



Mid Essex Anglican Academy Trust
To unlock every child's potential as a unique child of God
Respect – Forgiveness – Trust – Responsibility – Thankfulness –
Justice – Humility



Financial Regulations

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Financial Scheme of Delegation/Authorisation & Approval Summary

Note values in red may not be changed

Expenditure Limits/Ordering Procedures

If approval is for a contract that spans more than one year, the limits below apply to the total value over the life of the contract not the per annum cost.

Process	Value	Delegated Authority
Order Approval – Site manager (emergency minor building repairs)	Up to £500	Site Manager – evidenced via email
Order Approval	up to £2,499.99 (excluding utilities)	Academy Headteacher / Head of School
Order Approval	£2,500 - £24,999.99	CEO (Accounting Officer)
Order Approval	£25,000 and over	Chair of the Board (or Deputy Chair of the Board in his absence)
Route to Buy		
Route 1: Use a DfE framework agreement	All values	
Route 2: Use catalogues to find <u>low</u> value goods and services	Under £5000	
Route 3: Get at least 3 quotes from suppliers for medium value goods or services	£5,000 to £100,000	In exceptional circumstances express Trust approval can be obtained to waive the requirement for 3 competitive quotes. The Trust Board can approve the renewal of specific contracts where it is shown that it would be impractical and highly unlikely to be deemed best value of money to obtain 3 quotes. This exemption relates to, but is not limited to, the Trust's MIS and Financial system contracts. At each renewal the Trust should minute that the contract continues to be fit for purpose and value for money.
Route 4: Advertise a contract and run a tendering process for high value goods and services which are below the Public Contracts	Over £100,000	Board of Trustees would usually oversee process in conjunction with a specialist

Regulation (PCR) threshold		
Route 5: Run a PCR compliant tendering process for goods and services above the PCR threshold	<p>PCR thresholds wef 01/01/2024 Goods: £214,904 Works: £5,372,609 Most services: £214,904</p> <p>Some services for education are covered by the 'light touch regime'. This threshold is £663,540 (remains unchanged from 01/01/24). See Gov.uk website for more details.</p>	
Authority to accept other than lowest quote		Trust Board
Authority to accept other than lowest tender		Trust Board

Cheque and in-branch payments

Value	Delegated Authority	Additional Guidance
Shenfield St. Mary's Main Account		
£0 to £2,499.99	Any two from Head of School and Assistant Head of School	Ensure bank mandate is complied with.
£2,500 to £24,999.99	Any one from Head of School or Assistant Head of School plus CEO	Ensure bank mandate is complied with.
£25,000 and over	CEO plus Chair (or Vice Chair) of Trust Board	Ensure bank mandate is complied with.
Mountnessing		
£0 to £2,499.99	Any two from Head Teacher and Deputy Head Teacher	Ensure bank mandate is complied with.
£2,500 to £24,999.99	Any one from Head Teacher or Deputy Head Teacher plus CEO	Ensure bank mandate is complied with.
£25,000 and over	CEO plus Chair (or Vice Chair) of Trust Board	Ensure bank mandate is complied with.
Bentley St Paul's		
£0 to £2,499.99	Any two from Head Teacher and Deputy Head Teacher	Ensure bank mandate is complied with. Ensure bank mandate is complied with.
£2,500 to £24,999.99	Any one from Head Teacher or Deputy Head Teacher plus CEO	
£25,000 and over	CEO plus Chair (or Vice Chair) of Trust Board	Ensure bank mandate is complied with.
Ingatestone and Fryerning CofE Junior School		
£0 to £2,499.99	Any two from Head of School and	Ensure bank mandate is complied

	Assistant Head of School	with.
£2,500 to £24,999.99	Any one from Head of School or Assistant Head of School plus CEO	Ensure bank mandate is complied with.
£25,000 and over	CEO plus Chair (or Vice Chair) of Trust Board	Ensure bank mandate is complied with.
Ingatestone Infant School		
£0 to £2,499.99	Any two from Head of School and Assistant Head of School	Ensure bank mandate is complied with.
£2,500 to £24,999.99	Any one from Head of School or Assistant Head of School plus CEO	Ensure bank mandate is complied with.
£25,000 and over	CEO plus Chair (or Vice Chair) of Trust Board	Ensure bank mandate is complied with.

Non-payment signing rules – for opening accounts, changing access, applying for new products or services

Value	Delegated Authority	Additional Guidance
All Lloyds Bank Accounts in the Trust	CEO plus Chair (or Vice Chair) of the Trust Board	Ensure bank mandate is complied with.

Online payments - BACS Signatories

Up to £25,000	BACs report to be signed by Academy Headteacher/ Head of School or CEO First BACs approval by CFOO Second BACS approval by Academy Deputy Head / Assistant Head of School	All invoices to be supported by an approved purchase order. In exceptional circumstances if an authorised purchase order is not on the system a non purchase order invoice can be raised to the register and academy head teacher / Head of School approval obtained however no invoice over £2500 can be paid without an authorised purchase order.
Over £25,000	Emailed approval from Chair of Trust (Deputy Chair in the Chair's absence) Then BACs report to be signed by Academy Headteacher / Head of School or CEO First BACs approval by CFOO Second BACS approval by Academy Deputy Head / Assistant Head of School	All invoices to be supported by an approved purchase order. In exceptional circumstances if an authorised purchase order is not on the system a non purchase order invoice can be raised to the register and academy head teacher / Head of School approval obtained however no invoice over £2500 can be paid without an authorised purchase order.

Intercompany Transfers via Lloyds Commercial Banking Online

Up to £25,000	Payment detail report to be signed by CEO First BACS approval by CFOO Second BACS approval by STM Head of School (or MPS Headteacher in her absence)	Payment detail report to be supported by documentation outlining the intercompany transaction.
Over £25,000	Emailed approval from Chair of Trust (Deputy Chair in the Chair's absence) Payment detail report to be signed by CEO First BACS approval by CFOO Second BACS approval by STM Head of School (MPS Headteacher in her absence)	Payment detail report to be supported by documentation outlining the intercompany transaction.

Virement Approval –

Value	Delegated Authority	Additional Guidance
Virements are not used at MEAAT		

Disposal of Surplus Stock, Stores & Assets

Value	Delegated Authority	Additional Guidance
Up to £250 Single item	Headteacher / Head of School	
£251 to £1,000 Single item	CEO	
£1001 to £45,000 Single item	Trust Board	
Over £45,000	Full Board of Trustees plus prior approval of DFE	1% of total income or £45,000 per single transaction (whichever is the smaller).
Acquisition / Disposal of Land and Buildings		
All values	DFE Approval	Acquiring a freehold on land and buildings; Disposing of a freehold on land and buildings; Disposing of heritage assets. See DFE website for relevant forms.

Write off of Bad Debts/Guarantees, Letters of Comfort or Indemnities which are not in the normal course of business

Value	Delegated Authority	Additional Guidance
Up to £25 single transaction	Chief Financial and Operations Officer	Write-off forms to be completed
From £26 to £250 single transaction	Headteacher / Head of School	Write-off forms to be completed
£251 to £1,000 single transaction	CEO	Write-off forms to be completed

£1,001 to £44,999 single transaction	Trust Board	Write-off forms to be completed and advised to the Trust Board approval
Over £44,999 single transaction	DFE Approval	1% of total annual income or £45,000 per single transaction (whichever is the smaller); or 2.5% or 5% of annual income cumulatively (see Academies trust handbook) Subject to a maximum of £250,000

Special Payments and related party transactions

Value	Delegated Authority	Additional Guidance
Up to £50,000 before income tax and other deductions	Trust Board	Staff Severance Pay or Compensation
Over £50,000	DFE	Staff Severance Pay or Compensation
An exit package which includes a special severance payment is at , or above £100,000 and or the employee earns over £174,000	DFE	HM Treasury's Guidance on Public Sector Exit payments. Prior DFE Approval
Any value	DFE	Ex-gratia payments
Related party transactions over £40,000	DFE approval required prior to entering into transaction. All related party transactions, regardless of value, must be reported to the DFE.	

Approval of Returns & Reconciliations

Return	Delegated Authority	Additional Guidance
VAT 126 Return	CFOO to prepare Accounting Officer to review	One VAT return must be prepared centrally for the whole trust
Bank Reconciliations	Schools to prepare, Chief Financial Officer to review and local Head teacher / Head of School to approve	To be prepared at least monthly
Funding Reconciliation	Schools to prepare, Chief Financial Officer to review and report to Accounting Officer	To be prepared at least monthly
Budget Forecast Return	Chief Financial Officer to prepare, Accounting Officer to approve Trustees to approve	Must be submitted to the DFE in a form specified by DFE to a timescale to be notified.
Land and buildings collection	Chief Financial Officer to prepare, Accounting Officer to approve	Must be submitted to the DFE in a form specified by DFE to a timescale to be notified.
Risk Register	Local Board to prepare and	Individual schools to monitor at

	review. Trust Board to monitor and review.	each LB meeting and report to Trust Board meeting
Register of Business Interests	Local Board / Board of Trustees	To be completed annually and updated at each meeting
Gifts and Hospitality Register	Local Board / Board of Trustees	To be discussed at each meeting. Return required at each year end.
Business Continuity Plan	Local Board to prepare and monitor and report to TB annually	
Financial Management and Governance Self Evaluation	Board of Trustees to review	Only required to be completed by new academies joining the Trust
School resource management self-assessment tool	Chief Financial officer to prepare, Accounting Officer to approve and Board of Trustees to review	Must be submitted to the DFE by their specified annual deadline

Other Monetary Limits

	Limit	Additional Guidance
Mileage Allowance	HM Revenue and Customs approved rate	
Petty Cash		No petty cash maintained at MEAAT schools
Safe Cash/Cheque Limits	<p>a) £250,000 stamped national insurance cards, crossed cheques, crossed giro cheques, crossed bankers drafts, crossed warrants, national saving certificates, premium savings bonds, franking machine impressions, credit company sales vouchers and VAT invoices</p> <p>b) £5000 Money other than described in (a) above not contained in a locked safe in the member's premises or in transit or in a bank night safe</p> <p>£10,000 Money other than described in (a) above in locked safes</p> <p>£500 Money other than described in (a) above whilst at the private residence of authorised Employees, Governors or Trustees</p>	As per academy insurance policy
Inventory Register	Items that are portable and attractive over £250	
Asset Register	Capitalisation limit £ 1,000 on any single item	As stated in the Trust's Accounting policy

The finance policies listed below should be read in conjunction with the Trust's other financial management related policies and the government's Academies Trust Handbook;

- Code of Conduct
- Accounting Policy
- Gifts and Hospitality Policy
- Reserves Policy
- Anti-Fraud and Corruption Policy
- Risk Management Policy
- Investment Policy
- Whistle Blowing Policy
- Lettings Policy – set at LB level
- Trustees, Governors and Staff Expense Policy
- Debt management Policy
- Conflicts of Interest Policy

1.0 INTRODUCTION

- 1.1 The Mid Essex Anglican Academy Trust Board (“the Trust Board” “TB”) is the legal entity which is responsible for all the trust’s academies. It is their duty to ensure that each academy operates efficiently, legally, judiciously and safely.
- 1.2 The purpose of these regulations is to ensure that the academy trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of the Trust’s funding agreement with the Department for Education (DfE).
- 1.3 The academy must comply with the principles of financial control outlined in the academies trust handbook published by the DfE. These regulations expand on that and provide detailed information on the academy’s accounting procedures and systems and should be read by all staff involved with financial systems.
- 1.4 The general conditions that follow are subject to annual review and consideration by the Trust Board, whom must formally minute both the review and any subsequent amendments and approval each year.
- 1.5 The Trust Board confirms that failure to observe these conditions is considered a serious matter and might involve disciplinary procedures being taken against the individual concerned.

