5</sup> Academies Financial Handbook 2020, paras 1.20-1.24

<sup>6</sup> Academies Financial Handbook 2020, paras 1.25-1.35

## **Chief Financial and Operating Officer (CFOO)**

In accordance with the Academy's Financial Handbook, the Trust must appoint a CFOO and have finance staff that are appropriately qualified and/or experienced.<sup>7</sup>

The CFOO leads the Finance Department. The CFOO 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 CFOO works in close collaboration with the CEO and the Executive Headteachers through whom she is responsible to the Trust.

The CFOO 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 CFOO 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 delegation 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 CFOO, the Finance Manager or Senior Finance Officers 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 Delegation (see Appendix). It is therefore necessary to ensure that the governing

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<sup>7</sup> Academies Financial Handbook 2020, paras 1.36-1.39

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.

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 delegations 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 delegation 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**

The Executive Headteachers work in collaboration with the CEO. Much of the operational financial responsibility for the Trust has been delegated to the Chief Financial Officer (CFOO) but the Executive Headteachers still retain 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.
- authorising the orders and the award of contracts within the Approval Limits (see Appendix).
- authorising payments within the Approval Limits (see Appendix).
- agreeing the delegated budget and authorisation responsibility within the Academy.
- monitoring the regular budget reports with the CFOO and acting on overspends or risk.
- reporting to the Trust Board on at least a termly basis.



## **Finance Team and Budget Holders**

Other members of staff, primarily the Finance Manager, Senior Finance Officers and 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 order of goods is via the Finance Office including liaison with the Finance who is responsible for the ordering process.
- reviewing the monthly update of their spending profile. Budget holders will receive a monthly update report.

## **Trust Audit and Risk Committee**

The Audit and Risk Committee is appointed by the Trust Board. It meets at least three times per year<sup>8</sup>.

The Academies 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 Academies 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.<sup>9</sup>

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

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<sup>8</sup> Academies Financial Handbook 2020, para 3.6-3.14

<sup>9</sup> Academies Financial Handbook 2020, paras 3.15-3.23 and paras 4.5-4.6, and paras 4.16-4.17

<sup>10</sup> Academies Financial Handbook 2020, 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.

## **5. Accounting System**

### **System Access**

All the financial transactions of the Trust must be recorded on the PS Financials accounting system (PSF). The PSF system is a bespoke accounting system widely used in the education sector. Entry to the PSF system is password restricted and the Finance Manager 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 PSF system can also be restricted and the Finance Manager 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 Finance Manager 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.

## **6. 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 Strategic Planning process. The Strategic Plan 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 used of those resources for the following year.

### **Strategic Plan**

The Strategic Plan is concerned with future aims and objectives of the Trust and each school, and how they are to be achieved. The Trust will set overall Core Objectives which will be turned into specific objectives for each school. The Strategic Plans 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 Strategic Plan 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 CFOO is responsible for working with the Finance team, the Executive Headteachers 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 CFOO 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 Plan 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 Finance Manager. The reports will detail actual income and expenditure against budget.

The CFOO 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, 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 as shown in the Approval Limits (see Appendix).

## **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.<sup>11</sup> If there is any doubt about the propriety of a payment the Trust must ask the ESFA in advance.

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<sup>11</sup> Academies Financial Handbook 2020, para 2.26 and para 5.5

## 7. 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 is responsible for their own school. Permanent changes can only be made to this structure with the approval of the Trust. The CEO and Executive Headteachers have authority to appoint staff within the authorised establishment except for the Executive Headteachers.

The CEO or Executive 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. The monthly payroll will be prepared by the Senior Finance Officer, checked, and reviewed by the Finance Manager, and then approved by the Executive Headteacher prior to payments being made. If necessary, the CFOO can approve the payroll in the absence of the Executive Headteacher.

## 8. Purchasing

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 Salterns Academy Trust.
- **Accountability** – Salterns Academy Trust is publicly accountable for its expenditure and the conduct of its affairs.
- **Fairness** – that all those dealt with by 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. A print detailing actual expenditure against budget will be supplied to each budget holder monthly and budget holders are encouraged to keep their own records of orders placed but not paid for.

Appropriate authorisation limits are reviewed annually and approved by Salterns Academy Trust and the Local Governing Bodies (see Approval Limits (Appendix)).

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).

### **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).

### **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 an urgent decision, the CEO and Chair of the Trust Board can consult and 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).

## **9. 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 Finance Manager, liaising with the CFOO who is 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.