2.0 ORGANISATION

- 2.1 The academy has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees and staff. The financial reporting structure is illustrated below:
 - 2.1.1 The “seven principles of public life” apply to everyone holding public office.

The Trust Board (“The Trust Board”)

- 2.2.1 Individuals must ensure that they fully understand their duties as company directors and charity trustees. The Trust must not have de facto trustees (as defined in appendix 1 of the Charities SORP 2015) or shadow directors (as defined in section 251(1) of the Companies Act 2006).
 - The trustees must apply the highest standards of conduct and ensure robust governance. They should follow the Governance Handbook and this will aid compliance with the Academies trust handbook (ref. paragraph 1.11 of the ATH)
 - The trustees must take full ownership of their duties. They must comply with the trust’s charitable objects, with company and charity law and with their funding agreement.
 - Trustees and managers must have the skills, knowledge and experience to run the academy trust and they must maintain robust oversight of the academy trust. Including sufficient financial knowledge to hold the executive to account. The board should also address this for committees/local committees/local governing bodies.

- The Trust Board is responsible for advancing education, promoting pupil welfare and keeping trusts' estates safe and well maintained.
- The Trust Board is responsible for managing the school estates strategically and effectively and maintain the estates in a safe working condition. This includes complying with statutory duties to ensure the health and safety of building occupants.

The Trust Board must take full responsibility for its financial affairs and use resources efficiently to maximise outcomes for pupils. The main responsibilities of the Trust Board are prescribed in the Funding Agreement between the academy trust and the DfE and in the academy's scheme of government. The responsibilities of the Trust Board are as outlined in the scheme of delegation, in the Academies trust handbook and include the following:

- Ensuring that funds are used only in accordance with the law, its articles of association, the Trust Board's powers under the Funding Agreement and the current Academies trust handbook
- Trustees must ensure proper stewardship of the funds, including regularity and propriety, and for ensuring economy, efficiency and effectiveness in their use (value for money) and must take ownerships of the trust's financial sustainability and its ability to operate as a going concern.
- Ensuring the proper governance and conduct of the trust under the terms of the Charity Commissions guidance for academies in Academy Schools: guidance on their regulation as charities, and guidance notes: CC3: The Essential Trustee and CC8 – Internal Controls for Charities, guidance of effective governance is also provided in the Department's Governance Handbook.
- Being aware of their statutory duties as company directors, which are set out in sections 170 to 181 of the Companies Act 2006 (ref. paragraph 1.12 of the ATH).
- Appoint a governance professional who is someone other than a trustee or CEO or executive.
- Identify the skills and experience that the Trust Board needs with reference to the DfE's competency framework for governance
- Address any gaps through recruitment, and/or induction and training. It is particularly important to review and address any skills gaps on the Trust Board at key transition points such as growth periods in the Trust.
- The trust must be transparent with its governance arrangements. Provide details of the Trust's governance arrangements in the governance statement published within its annual accounts, including what the board has delegated to its committees and to local governing bodies. The Trust must also publish on its website up-to-date details of its governance arrangements in a readily accessible format. This must include:
 - the structure and remit of the members, the Board, its committees and local governing bodies (the trust's scheme of delegation for governance functions), and the full names of the chair of each (where applicable)

- for each member who has served at any point over the past 12 months, their full names, date of appointment, date they stepped down (where applicable), and relevant business and pecuniary interests including governance roles in other educational institutions
- for each trustee and local governor who has served at any point over the past 12 months, their full names, date of appointment, term of office, date they stepped down (where applicable), who appointed them (in accordance with the trust's articles), and relevant business and pecuniary interests including governance roles in other educational institutions.
- for each trustee their attendance records at board and committee meetings over the last academic year
- for each local governor their attendance records at local governing body meetings over the last academic year.
- To meet regularly enough to discharge its responsibilities under the articles of association, funding agreement and the academies trust handbook. To meet at least three times a year (and conduct business only when quorate).
- Ensure there are measures to manage conflicts of interest and that the requirements for managing connected party transactions are applied across the trust. The Chair of the Trust Board and the accounting officer (as senior executive leader) must ensure that their capacity to control and influence does not conflict with these requirements. They must manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the seven principles of public life.
- The Trust must obtain DFE's approval for transactions beyond the trust's delegated authority limits.
- The Trust must recognise that some relationships with related parties may attract greater public scrutiny
- Maintain sufficient records, and make sufficient disclosures in their annual accounts, to evidence that transactions with all related parties, have been conducted in accordance with the high standards of accountability and transparency required within the public sector.
- Review and approve the annual balanced budget and any significant changes to that budget, for the financial year to 31 August, which can draw on unspent funds brought forward from previous years. The Trust Board must minute their approval.
- Must approve a written scheme of delegation of financial powers that maintains robust internal scrutiny arrangements. The scheme of delegation should be reviewed annually, and immediately when there has been a change in trust management or organisational structure.
- Determining the academy's financial priorities through the Academy Development Plan (ADP) and the Asset Management Plan (AMP).
- Must ensure management accounts are shared with the chair of trustees monthly and the Board of Trustees must consider these when it meets and be assured that it has appropriate oversight of the trust's financial position.
- Review the financial monitoring report from the Finance, Audit and Risk committee, taking action to maintain financial viability, satisfying itself that the trust remains a going concern, and to facilitate the monitoring of the academy's actual financial performance compared

with budgeted priorities and cash flow. Where the board has concerns about financial performance, it should act quickly ensuring the trust has adequate financial skills in place.

- Manage the cash position robustly and avoid becoming overdrawn.
- Select and measure key financial performance indicators regularly and analyse in annual trustees' report.
- Making decisions on expenditure within the delegated powers
- Ensuring the Register of Business Interests is kept up to date.
- Ensuring that funding from the DFE, Local Authority and other sources is used only in accordance with any conditions attached.
- Ensure an appropriate, reasonable and timely response to findings by auditors, taking opportunities to strengthen financial management and control.
- Ensuring the academy adheres to the policies and procedures as specified by the Board
- Ensuring the academy has appropriate internal financial controls in place
- The Trust must prepare and monitor financial plans to ensure ongoing financial health, satisfying itself that the trust remains a going concern
- The Trust must submit to DFE a budget forecast return outturn and a 3-year budget forecast return to meet the DFE deadlines. These must be approved by the trustees before submission.
- Reviewing and monitoring of budget projections / medium term financial plans to ensure the academy's budget forecasts are compiled accurately, based on realistic assumptions, including any provision being made to sustain capital assets, and reflective of lessons learned from previous years, satisfying itself that the trust remains a going concern.
- The Trust should challenge pupil number estimates as these underpin revenue projections and these should be reviewed termly.
- The Trust should refer to DfE's material on improving school resource management and should take an integrated approach to curriculum and financial planning.

- Declaring any connected party transactions or business interests
- The Trust Board must ensure that their decisions about levels of executive pay (including salary and any other benefits) follow a robust evidence-based process and are a reasonable and defensible reflection of the individual's role and responsibilities.
- The board **must** discharge its responsibilities effectively, ensuring its approach to, and levels of, pay and benefits is transparent, proportionate and defensible. This **must** be documented in an agreed pay policy, which sets out the process for determining executive pay in line with the Academies Trust Handbook paragraph 2.28.
- No individual can be involved in deciding their remuneration.
- The trust must publish on its website in a separate readily accessible form the number of employees whose benefits exceed £100k (refer to ATH).
- Trust must manage risks to ensure its effective operation and must maintain a risk register, which is reviewed at least annually. Regularly updating and monitoring the risk register and ensuring the implementation of any mitigating actions. Overall responsibility for risk

management must be retained by the board of trustees drawing on advice provided to it by the finance, audit and risk committee.

- The trust must notify DfE of the appointment or vacating of the positions of:
 - member, chair of trustees, all other trustees, accounting officer and chief financial officer including direct contact details for all.
 - Headteachers and chairs of local governing bodies including direct contact details
 - local governors

within 14 days of that change. Notification must be made through Get information about schools. All fields for the named individuals must be completed. The Trust must ensure that its record on Get information about schools for all individuals holding the above positions remains up to date.

- The annual letters to the Trust's Accounting Officer from the DfE's accounting officer about the accountability framework must be discussed by the Trust Board with action taken where appropriate to strengthen the trust's systems.
- The Trust must have procedures in place for whistleblowing and respond properly and fairly, this must be published on the website. The Trustees must agree the whistleblowing procedure. The Trust should appoint at least one trustee and one member of staff who other staff can contact to report concerns. The Trust must ensure all staff are aware of the whistleblowing process, and how concerns will be managed (ref. paragraph 2.41 to 2.46 of the ATH).
- The academy trust **must** be able to show that public funds have been used as intended by Parliament.
- The academy trust **must** ensure:
 - spending has been for the purpose intended and there is propriety in the use of public funds, including in relation to any actual or perceived conflicts of interest
 - spending decisions represent value for money
 - internal delegation levels are applied
 - a competitive procurement procedure is in place and incorporated into the trust's financial framework, and the procurement rules and thresholds in the [Procurement Act 2023 and its associated regulations](#) and [Find a Tender](#) service are observed
 - appropriate due diligence is in place
 - professional advice is obtained where appropriate
 - Trusts should refer to the [Buying for schools: how to buy what you need](#) tool to help obtain value for money and apply relevant procurement regulations.
 - Trusts should consider [DfE opportunities](#) when making purchasing decisions for goods and services.