Trip money collections and administration process is included in the Finance Handbook.

### **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.

## **10. 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.

Detailed procedures for Deposits to Trust bank accounts are included in the Finance Handbook.

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). Higher value payments should be made by cheque or BACS directly from the main bank account as a cash book payment.

## **11. 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)

### **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.

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.

## **12. Staff Expenses**

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 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 Manager to be paid. All claims must be accompanied by appropriate receipts.

The Finance Manager will monitor claims to ensure compliance with this policy.



### 13. 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 Financial Director. 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.

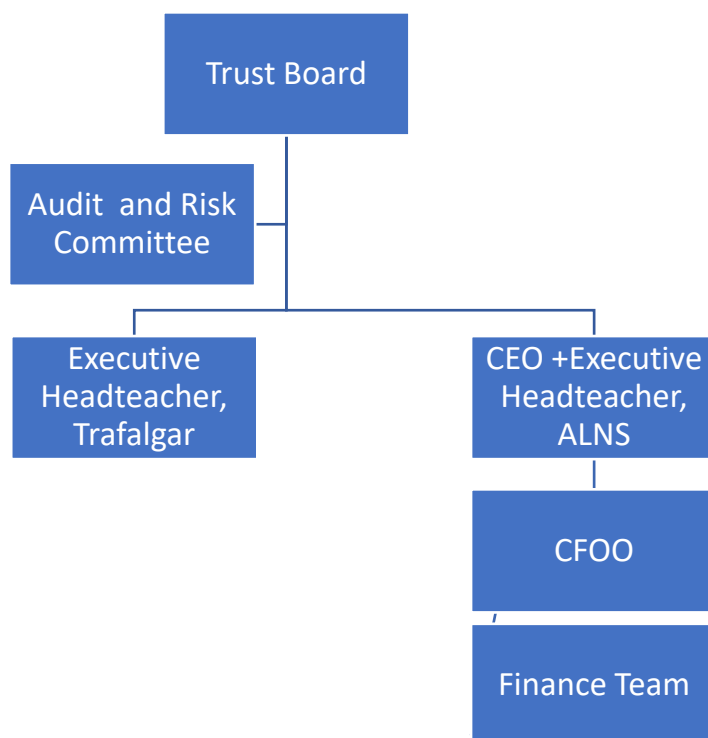
### 14. Monitoring Outcomes and Review

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 Chart



## APPENDIX B - Depreciation Policy

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

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 Academies Financial 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 CFOO is responsible for producing reliable cash flow forecasts as a basis for decision making. The CFOO 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's 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 Moody<sup>12</sup> to show good credit quality.

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<sup>12</sup> Credit Rating Companies

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 CFOO for authorisation. When authorised, the form should be returned to the CFOO.

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 CFOO will report all write-offs to the Trust Board. For items over £5000, the CFOO 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 CFOO 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 assets<sup>13</sup>, land and buildings can only be disposed of with the written approval of the ESFA.

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.<sup>14</sup>

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<sup>13</sup> 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".

<sup>14</sup> Academies Financial Handbook 2020, para 5.18-5.20

## APPENDIX G - Reserves Management Policy

The Trust Board will review the level of their reserves annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and will be 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.
- three to five-year projection 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.
- major projects.
- 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.

Due notice is taken of ESFA advice to retain the equivalent of 2 month's salary in the reserves and reaching this figure will be the long-term ambition of the Trust Board.

Local Governing Bodies will be able to approach the Trust Board to request expenditure from the Trust reserves for special, clearly identified, and costed purposes.

## 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).

The values are for single items or groups of items which must not be disaggregated artificially.

*For tenders expected to exceed EU thresholds, advertisements must also be placed in OJEU (the Official Journal of the European Union) and must follow EU procurement requirements regarding be given to the timescale for such tenders.*

### Quotations

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

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). 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 CFOO for approval. The CFOO 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 CFOO. 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 CFOO 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 CFOO 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 CFOO.
9. The CFOO 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 CFOO 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 actually 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 Academies Financial 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 CFOO.
- 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 CFOO 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 CFOO 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 CFOO 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 provided 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 Executive Headteacher or CFOO.

The person to whom the suspected incident is reported should then ensure that it is made known without delay to the Executive Headteacher, CEO, CFOO and Chair of the Trust Board and Chair of the Audit Committee.

The Accountable Officer should, as soon as possible (and with the aim of acting within 24 hours), chair a meeting of the following group to decide on the initial response, using properly appointed nominees where necessary:

- Executive Headteacher
- Accountable Officer
- CFOO
- Chair of the Audit and Risk Committee
- Chair of the LGB

If the actual or suspected incident concerns or implicates a member of this group, the Chair of Governors or Vice Chair of Governors will appoint a substitute.

### **Responsibility for investigation**

The group, chaired by the Chair of the Audit & Risk Committee, will decide on the action to be taken. This will normally be an investigation led by the external auditors.

## **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.

## **Recovery of losses**

The CFOO 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 the Chair of the Audit & Risk Committee, shall be submitted to the next Audit 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

<b>Placing Orders (Value excluding VAT)</b>	
Up to £1,000	Finance Assistant <i>and</i> delegated budget holder
Above £1,000 but less than £3,000	Finance Manager <i>and</i> delegated budget holder with signed evidence of at least two quotations
Above £3,000 but less than £30,000	Finance Manager <i>and</i> Executive Headteacher <i>or</i> CFOO 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> CFOO <i>and</i> Trust Board Director (with the minuted approval of the Trust Board) and 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 and 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 <i>and</i> CFOO (with the approval of the Trust Board)

<b>Awarding Contracts (Value excluding VAT)</b>	
Up to £30,000	Executive Headteacher <i>or</i> CEO <i>or</i> CFOO
Above £30,000 but less than £100,000	CEO <i>or</i> CFOO <i>and</i> Trust Board Director
Above £100,000	CEO <i>and</i> Trust Board and will be subject to tender. Tender process will be overseen by CFOO.
<b>Approving Payments (for example – signing cheques, authorising bank payments or payroll)</b>	
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 <i>or</i> CEO <i>or</i> CFOO
Above £30,000	Any two authorised signatories one of whom must be the CEO
Credit cards limit £12,000 (Joint limit)	<p>Issued to:</p> <ul style="list-style-type: none"> <li>• Finance Manager (ALNS and TS)</li> <li>• Business and Communications Officer (ALNS and TS)</li> <li>• Senior Finance Officer (TS)</li> <li>• Site Manager (TS)</li> <li>• Senior Finance Officer (ALNS)</li> <li>• Buildings and Communities Manager (ALNS)</li> <li>• Cleaning Supervisor (ALNS)</li> </ul> <p>Limits may vary. The statements will be reviewed, and payment authorised by the Finance Team.</p>

<b>Petty Cash</b>	
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.

<b>Budget Changes and virement</b>	
Transfers between expenditure items	Finance Manager
Use of reserves other than to meet cash flow requirements	Trust Board
Use of reserves to meet cash flow requirements	CEO
Transfers between Academies	CFOO/CEO/Trust Board depending on purpose.

## APPENDIX K - Scheme of Delegation

The purpose of the Scheme of Delegation is to control decision making and create clarity about where decision making lies which is reflective of the stage of development of the schools in the Trust. This scheme outlines the delegated powers and responsibilities a Local Governing Body would receive to act on behalf of the Salterns Academy Trust.

The ultimate responsibility is indicated with an 'X' in the appropriate columns. An asterisk '\*' indicates an assumption of consultation. Columns blocked off indicate that the function cannot be legally carried out at this level.

The Trust or LGB can delegate authority to a relevant committee where appropriate

**Although decisions may be delegated, it is the Trust that remains responsible for any decisions made under delegation.**

Decision Level 1: Salterns Academy Trust. Decision Level 2: Local Governing Body. Decision level 3: Executive Headteacher/SLT

Key Function	No	Tasks	Decision Level		
			1	2	3
<b>Budgets</b>	1	Establish a central budget for corporate services	X	*	
	2	Approve the consolidated Trust budget forecast before 30 <sup>th</sup> July each year	X		
	3	Approve the formal Academy budget plan for the financial year		X	
	4	Monitor MAT expenditure	X		
	5	Approve the Trust budget forecast return outturn by 21 <sup>st</sup> May each year	X		
	6	Ensure academy expenditure is within budget	*	X	
	7	Approve the Financial Policies & Procedures	X		
	8	Carry out financial processes in line with the Finance Policies			X
	9	Appoint an audit committee	X		
	10	Determine write-offs of debts as per the Finance Policy		X	
<b>Staffing</b>	11	Executive Headteacher appointments (selection panel)	X	*	
	12	Senior leader appointments (selection panel)	*	X	
	13	Appoint other teachers			X
	14	Appoint support staff			X
	15	Agree HR policies including pay policy	X	*	
	16	Establish disciplinary/capability procedures	X	*	
	17	Dismissal of Executive Headteacher	X	*	
	18	Dismissal of other staff		X	
	19	Suspending head	X	*	
	20	Suspending staff (except head)		*	X
	21	Ending suspension (head)	X	*	