2.2.2 The Trust Board has appointed the MEAAT CEO, in accordance with the trust's articles of association, to act as a trustee. The Trust Board confirms that the day-to-day financial management of the academy trust is delegated to the CEO, subject to exceptions contained

in these regulations. Throughout these conditions, delegation to the CEO shall imply further delegation to the Head of Mountnessing when the CEO is not on the school site for more than a period of three consecutive days. Where the CEO wishes to permanently delegate certain financial matters or activities, then the level of that delegation shall be notified in writing to the individual(s) concerned, reported to the Trust Board in writing and incorporated into these conditions.

From 1 March 2022 any newly appointed [senior executive leader](#) can only be a trustee if the members decide to appoint them as such, the senior executive leader agrees and the trust's articles permit it.

All academy trust members, trustees and individuals on any committees including local governing bodies are required to have an enhanced criminal records certificate from the Disclosure and Barring Service (DBS), which does not include a barred list check (unless in addition to their governance duties they also engage in regulated activity).

The trust must make available for public inspection:

- the agenda for every meeting of the trustees, local governing bodies and committees
- the approved minutes of each meeting
- any report, document or other paper considered at each meeting.

Members

- 2.2.3 Members must not be employees of the trust, nor occupy staff establishment roles on an unpaid voluntary basis.
- 2.2.4 Members need to be kept informed about trust business so they can be assured that the board is exercising effective governance. This must include providing the members with the trust's audited annual report and accounts.
- 2.2.5 Trusts **must** ensure that their members are not currently subject to a direction made under section 128 of the [Education and Skills Act 2008](#) which prohibits individuals from taking part in academy trust management, and that they do not appoint as a member, a person who is currently subject to a section 128 direction.

The Finance, Audit and Risk Committee

- 2.3.1 Independence in internal scrutiny must be achieved by establishing appropriate reporting lines whereby those carrying out checks report directly to a committee of the board, which in turn provides assurance to the trustees in line with the ATH 3.6.

The Finance, audit and risk committee has responsibility for financial policy, planning and monitoring, audit and risk oversight as set out in its terms of reference. The committee reports its findings to the Trust Board at least three times a year. This oversight, together with the work of the Trust Board should inform the governance statement that accompanies the trust's annual accounts and, so far as is possible, provide assurance to external auditors.

- 2.3.2 The Trust has set up a financial, audit and risk committee of three named trustees as a sub-committee within the Board of Trustees and they report to the Board of Trustees. The finance, audit and risk committee's role must include directing the trust's programme of

financial policy, planning and monitoring, internal scrutiny and reporting to the board on the adequacy of the trust's financial and other controls and management of risks. The finance, audit and risk committee should meet at least three times a year. Employees should not be members of the finance, audit and risk committee but the accounting officer and other relevant staff should routinely attend to provide information and participate in discussions. The chair of trustees should not be chair of the finance, audit and risk committee.

2.3.3 The committee must:

- have written terms of reference describing its remit
- agree a programme of work annually to deliver financial oversight and internal scrutiny that provides coverage across the year
- review the risk register to inform the programme of work, ensuring checks are modified as appropriate each year
- agree who will perform the work
- consider reports at each meeting from those carrying out the programme of work
- consider progress in addressing recommendations
- consider outputs from other assurance activities by third parties including DFE financial management and governance reviews, funding audits and investigations
- have access to the external auditor as well as those carrying out internal scrutiny, and consider their quality
- review the external auditor's plan each year
- review the annual report and accounts
- review the auditor's findings and actions taken by the trust's managers in response to those findings
- assess the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal or retendering.
- produce an annual report of the committee's conclusions to advise the board of trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.
- Annually reviewing all on-going contracts

2.3.4 Oversight must extend to the financial and non-financial controls and risks at constituent academies.

2.3.5 Oversight must ensure that information submitted to DfE and DFE that affects funding, including pupil number returns and funding claims completed by the trust and by constituent academies is accurate and in compliance with funding criteria.

Accounting Officer

2.4 The board of trustees must appoint, in writing, a senior executive leader as the MEAAT Chief Executive Officer who may be appointed as a trustee. The academy trust must also appoint, in writing, a named individual as its accounting officer. This will be the MEAAT Chief Executive Officer. The roles of the senior executive leader and accounting officer must not rotate and the accounting officer must be an employee of the trust, or DFE approval is required if they are not. Whilst the Accounting Officer has responsibility, under the Trust Board guidance, for the trust's overall management and staffing, their appointment as

Accounting Officer confers specific responsibilities for financial matters. In particular, the Accounting Officer is personally responsible to Parliament, and to the Accounting Officer of the DfE, for the resources under their control, and must be able to assure Parliament and the public of high standards of probity in the management of public funds.

- 2.5 Accounting officers **must** be able to assure DfE's accounting officer, Parliament and the public, of high standards of probity in the management of public funds, particularly regularity, propriety, feasibility and value for money, including economy, efficiency and effectiveness – the 3 elements of value for money.

The following definitions are set out in Managing Public Money:

- **Regularity:** the proposed transaction is compliant with the framework of authorities of the department or body concerned. That the transaction under consideration has sufficient legal basis, parliamentary authority, and Treasury authorisation; is compatible with the agreed spending budgets, the wider legal framework (for example subsidy control and procurement law), and the requirements regarding spending set out in this document.
- **Propriety:** the proposal meets high standards of public conduct and relevant Parliamentary control procedures and expectations, including compliance with any conventions or commitments made to Parliament and cross-cutting government policies or standards, as well as the standards of conduct and good governance, as set out in this document.
- **Value for money:** in comparison to alternative proposals or doing nothing, the proposal delivers the stated policy objectives in a way that represents good value for the Exchequer as a whole, taking into consideration the chances of different degrees of success or failure.
- **Feasibility:** the proposal can be implemented accurately, sustainably, and to the intended timetable with the resources available and without incurring wasteful or nugatory spend.

These definitions are not set out in MPM but may be useful:

- **Economy:** reducing the cost of resources used for an activity, while maintaining quality.
- **Effectiveness:** achieving the intended outcomes or objectives.
- **Efficiency:** achieving maximum output for given inputs, or minimum inputs for a given output.

- 2.6 The Accounting Officer must complete and sign a statement on regularity, propriety and compliance each year within the Trust's annual report. The accounting officer must demonstrate how the trust has secured value for money via the governance statement in the audited accounts. The Accounting Officer must adhere to the seven principles of public life as set out in HM Treasury's handbook, Regularity, Propriety and Value for money. The external auditor's conclusions on regularity must be addressed jointly to the trust and to the Secretary of State through DFE.

- 2.7 The Accounting Officer also has responsibilities for keeping proper financial records and accounts, and for the management of opportunities and risks.

- 2.8 The accounting officer must have appropriate oversight of financial transactions by:

- ensuring that all the academy trust's property and assets are under the control of the trustees, and measures are in place to prevent losses or misuse, including maintenance of fixed asset registers

- ensuring that bank accounts, financial systems and financial records are operated by more than one person
- keeping full and accurate accounting records to support their annual accounts

Whilst the Accounting Officer is accountable for the academy trust's financial affairs, the delivery of the trust's detailed accounting processes will be delegated to the Chief Finance Officer.

- 2.9 The Accounting Officer must take personal responsibility (which must not be delegated) for assuring the Trust Board that there is compliance with the academies trust handbook and the funding agreement. The accounting officer **must** advise the board, in writing, if action it is considering is incompatible with the [articles](#), [funding agreement](#) or handbook. This includes where such action conflicts with the duties of the accounting officer, to ensure regularity, propriety, value for money and feasibility.
- 2.10 Similarly, the Accounting Officer must advise the Trust Board in writing if the Trust Board appears to be failing to act where required to do so by the terms and conditions of the Handbook or FA. Where the Trust Board is minded to proceed, despite the advice of the Accounting Officer, the Accounting Officer must consider the reasons the Trust Board gives for its decision. If, after considering the reasons given by the Trust Board, the Accounting Officer still considers that the action proposed by the Trust Board is in breach of the Handbook or FA, the accounting officer must advise the DFE's accounting officer of the position in writing

Chief Financial Officer

- 2.11 The academy trust has designated the MEAAT Trust Business Manager as its Chief Financial Officer (the CFOO). The CFOO should be employed by the trust, and the trust must obtain prior DFE approval if it is proposing, in exceptional circumstances, to appoint a CFOO who will not be an employee. The Chief Financial Officer works in close collaboration with the Accounting Officer through whom he or she is responsible. The Chief Financial Officer also has direct access to the Trustees. The main responsibilities of the Chief Financial Officer are as outlined in the post holder job description. The Chief Financial Officer is responsible for the day to day management of the academy's financial operations.
- 2.12 The CFOO will work with the CEO, the Headteachers and Senior Leadership Teams of the academy's schools to ensure the academy's financial processes and finance policies are followed. They will be responsible for the effective use of resources within the academy and will notify the CEO of any issues. The trust's finance staff must be appropriately qualified and / or experienced and undergo continuing professional development and relevant training.

Local Board ("LB")

- 2.13 Each academy will have an LB who will work in close collaboration with the academy trust's central staff. The LB's responsibilities are as set out in the scheme of delegation and include the following:
- Review the annual school budget before sending for approval to the Trust Board
 - Determining the school's financial priorities through the School Development Plan (SDP) and the Asset Management Plan (AMP).
 - Receiving monthly management reports, to facilitate the monitoring of the school's actual financial performance compared with budgeted priorities and cash flow, and to take remedial action as necessary in consultation with the TB.
 - Making decisions on expenditure within the LB delegated powers.

- Appoint a governance professional who is someone other than a trustee or CEO or executive trustee.
- Ensuring the local Register of Business Interests is kept up to date and published on the school website.
- Ensuring that funding from the DFE, Local Authority and other sources is used only in accordance with any conditions attached.
- Agreeing and determining appropriate charges for lettings of the premises, in line with the academy's lettings policy.
- Ensuring the academy adheres to the policies and procedures as specified by the Trust Board
- Reviewing and monitoring of budget projections / medium term financial plans to ensure the school's budget is realistic and any financial decisions are sustainable.
- Declaring and connected party transactions or business interests
- Regularly updating and monitoring the local risk register and ensuring the implementation of any mitigating actions.

2.10 The LB confirms that the day-to-day financial management of the school is delegated to the Headteacher / Head of School, subject to exceptions contained in these regulations. Throughout these conditions, delegation to the Head of School shall imply further delegation to the Assistant Headteacher (Shenfield St Mary's) / CEO (Mountnessing) when the Headteacher is not on the school site for more than a period of three consecutive days. Where the Headteacher /Head of School wishes to permanently delegate certain financial matters or activities, then the level of that delegation shall be notified in writing to the individual(s) concerned, reported to the Trust Board in writing and incorporated into these conditions.