Key Function	No	Tasks	Decision Level		
			1	2	3
	22	Ending suspension (except head)		*	X
	23	Determine staff complement		X	
	24	Approve severance/compensation payments	X		
<b>Curriculum</b>	25	Ensure a broad and balanced curriculum is taught to all students and to consider any disapplication for student(s)			X
	26	Establish and implement a curriculum policy		X	*
	27	Agree or reject and monitor curriculum policy		X	
	28	Responsibility for standards of teaching	*	*	X
	29	Responsibility for standards of education at school level		*	X
	30	Responsibility for individual child's education			X
	31	Provision of sex education – to establish and keep up to date a written policy		X	*
	32	Prohibit political indoctrination and ensuring the balanced treatment of political issues	*	*	X
<b>Performance Management</b>	33	Approve an overarching performance management policy	X	*	*
	34	Ensure implementation of the individual school performance management policy		X	
	35	Review annually the performance management policy	*	X	
<b>Target Setting</b>	36	Set targets for student achievement	*	*	X
	37	Approve and publish targets for student achievement		X	
<b>Discipline/Exclusions</b>	38	Establish a discipline policy	*	X	
	39	Review the use of exclusion and to decide whether to confirm all permanent exclusions and fixed term exclusions where the student is either excluded for more than 15 days in total in a term or would lose the opportunity to sit a public examination. (Can be delegated to chair/vice-chair in cases of urgency)		X	
	40	Direct reinstatement of excluded students (Can be delegated to chair/vice-chair)		X	
<b>Admissions</b>	41	To review at least annually the admissions policy		X	
	42	Establish an admissions policy	*	X	
	43	Admissions application decisions		X	
	44	Appeal against LA directions to admit student(s)		X	
<b>Religious Education</b>	45	Responsibility for ensuring provision of RE		X	*
<b>Premises and Insurance</b>	46	Ensure buildings and liability insurances in place	X	*	
	47	Develop a school buildings strategy or master plan	X	*	
	48	Refurbish and maintain buildings, including developing properly funded maintenance plan	*	X	
<b>Health &amp; Safety</b>	49	Ensure that each school has a health and safety policy	X	*	
	50	Ensure that health and safety regulations are followed		X	

Key Function	No	Tasks	Decision Level		
			1	2	3
<b>School Organisation</b>	51	Publish proposals to change category of school	X	*	
	52	Proposal to alter the character of the Academy day	*	X	
	53	Set the times of school sessions and the dates of school terms and holidays	*	X	
	54	Ensure that the school meets for 380 sessions in a school year			X
	55	Ensure that school lunch nutritional standards are met where provided by the governing body.			X
	56	Ensure provision of free school meals to those students meeting the criteria			x
<b>Information for Parents</b>	57	Prepare and publish information for parents or school prospectus		*	X
	58	Adopt and review home-school agreements		X	
<b>Governance Procedures</b>	59	Prepare instrument of government and any amendments thereafter	X		
	60	Appoint (and remove) Executive Headteacher/Directors/Clerk of the MAT subject to the requirements of the Articles	X		
	61	Appoint (and remove) the governors/clerk of a local governing body	X	*	
	62	Hold a full governing body meeting at least three times a year		X	
	63	Set up a Register of Directors' Business Interests	X		
	64	Set up a Register of Governors' Business Interests	*	X	
	65	Approve and set up a Governors Expenses Scheme	X		
	66	Discharge duties in respect of students with special educational needs by appointing a "responsible person"		X	
	67	Consider whether to exercise delegation of local functions to individuals or committees (subject to this scheme of delegation)		X	
	68	Regulate the GB procedures (where not set out in law)	X	*	
	69	Establish a risk management strategy and maintain an accurate risk register	X		
	70	Monitor the effect of actions taken to control risk	*	X	
<b>Trust</b>	71	Consider applications to join the Trust	X		
	72	Agree the due diligence requirements for such	X		
	73	Review the Trust KPIs	X		
<b>Federations</b>	74	Consider forming a federation/joining a federation of local schools	X	*	
<b>Extended Schools</b>	75	Decide to offer/cease to offer additional activities and to what form these should take		X	
	76	Put into place the additional services to be provided			X
	77	Ensure delivery of services provided			X