Finance Officer

- 2.11 For the purposes of this document the term Finance Officer (FO) refers to the person responsible for the day to day management of each individual academy's financial operations. Each academy should employ a suitably experienced FO to support the Headteacher/Head of School and LB to manage and protect resources appropriately or alternatively make use of the support services provided by the academy trust.
- 2.12 The FO will work with the Headteacher/ Head of School and Senior Leadership Team to ensure the academy's financial processes and finance policies are followed. They will be responsible for the effective use of resources within their organisation and will notify the Headteacher/ Head of School of any issues.

The Governance Professional (Clerk to the Board)

The academy trust will appoint a suitably qualified governance professional/clerk to the board who is someone other than a trustee, headteacher or CEO of the trust.

General Requirement

- 2.13 All employees of the academy are expected to act professionally and with integrity and follow the internal control framework and financial policies of the academy. All staff with

financial management responsibilities should have access to the information and training required to perform their financial duties.

Register of Interests

- 2.14 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 might arise all academy trustees 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 is open to public inspection.

The trust must keep a register of any relevant business and financial interests, including governance roles in other educational institutions, for (as a minimum) members, trustees, local governors and senior employees, serving at any point over the past 12 months.

The register must include their full names, date of appointment, term of office, date they stepped down (where applicable), who appointed them and relevant business and financial interests including:

- directorships, partnerships and employments with businesses
- trusteeships and governorships at other educational institutions and charities
- for each interest: the name and nature of the business, the nature of the interest and the date the interest began.

The register must identify relevant interests from close family relationships between the academy trust's members, trustees or local governors. It must also identify relevant interests arising from close family relationships between those individuals and employees.

Trusts should consider whether other interests should be registered, and if in doubt should do so. Boards of trustees must keep their register of interests up-to-date at all times.

The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the governing body or a committee. Where an interest has been declared, governors and staff should withdraw from that part of any committee or other meeting.

All Governors and academy staff must be given the opportunity to verbally declare previously undeclared interests, and any previously declared interests that may be relevant to the agenda, at every committee and Governing Body meeting.

In accordance with the Academy Trust Handbook the business interests of the trust's directors will be published on the academy's website and will be kept up to date at all times.

Trading with Connected Parties

- 2.15 In accordance with the Academy Trust Handbook the following will apply to goods or services provided by individuals or organisations connected to the academy trust:

The trust must pay no more than 'cost' for goods or services provided by a connected party as defined by the Academy Trust Handbook.

The academy must ensure that any agreement with a connected party is procured through an open and fair process and is supported by a statement of assurance from the individual or

organisation to the trust confirming that their charges do not exceed the cost of goods or services.

The 'at cost' requirement applies to any transactions for goods or services exceeding £2,500 cumulatively in a financial year.

Related Party Transactions

- 2.16 Trustees must ensure they avoid conflicts of interest, do not accept benefits from third parties and declare interests in proposed transactions and arrangements. No member, trustee, local governor, employee or related individual or organisation may use their connections for personal gain and no payments can be made to trustees unless permitted by the articles or by authority from the Charity Commission.
- 2.17 Trustees must report all transaction to related parties to the DfE in advance of the transaction taking place, using the DfE's on-line form.
- 2.18 Trustees must obtain DfE's approval for related party transactions that are;
- novel, contentious and or/repercussive in line with the ATH para 5.5
 - the contract exceeds £40,000
 - a contract of any value that would take the total value of contracts with the related party beyond £40,000 in the same financial year

Tax arrangements for senior employees

- Trusts must ensure that their senior employees' payroll arrangements fully meet their tax obligations and comply with HM Treasury's guidance about the employment arrangements of individuals on the avoidance of tax (ref. paragraph 2.30 of the ATH).

Electric Vehicle (EV) Salary Sacrifice Schemes

- Electric Vehicle (EV) salary sacrifice schemes do not need DFE approval where no liability falls on the trust if an employee does not fulfil their contractual obligations with the scheme provider. For other types of EV salary sacrifice schemes, or where the trust is under an Ntl, prior DFE approval must be obtained.

3.0 DAY-TO-DAY DELEGATION OF AUTHORITY

Expenditure Limits

3.1

The Headteachers/ Heads of School can authorise expenditure up to £2499.99 on goods and services.

Avoidance of obtaining higher authority by raising a sequence of smaller orders in place of one large order is not permitted.

The Headteacher / Head of School may also authorise higher levels of expenditure for utility charges provided the value authorised has been clearly documented and approved by the Board in the school budget.

If the value to be authorised exceeds the Headteacher's / Head of School's limit for goods and services, or the value set aside for utilities in the school budget, then a higher level of approval is required, as specified below.

Authorisation for expenditure that is between the values of £2,500 and £24,999.99 must be referred to the CEO.

Authorisation for expenditure of £25,000 and above must be referred to the Trust Board. The Chair of the Trust Board has authority to approve all such expenditure on behalf of the Trust Board. Any such expenditure should then be minuted at the next Trust Board meeting.

For small emergency repairs, the Site Manager is able to authorise minor building repairs, where they are of an emergency nature, up to a value of £500 on any one repair. This should be evidenced in writing.

Funding

- 3.2 The Finance, Audit and Risk Committee will ensure that information submitted to the DfE and DFE that affects funding is accurate and complete.

The board of trustees will challenge pupil number projections and review these termly.

The FOs for each academy will prepare the monthly funding reconciliation, the CFOO is responsible for reconciling the trust's funding budget entered on the academy's financial accounting system with the monthly funding information provided by the DFE and other government agencies. This reconciliation should be completed on a monthly basis and reviewed by the Accounting Officer.

Write-offs and entering into liabilities

- 3.3 The write-off of debts owed to the academy, can be approved as follows;

Up to £25 – CFOO

£26 to £250 – Headteacher/ Head of School

£251 to £1,000 – CEO

£1,001 to £44,999 – Trust Board

DFE Approval needed for writing-off debts and losses and for entering into guarantees, letters of comfort or indemnities which are not in the normal course of business over 1% of total annual income or £45,000 per single transaction (whichever is the smaller); or 2.5% or 5% of annual income cumulatively (See Academies trust handbook 3.6) subject to a £250,000 ceiling.

The trust should always pursue recovery of overpayments within practical and legal limitations. The trust should only consider writing off losses if no feasible alternative

A sequence of smaller write offs, all within the above limits, to cover a larger write off is not permitted.

All write offs must be formally recorded in the minutes of the meeting that which they were reported and discussed.

Before accepting any liabilities by guarantee, letter of comfort or indemnities the trust should secure value for money by appraising the proposal. The Trust must ensure that the value of any liability is within its delegated authority to commit.

Guarantees, Letters of Comfort or Indemnities

The Headteacher / Head of School can authorise the guarantees, letters of comfort or indemnities of £250 per single item. Authority for transactions above this amount but below (per single item) £1,000 must be approved by the LB. Transactions above £1,001 (per single item) must be referred to the Trust Board. Any transactions over £45,000 must be approved by the DFE Cumulative transactions (cross-trust) – transactions over 5% of total annual income in any one financial year must be approved by DFE Delegated authority detailed above is subject to a maximum of £250,000 before DFE approval is sought. All transactions must be formally recorded in the minutes of the meeting at which they were reported and discussed.

Gifts

3.4 Refer to the Trust's Gift and Hospitality policy contained in the Trust's Code of Conduct.

The Trust must ensure that gifts by the Trust have the reason documented and have regard to propriety and regularity.

Acquisition and Disposal of Fixed Assets or Adjustments to Academy Inventory

3.5 The Headteacher / Head of School can authorise the disposal / adjustment of recorded academy inventory items up to the value of £250. Authority for disposals / adjustments above this amount but below £1,000 must be approved by the CEO. Disposals/adjustments above £1,001 must be referred to the Trust Board.

The Trust must seek and obtain prior written approval from DFE for the following transactions:

- acquiring a freehold of land or buildings
- disposing of a freehold of land or buildings
- disposing of heritage assets beyond any limits set out in the trust's funding agreement in respect of the disposal of assets generally

All disposals / adjustments must be formally recorded in the minutes of the meeting at which they were reported and discussed.

The Trust must ensure that any disposal achieves the best price that can reasonably be obtained, and maintains the principles of regularity, propriety and value for money.

DFE's prior approval must be obtained for property transactions which are novel, contentious and repercussive.

Mileage Allowances and Subsistence Claims

3.7 The academy will reimburse mileage expenses to individuals for business journeys at a rate in accordance with the limitations set out by HM Revenue & Customs. The claimant is entitled to be notified of this rate in advance of commencing their journey. The claimant must have suitable insurance in place to cover both the vehicle and passengers. A VAT registered fuel receipt must accompany every mileage claim, indicating that duty has been paid on sufficient fuel for the distance covered (approximately 27% of the mileage claims) in order for the academy to be able to reclaim VAT.

- All expense claims are to be authorised by the Headteacher / Head of School.
- The CEO must authorise all claims relating to the Headteacher / Head of School and the TB for all claims relating to the CEO.
- All expense claims are to be supported by VAT receipts (or other appropriate evidence of expenditure) which must be attached to the claim. Claims for subsistence can only be claimed to the maximum stated below.
- Rates of subsistence will be paid at the rate and within the conditions that adhere to the Academy Trusts policy on travel and subsistence allowances.

Breakfast	£5.00
One meal (5 hour) rate	£5.00
Two meal (10 hour) rate	£10.00
Late Evening Meal rate	£15.00

- Claims for the purchase of alcohol will not be reimbursed.
- The academy may not reclaim VAT without a proper VAT receipt.
- The Trust's funds must not be used to purchase alcohol for consumption, except where it is to be used in religious services.

Receiving of Goods / Acknowledgement of Service

3.8 The person accepting the goods will be responsible for signing the delivery note to confirm the correct goods have been received.

Staff Appointments/Terminations

3.9 The Trust Board have approved a personnel establishment for the trust. Changes can only be made to the establishment with the express approval of the Trust Board who will also ensure that adequate budgetary provision exists for any changes.

The approval required for the appointment of staff or changes to contract is as follows:

Headteacher Appointment	The Board of Trustees
Deputy Headteacher	The Board of Trustees
Chief Financial Officer	The Board of Trustees
All other staff	Headteacher subject to the agreed establishment and budget constraints and in accordance with the Trust's recruitment and appointment policy.

3.10 The FO for each academy maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the FO immediately.

3.11 All relevant forms and paperwork with regard to the appointment of or amendment to contracts of staff should be sourced from the trust's Human Resources service provider. All personnel pre-employment checks should be completed and relevant clearances obtained for all staff before they start their employment.

In complying with the [Independent School Standards](#), and as set out in funding agreements, academy trusts **must** ensure enhanced Disclosure and Barring Service (DBS) certificates are obtained as appropriate for all staff and supply staff.

Special staff severance payments

3.12 The Board of Trustees has authority to approve individual staff severance payments as per the academies trust handbook, providing the non-statutory/ non contractual element is under £50,000 (before income tax and other deductions). If the Trust is considering making a staff severance payment above the statutory or contractual entitlements, it must consider the issues set out in section 3.3.3 of the Academies trust handbook.

3.13 For non-statutory / non-contractual payments of £50,000 or more (before income tax and other deductions) prior approval must be obtained from the DfE before the Trust makes any offer to staff. Settlements must not be accepted unless they satisfy the conditions of the academies trust handbook and in DfE's guidance and submission template.

Additionally, in accordance with HM Treasury's [Guidance on Public Sector Exit Payments](#), the Trust must obtain prior DfE approval before making a special staff severance payment where any of the following apply:

- an exit package of £100,000 or above includes a special severance payment
- the employee earns over £174,000
- a payment is novel, contentious or repercussive (section 3.5 of HM Treasury's guidance contains examples of such payments including where an exit package includes a confidentiality agreement).

3.14 The trust must ensure that the use of confidentiality clauses associated with staff severance payments do not prevent an individual's right to make disclosures in the public interest (whistleblowing) under the Public Interest Disclosure Act 1998; the use of confidentiality clauses are novel, contentious or repercussive, and so **must not** be used unless the trust has obtained prior DfE approval and they **must not** be used to prevent DfE from obtaining sufficient information from trusts to fully assess such payments under its regulatory role.

Compensation payments

3.15 If the trust is considering making a compensation payment (as defined in section 3.3.8 of the Academies trust handbook) the decision must be based on a careful appraisal of the facts, including legal advice where relevant, and ensure that value for money will be achieved. Academy trusts have delegated authority to approve individual compensation payments provided any non-statutory/non-contractual element is under £50,000. Where the trust is considering a non-statutory/non contractual payment of £50,000 or more DfE's prior approval must be obtained.

3.16 The trust should routinely consider whether particular cases reveal concerns about the effectiveness of internal control systems, and take any necessary steps to put failings right.

Ex gratia payments

3.17 Ex gratia transactions must always be referred to DfE for prior authorisation. HM Treasury approval may also be needed dependent on the nature of the transaction.

Payment of Additional Hours

3.18 With regard to staff overtime the Headteacher / Head of School is authorised to incur expenditure up to the level agreed within the annual budget. Beyond this limit, the CEO can approve overtime up to £5000 in excess of the agreed budget. Any overtime in excess of £5000 over the agreed budget must be approved by the Trust Board. No overtime should be undertaken without the prior approval of the Headteacher / Head of School .

Overtime forms should be signed by the relevant line manager.

Monitoring Salary Payments

3.19 It is the responsibility of the CFOO to ensure that systems are in place to record all staff contract details and that they are regularly updated to take account of new appointments, amendments and terminations of employment. This will ensure that all information on the academy's financial accounting system is correct and will avoid distortion of financial information.

Any payroll transactions relating to the CEO or Headteacher will be authorised by the Trust Board of Trustees.

Supply Staff

3.20

- a) All supply staff will be appointed by the Headteacher or as otherwise directed by the Headteacher. At the same time the appropriate commitment for the estimated costs incurred will be entered on to the academy finance system. It is the responsibility of the FO to ensure this is done.
- b) It is the responsibility of the individual member of staff to agree with their line manager the hours worked in the particular payment period. The line manager will then authorise the claim and forward it to the FO. If a dispute arises over hours claimed, the Headteacher will be informed immediately.

Contract Approval/Leases

3.21 Any contractual commitment with a term of longer than 12 months and over the value of £25,000, including lease agreements, will require the approval of the Trust Board.

3.22 The Trust does not require DfE's approval for operating leases except for some transactions relating to land or buildings. The Trust must obtain DfE's prior approval for the following leasing transactions:

- taking up a finance lease on any asset not on the DfE approved list in **Changes to leasing agreements for academy trusts** for any duration from another party, which are subject to the borrowing restrictions
- taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party

3.23 Trusts must ensure that any lease arrangement maintains the principles of value for money, regularity and propriety whether or not DfE's prior approval is required. Trusts should seek advice from their professional financial adviser and/or external auditor if they are in any doubt over whether a lease involves an element of borrowing.

Borrowing

- 3.24 The Trust must manage its cash position robustly. The Secretary of State's general position is that academy trusts will only be granted permission for borrowing in exceptional circumstances.
- The academy's bank and / or building society must be informed that the accounts must never become overdrawn.
 - The academy must seek the DfE's prior approval for borrowing (including overdraft facilities and finance leases), where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, and regardless of the interest rate chargeable.
 - Credit cards must only be used for business (not personal) expenditure and balances cleared before interest accrues.
 - The trust may enter into limited schemes introduced by the Secretary of State, e.g. the Department's Condition Improvement Fund for capital projects and the Salix loan scheme designed to support energy saving.

Insurance

- 3.25 The Trust must have adequate insurance cover in compliance with legal obligations or be a member of DfE's risk protection arrangement. Insurance cover will be arranged at the TB level for each academy. Insurance cover will include: Public Liability, Buildings and Contents, Terrorism, Business Interruption, Employer Liability, Hirers Liability, Trustees Liability, Personal Accident, Motor and Engineering.
- 3.26 If maternity or sick pay insurance is required this will be arranged at the TB level.
- 3.27 Business continuity plans should be established in each academy by the Headteacher, reviewed and monitored by the LB and reported to the TB annually.
- 3.28 The trust must cooperate with risk management auditors and risk managers and implement reasonable risk management audit recommendations that are made to them.

Notices to Improve

- 3.29 Aforementioned delegated authorities will be waived if the academy trust is subject to a Notice to Improve. All transactions by the trust must then be approved in advance by DfE (ref. paragraph 6.17 of the ATH).
- 3.30 All terms of the Notice to Improve will be adhered to.
- 3.31 If the Trust is subject to an Ntl, the Trust must publish the Ntl on its website within 14 days of it being issued, and left on the website until the Ntl is lifted by DfE.

4.0 FINANCIAL PLANNING AND REVIEW

Budget Planning / Setting

- 4.1 The school's overall budget plans (both one year annual and multiyear forward financial plans) will be prepared by the Headteacher and CFOO in consultation with the LB. The budget will be prepared having regard to all known needs of the school including the School Development Plan and the Asset Management Plan. It is the responsibility of the CFOO to ensure that all the required budgeting paperwork is signed by the LB and submitted to the Finance, Audit and Risk committee and the Trust Board in accordance with the published timetable.
- 4.2 Detailed records will be kept of all information used in preparing the budget, including estimations of staffing requirements and calculations of all costs, cross referenced to the assumptions made.
- 4.3 The CFOO and FOs will be responsible for ensuring that the school has budget business plans in place for all trading activities e.g. catering, uniform sales, lettings etc. The business plan should clearly show the anticipated operating surplus or deficit. If a subsidy is required from restricted funds to cover a budgeted deficit, then this must be formally approved by the TB and recorded in the minutes of the meeting at which it was discussed and agreed. All budgeted business plans should be clearly linked to the School Development Plan.
- 4.4 The school budget will be reviewed by the LB, the finance, audit and risk committee and submitted to the Board of Trustees for approval.

The Board of Trustees must notify DFE within 14 days if it is formally proposing to set a deficit revenue budget for the current financial year which it is unable to address, after unspent funds from previous years are taken into account.
- 4.5 The approved budget should be promptly loaded onto the academy's financial accounting system.
- 4.6 A copy of the signed budget plan is to be placed in the minute file and a further copy retained on the Trustee Portal.

Budget Monitoring

- 4.7 The CFOO will be responsible for monitoring actual income and expenditure against budget for each line item and producing and circulating appropriate reports to the LB, finance, audit and risk committee and Trust on a monthly basis. Urgent budget issues will be reported to the CFOO and TB immediately.
- 4.8 In accordance with the Academies trust handbook, the FO will prepare and circulate monthly management accounts, including income and expenditure reports on an accruals basis, budget variance reports, cash flow forecasts and balance sheets to the Headteacher and Chair of the Trust. At each LB, finance, audit and risk committee and Trust Board meeting the latest monthly management accounts will be provided, together with a written explanation of significant variances against budget, and with a projection of income and expenditure to the year-end. The CFOO will provide a detailed explanation on all variances greater than £1000.

Financial Returns

- 4.9 The CFOO will be responsible for preparing all the financial returns required by the Education and Skills Funding Agency. All returns will be completed in the required

timescales. The Trust will cooperate with National Audit Office officials and their contractors and provide such help, information and explanation as is reasonable and necessary.

The DfE will consolidate the annual accounts of each academy trust into a sector annual report and accounts (SARA). DfE will use audited 'accounts returns' and other information to generate the SARA, which will be audited by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (C&AG). The NAO will audit the SARA in accordance with HM Treasury's Financial Reporting Manual, which largely follows International Standards on Auditing, and will undertake appropriate procedures in accordance with that framework to satisfy the C&AG that these accounts are true and fair. To this end, each trust is a component of the SARA and the trust must prepare the financial information requested by DfE for this purpose.

Academy trusts' auditors will be required by DfE to audit certain information, and this requirement should be incorporated within the terms of engagement. The C&AG must reach an opinion on regularity for DfE's own accounts, and for this will draw on the regularity opinions expressed by trusts' auditors.

- 4.10 In order to give a true and fair view the financial statements for the annual accounts must be prepared according to the requirements of the Companies Act 2006 and Regulations made under the Act, and applicable United Kingdom accounting standards. Academy trusts must also prepare their accounts in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (revised) ('the SORP'). They must also be prepared in accordance with the accounting policies agreed by the Board of Trustees. A copy of the SORP together with accompanying information sheets, other Charity Commission guidance and legislation are available to view and download from the Charity Commission website at:

http://www.charitycommission.gov.uk/Charity_requirements_guidance/Accounting_and_reporting/Preparing_charity_accounts/

- 4.11 The Board of Trustees is responsible for approving the academy's annual accounts and annual report and ensuring the annual accounts are audited and submitted to the Education and Skills Funding Agency by the required deadlines. Details of the all financial information required are as set out in the latest Accounts Direction for the year being reported.
- 4.12 In addition to submitting accounts to the Education and Skills Funding Agency, under section 442 (2a) of the Companies Act 2006, accounts must be filed with Companies House within 9 months of the end of the accounting period.
- 4.13 The Companies Act 2006 requires the Academy to publish its Annual Accounts and Annual Report. The Trust must publish the annual accounts on the academy's website no later than the end of January following the financial year to which the accounts relate.
- 4.14 The trust must disclose aggregate figures for transactions of any amount, and separate disclosure for individual transactions above £5,000, in their audited accounts for each of the following transactions:
- gifts made by the trust
 - writing off debts and losses
 - guarantees, letters of comfort and sev

- special payments – compensation and ex gratia
 - acquisition of a freehold of land and buildings
 - disposal of a freehold of land and buildings and of heritage assets
 - taking up a leasehold on land and buildings or granting a leasehold on land and buildings
- 4.15 The following transactions must be disclosed in total, and individually: special payments – staff severance, of any value.
- 4.16 Other than what is required under financial reporting standards, the Charities SORP and the accounts direction, disclosure can be anonymised.
- 4.17 The Trust must provide DFE with access to all books, records, information, explanations, assets and premises. Academy trusts must provide DFE with written authority giving permission for any third party to provide such information and documentation to DFE or its agents on request of DFE. The Trust must retain all records necessary to verify the provision delivered by it for at least six years after the end of the period to which funding relates.

INTERNAL SCRUTINY

- 5.1 The Trust must have sound internal control, risk management and assurance processes. The academy must establish a robust control framework that recognises public expectations about governance, standards and openness. The objectives of Internal Control are to give the Academy Trust confidence that as far as is reasonably possible:
- a) the academy's accounting records are accurate and complete
 - b) the financial procedures in operation minimise the risks of misappropriation of funds and assets
 - c) the trust achieves best value.
- 5.2 The trust's internal control framework must include:
- co-ordinating the planning and budgeting processes
 - applying discipline in financial management, including managing debtors, creditors, cash flow and monthly bank reconciliations with appropriate segregation of duties
 - preparation of monthly budget monitoring reports
 - ensuring that delegated financial authorities are respected
 - effective planning and oversight of any capital projects
 - the management and oversight of assets
 - the propriety and regularity of financial transactions
 - reducing the risk of fraud and theft
 - ensuring efficiency and value for money in the organisation's activities
 - a process for independent checking of financial controls, systems, transactions and risks
 - a competitive tendering policy.
- 5.3 The Finance Officer is responsible for carrying out monthly bank statement reconciliations for all bank accounts within two weeks of each month end. All discrepancies are to be

investigated immediately and reported to the Headteacher and, if appropriate, the bank. The CFOO will review the bank reconciliations and report to the Head teacher.

5.4 The Finance Officer is responsible for ensuring that VAT transactions are recorded accurately and the VAT control account is reconciled to support in the preparation of the VAT return.

5.5 The Trust must have a programme of internal scrutiny to provide independent assurance to the board that its financial and non-financial controls, and risk management procedures, are operating effectively.

Internal scrutiny must focus on:

- evaluating the suitability of, and level of compliance with, financial and non-financial controls. This includes assessing whether procedures are designed effectively and efficiently, and checking whether agreed procedures have been followed

- offering advice and insight to the board on how to address weaknesses in financial and non-financial controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of the trust

- ensuring all categories of risk are being adequately identified, reported and managed

The Trust recognises that there must be a process for independent checking of financial controls, systems, transactions and risks as set out in Part 3 of the Academies trust handbook. The TB is responsible for driving and monitoring this process. The Trust must identify on a risk-basis (with reference to its risk register) the areas it will review each year, modifying its checks accordingly. The principles surrounding internal scrutiny are set out in the ATH.

Of the options available to academies set out in the Academies trust handbook, the academy has selected to have a bought in Internal Audit service.

5.6 The Internal Audit service will provide the Trust with independent assurance that:

- the financial responsibilities of the Trust's Board of Trustees are being properly discharged
- resources are being managed in an efficient, economical and effective manner
- sound systems of internal financial control are being maintained
- financial considerations are fully taken into account in reaching decisions

5.7 The findings from the above programme of work must be made available to the finance, audit and risk committee promptly. At each finance, audit and risk committee meeting an update report will be provided including recommendations where appropriate to enhance financial and other controls and risk management. A short annual summary report must be provided to the finance, audit and risk committee for each year ended 31 August outlining the areas reviewed, key findings, recommendations and conclusions, to help the committee consider actions and assess year on year progress. Whilst the finance, audit and risk committee is responsible for directing the internal scrutiny, the findings must also be made available to all trustees promptly.

The Trust must keep its approach to internal scrutiny under review. If it changes in size, complexity or risk profile, it should consider whether its approach remains suitable.

The Trust Board must confirm in its governance statement accompanying its annual accounts, which of the options it has applied and why. The outcome of the work should also inform the accounting officer's statement of regularity in the annual accounts. The trust must submit its annual summary report of the areas reviewed, key findings, recommendations and conclusions (as presented to the finance, audit and risk committee under section 3.15 by the organisation carrying out the programme of work) to DFE by 31 December each year when it submits its audited annual accounts. The trust must also provide DFE with any other internal scrutiny reports if requested.

5.8 It is a legal requirement for the Academy trust to prepare audited accounts. The audited accounts must be:

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

In accordance with the Companies Act 2006 the Trust must appoint a statutory auditor to audit the accounts and certify that they are "true and fair" (appointment being by the members). Trusts should retender their external audit contract at least every five years and must consider the relevant points in [4.17](#) ATH when evaluating.

The contract for the audit must take the form of a written letter of engagement. The letter of engagement must only cover the external audit. If additional services are to be purchased, a separate letter of engagement must be obtained which must specify the precise requirements of the work and the fees to be charged. The Headteacher and CFOO will be required to ensure that up to date and accurate accounts are available and that year end processes are followed. The CFOO and Headteacher will need to be available to support the statutory auditors in conducting their work.

A review of the accounting officer's statement must be included within the remit of the Trust's external auditors. The auditor's conclusions on regularity must be addressed jointly to the trust and to DFE.

The audit process can support trusts by identifying areas that may require improvement. The board of trustees, taking advice from the finance, audit and risk committee, must ensure there is an appropriate, reasonable and timely response by the trust's management team to findings by external auditors, taking opportunities to strengthen systems of financial management and control.

5.9 The letter of engagement must provide for the removal of auditors, before the expiry of the term of office, in exceptional circumstances. Proposals to remove auditors must require a majority vote of the members who must provide reasons for their decision to the academy Trust's Board. If the auditors resign, there must be a requirement in the letter of engagement for them to provide the trust with an explanation, within 14 days of their resignation.

5.10 The Trust Board must notify DFE immediately of the removal or resignation of the auditors. In the case of removal, the trust's board must notify DFE of the reasons for the removal. In the case of resignation, the trust must immediately copy to DFE a statement of explanation from the auditors. A change in auditor at the expiry of their agreed term of office does not require notification to DFE.

Separation of duties

- 5.11 It is the responsibility of the Headteacher to ensure that key financial duties are properly separated between individuals. Functions to be separated between staff will include:
- a) Execution – the placing of an order and receipt of goods and services, and the charging and receipt of a fee.
 - b) Authorisation – the authorisation of a transaction such as a purchase order and the payment.
 - c) Payment – the raising of cheques / BACS and cheque / BACS signatories.
 - d) Custody – the holding of goods and services.
 - e) Recording – the completion of the accounting records
 - f) Post transaction management checking– reviewing previous transactions to identify errors or intentional manipulation

Accounting Arrangements

- 5.12 The financial transactions of the academy must be recorded in accordance with Trust's approved accounting policies and recorded on the Iris financial accounting system. All transactions input into the accounting system must be authorised in accordance with the procedures specified in this manual.
- 5.13 Entry to the accounting system is password restricted. Staff must follow the academy's eSafety policy with respect to passwords and password security. In particular, staff must always use their own personal passwords to access computer based services. Staff must make sure they enter their personal passwords each time they logon. Temporary passwords must be changed at the first logon. Passwords should be changed whenever there is any indication of possible system or password compromise. The academy must be registered under the Data Protection Act.
- 5.14 Access to the component parts of the accounting system can be restricted and the CFOO is responsible for determining access levels for all members of staff using the system.
- 5.15 The Trust will have a standard chart of accounts which will be used by the individual academies. Requests to set up new ledger codes need to be made to the CFOO.
- 5.16 The CFOO is responsible for ensuring there is an effective back up procedure for the accounting system.
- 5.17 The FO is responsible for ensuring the following reconciliations are carried out on a monthly basis and account balances reviewed.
- Debtor control accounts – not currently used in the Trust
 - Creditor control accounts
 - VAT control accounts
 - Payroll control accounts
 - Sundry creditors/accruals
 - Sundry debtors/prepayment
 - Suspense accounts
 - Intra-company accounts

- Fixed asset accounts
- Any other balance sheet accounts as appropriate

Any unusual or long standing reconciling items should be brought to the attention of the CFOO.

The CFOO is responsible for ensuring the following reconciliations are carried out on a monthly basis and account balances reviewed.

- Bank account
- VAT account
- Intra-company accounts.

6.0 ASSETS AND INVENTORY

6.1 The FO should ensure that all items which have a useful life and value lasting more than one year and which is above the de minimis level set in the Trust's accounting policies (currently £1,000) are recorded on a fixed asset register and capitalised in the accounting system. The asset register should include the following information.

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- expected useful economic life
- depreciation
- current book value
- location
- supplier
- warranty information

6.2 Condition of the items should be reviewed annually and adjustments made to the register if required.

Inventory

6.3 Each academy in the trust will keep an inventory to

- Ensure proper physical control of academy equipment.
- Provide a basis for insurance cover and claims if equipment is damaged or destroyed.
- Provide an up-to-date record of the equipment available for teaching purposes.
- Help the academy plan its equipment replacement programme.

6.4 All portable items of equipment will be security marked with the postcode of the academy. If the academy chooses to use an invisible form of marking then the item of equipment must carry a visible reference to the fact that the equipment has been security marked. Items not security marked are potentially not covered by insurance.

6.5 The following categories of inventory will be entered in the inventory register at the time of acquisition by the academy:

- All items valued at £250 or more at the time of acquisition or purchase, either individually or as a set.
- Items below the value noted in (i) above but which are considered attractive and portable.
- Items considered by the Headteacher as being worthy of inclusion.
- Items hired to or leased by the academy, that match any of the above criteria will be included, but identified accordingly.

6.6 The inventory register will record the following information;

- Item description.
- Serial number or asset reference number.
- Date acquired.
- Acquisition cost.
- Asset location.
- If item has been security marked.
- Date of last physical check.

6.7 The FO is responsible for maintaining the inventory register.

6.8 All inventory items recorded in the register will be checked annually by the Leadership Team and certified as correct. Any adjustments arising from the physical check must be authorised as laid down in 3.5 above. Evidence of the annual check taking place will be by date and signature of the person responsible for the check on the inventory sheets used for the check. These sheets will be retained on file for at least 24 months to provide an audit trail for changes made to the register as a result of the check.

6.9 All authorised disposal of academy inventory must be recorded, showing the method of disposal and the authority for such action (see Section 3.5).

6.10 A separate 'Off Site Register' shall be kept for all items loaned to members of staff and pupils. In the event of any items not being on site when the inventory is checked, reference shall be made to this on the documentation used for the inventory check.

BANKING ARRANGEMENTS

7.1 All decisions with regard to choice of banking service provider and subsequent banking arrangements will be made by the Trust Board.

7.2 The TB must ensure that the academy accounts never become overdrawn. The FO is responsible for preparing cash flow forecasts. Any concerns regarding cash flow should be reported to the CFOO. If significant cash shortfalls have been identified and are unexpected, this should be promptly investigated, ensuring all income due for the period has been received and that expenditure is not irregular. The investigation and its results should be reported to the LB and the Trust Board. If fraud is suspected, the academy's Whistleblowing policy should be followed, including notifying the DfE if the fraud is significant.

- 7.3 The FO is responsible for carrying out monthly bank statement reconciliations for all bank accounts within two weeks of month end. Any unreconciled payments older than six months, and unreconciled receipts older than one month, must be investigated and appropriate action taken.
- 7.4 Trustees and governors will wish to maximise income as far as possible and, where appropriate, a high interest or deposit account will be maintained, in addition to the normal current account. The LB need to ensure compliance with the Trusts Investment Policy.
- 7.5 All cheques and in-branch payments including direct debits in respect of Shenfield St. Mary's CofE Primary School main Lloyds Bank account must be authorised in line with the delegated authority set out below and retained on file for reference.

Authorised Signatories

Chair of Board of Trustees

Vice Chair of the Board of Trustees

CEO

Head of School

Assistant Head of School

Up to £2,500	Any two from Head of School and Assistant Head of School
£2,501 - £24,999.99	Any one from Head of School or Assistant Head of School plus CEO
£25,000 and over	CEO and Chair of Trust Board (Vice Chair of TB in the absence of Chair)

All online payments including BACs up to a value of £80,000 in respect of Shenfield St. Mary's CofE Primary School main Lloyds Bank account must be authorised by the Head of School in writing on the BACS list and the individual invoices are to be signed by the Head of School and Assistant Head of School, then approved online by the CFOO as Approver 1 and then the Assistant Head of School as Approver 2. If the CFOO is unavailable for more than 3 days the FO can act as Approver 1 and if the Assistant Head of School is unavailable for more than 3 days a TLR teacher can act as Approver 2 and signatory of the invoices.

Prior to BACS approver 1 any invoice over £25k together with the associated purchase order will be emailed to the Chair of the Board for electronic signing / email written approval. BACS payment can only commence once the electronic approval from the Chair (or Vice Chair if the Chair is unavailable for more than 3 days) has been received, printed off and attached to the physical invoice in the BACS documentation.

All cheques and other instruments authorising withdrawal (including direct debits and standing order payment) in respect of Shenfield St. Mary's CofE Primary School's Nat West Bank must be authorised by two of the following authorised signatories, and retained on file for reference.

Chair of Board of Trustees

Vice Chair of the Board of Trustees

- 7.6 All cheques and in-branch payments including direct debits in respect of Mountnessing CofE Primary School main Lloyds Bank account and Mid Essex Anglican Academy Trust No. 2 account must be authorised in line with the delegated authority set out below and retained on file for reference.

Authorised Signatories

Chair of Board of Trustees

Vice Chair of the Board of Trustees

CEO

Headteacher

Deputy Headteacher

Up to £2,500	Any two from Headteacher and Deputy Headteacher
£2,501 - £24,999.99	Any one from Headteacher or Deputy Headteacher plus CEO
£25,000 and over	CEO and Chair of Trust Board (Vice Chair of TB in the absence of Chair)

All online payments including BACs up to a value of £80,000 in respect of Mountnessing CofE Primary School main Lloyds Bank account must be authorised by the Head Teacher or CEO in writing on the BACS list and the individual invoices must be signed by the Head Teacher / CEO and Deputy Head Teacher, then approved online by the CFOO as Approver 1 and then the Deputy Head as Approver 2. If the CFOO is unavailable for more than 3 days the FO can act as Approver 1 and if the Deputy Head of School is unavailable for more than 3 days the Head of School at Shenfield St Mary's can act as Approver 2 and signatory of the invoices.

Prior to BACS approver 1 any invoice over £25k together with the associated purchase order will be emailed to the Chair of the Board for electronic signing / email written approval. BACS payment can only commence once the electronic approval from the Chair (or Vice Chair if the Chair is unavailable for more than 3 days) has been received, printed off and attached to the physical invoice in the BACS documentation.

- 7.7 All cheques and in-branch payments including direct debits in respect of Bentley St Paul's CofE Primary School main Lloyds Bank account must be authorised in line with the delegated authority set out below and retained on file for reference.

Authorised Signatories

Chair of Board of Trustees

Vice Chair of the Board of Trustees

CEO

Headteacher

Deputy Headteacher

Up to £2,500	Any two from Headteacher and Deputy Headteacher
£2,501 - £24,999.99	Any one from Headteacher or Deputy Headteacher plus CEO
£25,000 and over	CEO and Chair of Trust Board (Vice Chair of TB in the absence of Chair)

All online payments including BACs up to a value of £80,000 in respect of Bentley St Paul's CofE Primary School main Lloyds Bank account must be authorised by the Head Teacher or CEO in writing on the BACS list and the individual invoices must be authorised by the Head Teacher / CEO and Deputy Head teacher, then approved online by the CFOO as Approver 1 and then the Deputy Head as Approver 2. If the CFOO is unavailable for more than 3 days the FO can act as Approver 1 and if the Deputy Head of School is unavailable for more than 3 days the Head of School at Shenfield St Mary's can act as Approver 2 and authoriser of the individual invoices.

Prior to BACS approver 1 any invoice over £25k together with the associated purchase order will be emailed to the Chair of the Board for electronic signing / email written approval. BACS payment can only commence once the electronic approval from the Chair (or Vice Chair if the Chair is unavailable for more than 3 days) has been received, printed off and attached to the physical invoice in the BACS documentation.

- 7.8 A current bank mandate must be retained on file and the mandated signatories should be consistent with those detailed above.
- 7.9 When banking money received (either cash or cheques) the bank paying in slips will be completed in full, clearly showing the split between cash and cheques, and each cheque will be listed separately. This may be by means of a Cash Analysis Sheet – clearly identifying the bank paying slip number.
- 7.10 All cheques and in-branch payments including direct debits in respect of Ingatestone and Fryerning CE Junior School main Lloyds Bank account must be authorised in line with the delegated authority set out below and retained on file for reference.

Authorised Signatories

Chair of Board of Trustees

Vice Chair of the Board of Trustees

CEO

Head of School

Assistant Head of School

Up to £2,500	Any two from Head of School and Assistant Head of School
£2,501 - £24,999.99	Any one from Head of School or Assistant Head of School plus CEO
£25,000 and over	CEO and Chair of Trust Board (Vice Chair of TB in the absence of Chair)

All online payments including BACs up to a value of £80,000 in respect of Ingatestone and Fryerining CofE Junior School main Lloyds Bank account must be authorised by the Head Teacher or CEO in writing on the BACS list and the individual invoices must be authorised by the Head Teacher / CEO and Deputy Head teacher, then approved online by the CFOO as Approver 1 and then the Deputy Head as Approver 2. If the CFOO is unavailable for more than 3 days the FO can act as Approver 1 and if the Deputy Head of School is unavailable for more than 3 days the Head of School at Shenfield St Mary's can act as Approver 2 and authoriser of the individual invoices.

Prior to BACS approver 1 any invoice over £25k together with the associated purchase order will be emailed to the Chair of the Board for electronic signing / email written approval. BACS payment can only commence once the electronic approval from the Chair (or Vice Chair if the Chair is unavailable for more than 3 days) has been received, printed off and attached to the physical invoice in the BACS documentation.

A current bank mandate must be retained on file and the mandated signatories should be consistent with those detailed above.

When banking money received (either cash or cheques) the bank paying in slips will be completed in full, clearly showing the split between cash and cheques, and each cheque will be listed separately. This may be by means of a Cash Analysis Sheet – clearly identifying the bank paying slip number.

- 7.11 All cheques and in-branch payments including direct debits in respect of Ingatestone Infant School main Lloyds Bank account must be authorised in line with the delegated authority set out below and retained on file for reference.

Authorised Signatories

Chair of Board of Trustees

Vice Chair of the Board of Trustees

CEO

Head of School

Assistant Head of School

Up to £2,500	Any two from Head of School and Assistant Head of School
£2,501 - £24,999.99	Any one from Head of School or Assistant Head of School plus CEO
£25,000 and over	CEO and Chair of Trust Board (Vice Chair of TB in the absence of Chair)

All online payments including BACs up to a value of £80,000 in respect of Ingatestone Infant School main Lloyds Bank account must be authorised by the Head Teacher or CEO in writing on the BACS list and the individual invoices must be authorised by the Head Teacher / CEO and Deputy Head teacher, then approved online by the CFOO as Approver 1 and then the Deputy Head as Approver 2. If the CFOO is unavailable for more than 3 days the FO can act as Approver 1 and if the Deputy Head of School is unavailable for more than 3 days the Head of School at Shenfield St Mary's can act as Approver 2 and authoriser of the individual invoices.

Prior to BACS approver 1 any invoice over £25k together with the associated purchase order will be emailed to the Chair of the Board for electronic signing / email written approval. BACS payment can only commence once the electronic approval from the Chair (or Vice Chair if the Chair is unavailable for more than 3 days) has been received, printed off and attached to the physical invoice in the BACS documentation.

A current bank mandate must be retained on file and the mandated signatories should be consistent with those detailed above.

When banking money received (either cash or cheques) the bank paying in slips will be completed in full, clearly showing the split between cash and cheques, and each cheque will be listed separately. This may be by means of a Cash Analysis Sheet – clearly identifying the bank paying slip number.

Non-payment signing rules relating to opening accounts, changing access, applying for new products or services for all Lloyds Bank accounts in the Trust require authorised signatory from the CEO and either the Chair of the Trust Board or Vice Chair of the Trust Board.

Intercompany transfers on Lloyds Commercial Banking online

A paper will be drawn up outlining the intercompany transaction required for approval e.g VAT repayment, reimbursement of salary, central Trust contributions with supporting evidence.

The Trust finance assistant will create the intercompany transfer on Lloyds adding the bank accounts to be debited and credited, a reference and the amount. A payment detail report will be printed for approval and signature.

The CEO will approve intercompany transfers up to £24,999.99 and the Chair of the Trust will approve any transfers of £25,000 and over.

The intercompany transfer will be approved online by the CFOO as Approver 1 and then the Head of School at STM as Approver 2. If the CFOO is unavailable for more than 3 days the Trust FO can act as Approver 1 and if the Head of School at STM is unavailable for more than 3 days the Headteacher at MPS can act as Approver 2.

The Trust FO inputs a general journal into the payer and payee Iris system to reflect the intercompany transfer using a journal template. The Trust FO will print out the journals for signature by the CEO.

Investments

- 7.12 The Trust Board may invest to further the trust's charitable aims, but must ensure that investment risk is properly managed. The Trust must have a cautious approach to investments in line with the Academies trust handbook's principles (Section 2.3.6).

When considering making an investment the Trust Board of trustees must:

- act within their powers to invest as set out in their articles of association
- have an investment policy to manage, control and track their financial exposure, and ensure value for money
- exercise care and skill in all investment decisions, taking advice as appropriate from a professional adviser
- ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- ensure that all investment decisions are in the best interests of the trust and command broad public support
- review the trust's investments and investment policy regularly.

- 7.13 The Trust Board should follow the Charity Commission's guidance: CC14 Charities and investment matters: A guide for trustees. DFE's prior approval must be obtained for investment transactions which are novel and/or contentious.

- 7.14 All investments must be recorded in sufficient detail to identify the investment and to enable the current market to be calculated.

8.0 PURCHASING AND PAYMENT PROCEDURES

- 8.1 Staff will request the purchase of items or services via the completion of an Internal Order Form which will be sent to the Finance Officer or Finance Administrator.

- 8.2 On receipt of an order form a check will be carried out to determine that the appropriate budget has sufficient funds to meet the order and where sufficient budgeted funds are identified the Finance Officer or Finance Administrator will pass the Internal Order to the Headteacher for authorisation. On receipt of the authorised Internal Order the Financial Officer or Finance Administrator will raise a Purchase Order on the Iris financial system to send to the supplier/contractor. Reference will be made as appropriate to the procurement standards laid down by the academy trust.

- 8.3 Orders are to be authorised in accordance with the 'Authorisation Limits' set out in the front of these Regulations and section 3.1 of these Regulations.

- 8.4 If an order is placed verbally due to urgency an order form should be used to ensure that a commitment is promptly raised on the financial accounting system. It is not acceptable to

wait until the invoice/ delivery note is received before entering a commitment onto the financial accounting system.

- 8.5 All invoices received will be checked against the original order for accuracy (and delivery notes where appropriate) and entered promptly on the academy's financial system.
- 8.6 The cheque / BACS signatories process is set out in section 7 above.
- 8.9 The FO is designated to control cheques / BACS and must ensure that:
- a) A current bank mandate is kept on file and that the mandated signatories are consistent with those noted in 7.5 above.

BACS run reports are to be signed as set out in section 7 above

Prior to BACS approval an Account Audit report is viewed in IRIS to see if any changes have been made to the payee details within the last month, and if this is the first payment that has been made since the change in details, the first approver (normally the CFOO or assisted by the FO) must check the sort code and bank account details to the invoice or other printed information from the payee (e.g. in the form of an email). In addition, all changes to payee details must be checked by telephoning the company and asking for verification of the details held. These checks should be evidenced by initialling the payee details on the payment detail report printed from the bank's online system. The first approver (normally the CFOO or assisted by the FO) must also check that the payee details printed on the bank's Payment Detail Report agree to those on the suppliers invoice. The approvers should also ensure that the BACS run being approved follows consecutively from previous runs to identify any missing runs that may not have been included in the full approval process. Once the approver is satisfied that the payments to be made are appropriate the bank's verification process should be followed using a card and card reader.

- b) Cheque / BACS run reports are kept on file.
 - c) Spoiled cheques are cancelled on the financial system, defaced and retained on file to confirm that all cheques have been accounted for.
 - d) All blank cheques are securely stored and properly accounted for.
 - e) Blank cheques are not pre-signed
 - f) Where continuous cheque stationery is used, the approved format is complied with, in accordance with Trust guidance
 - g) All raised cheques / BACS are entered correctly on the financial accounting system.
 - h) Minimum remaining cheque levels are established with the bank.
- 8.10 The Headteacher must ensure that all prime financial records are retained for six financial years plus the current year and are stored in a secure and logical manner.
- 8.11 Cheques / BACS payments will be issued in accordance with the trading terms of the individual contractor or supplier since due regard must be taken of the 'Late Payment of Commercial Debts Regulations 2002'.
- 8.12 If discounts are available for prompt payment, then payments can be made immediately, having taken into account any loss of interest that might arise.
- 8.13 Each invoice will be annotated with the cheque/bacs number.

- 8.14 Original invoices must be marked as paid to ensure duplicate payments are not made, together with details of the cheque number/BACS paylist number.
- 8.15 Copy invoices are not to be paid unless verified that payment has not previously been made. References back to the original order are to be made in every case. Once the checks have been made, the invoice should be signed to confirm this and endorsed "copy invoice not previously passed for payment".
- 8.16 Under no circumstances are payments to be paid against statements.
- 8.17 Where appropriate, adequate checks are to be made that the contractors employed for buildings work have Public Liability Insurance Cover, minimum value £5,000,000. It is the responsibility of the Headteacher to ensure that this is complied with.
- 8.18 For any order or purchase which is estimated to be less than £5000 in value, for the supply of goods, materials or services, the Headteacher must ensure value for money is obtained.
- Once value for money has been demonstrated with a supplier repeat orders may be placed subject to annual review to ensure value for money is maintained.
- Orders and purchases between £5000 and £100,000 will be subject to the receipt of at least 3 competitive quotations, documentary evidence of the various quotations must be obtained and retained and appropriately authorised. Where a quotation other than the lowest is accepted authorisation from the TB is required.
- In exceptional circumstances and with the express approval of the Trust Board the requirement for 3 competitive quotations can be waived.
- The Trust Board can approve the renewal of specific contracts where it is shown that it would be impractical and highly unlikely to be deemed best value of money to obtain 3 quotes. This exemption relates to, but is not limited to, the Trust's MIS and Financial system contracts. At each renewal the Trust should minute that the contract continues to be fit for purpose and value for money.
- In accordance with agreed procurement standards, approval of contracts over £100,000 will only be made after following the tendering procedure. The Trust Board will oversee all tendering processes on behalf of the trust.

Internet Purchases

- 8.19 At all times, the same rigour of internal control must be placed on internet purchases as is normally applied to standard procurement with regard to separation of duties, authorisation controls and independent management checking.
- 8.20 The Finance Officer will be authorised to place online purchases. The internet order must be raised in the name of the academy with the academy's address, not to an individual.
- 8.21 Requests should be made in the normal manner, an official order should be raised on the financial accounting system and authorised as specified (section 8.3). Where possible the official order number should be quoted on the internet order as a cross reference.
- 8.22 It is the responsibility of the FO to ensure the internet is the most appropriate means for procurement.
- 8.23 The preferred method of payment for internet purchases will be the request of an invoice from the supplier, which can be paid via the academy's normal payment route. If this method of payment is not available the school credit card may be used. The correct authorisation procedure for purchases should still be adhered to (section 7).

- 8.24 Payment by an individual's personal credit card should only be considered in exceptional circumstances. The correct authorisation procedure for purchases should still be adhered to , and the academy retains the right to refuse to reimburse the individual if the academy's procedures are not followed.
- 8.25 Reimbursement to individuals should be made in the normal manner upon production of an original invoice / receipt. Supplier invoices, delivery notes and all relevant documentation should be obtained for all internet purchases and retained within the normal filing system. This is especially important if the academy is to recover any VAT element.
- 8.26 All purchases should only be made from secure websites. The use of online auction websites is not recommended.

Purchase cards

- 8.27 The school credit card may be used to purchase items if an invoice is not available.
- The card is issued in the name of the FO and has a limit of £5000
 - The card is held by the FO and the FO is authorised to use the card for online payments as detailed above
 - Cards are kept in the safe when not in use. The card may only be taken off site with the approval of the Headteacher
 - Card purchases are subject to the academy's purchase/expenditure limits/procedures as detailed above
 - Transactions must be processed immediately within IRIS. This will initially involve setting up an order against the Charge card control account. On receipt of the invoice the invoice will be processed against the Charge card control account. This will result in the Charge card control account having a credit balance which should be reconciled against the monthly statement.
 - The amount deducted from the main school bank account according to the statement should be accounted for as a direct debit journal between the actual bank account and the Charge card control account, clearing the credit balance on the charge card account, unless there are transactions since the date of the charge card statement.
 - Full VAT invoices should be obtained for all Charge card transactions to enable VAT to be reclaimed. If possible goods should not be ordered from suppliers that are not able to provide a VAT receipt.
 - Personal use is not permitted
 - Prime documents will be retained for 6 years +
 - Internet purchase limits are detailed above
 - Monthly statements are authorised by the Headteacher once the statement has been reconciled by the FO
 - Misuse of purchase card by individuals must be reported to the Headteacher/Chair of the Board of Trustees
 - Should the card be lost it must be reported immediately to Lloyds Bank and the Headteacher.

Retention of Records

- 8.28 Payroll records should be kept for 6 years plus current. Pension records must be retained for 40 years.

TENDERING PROCEDURES

Introduction to Tendering

- 8.29 Approval of contracts over £100,000 will only be made following the academy's tendering procedure. If the academy undertakes a high-value or EU-Qualifying purchase an Invitation to Tender will need to be issued as part of the process. An Invitation to Tender (ITT) is a pack of documents sent out to potential suppliers inviting them to submit a bid.
- 8.30 For more specialist or complex works and purchases, the academy may choose to appoint a professional third party to carry out the tender process on their behalf i.e. consultant, architect etc. If a third party is used, it is expected to apply these regulations with the same rigour and ensure that the principles of the Office of Government Commerce (OGC) Procurement Policy and Standards Framework are adhered to.

Forms of Tenders

- 8.31 There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

Open Tender: This is where all potential suppliers are invited to tender. The FO and Headteacher must discuss and agree how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

Restricted Tender: This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- there is a need to maintain a balance between the contract value and administrative costs,
- a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements,
- the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

Negotiated Tender: The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- the above methods have resulted in either no or unacceptable tenders,
- only one or very few suppliers are available,
- extreme urgency exists,
- additional deliveries by the existing supplier are justified.

Preparation for Tender

- 8.32 Full consideration should be given to the objective of project, overall requirements, technical skills required, after sales service requirements and form of contract. It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

- 8.33 If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

An invitation to tender should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project;
- terms and conditions of tender
- form of response.

8.34 **Aspects to Consider**

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation

Technical/Suitability

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers.

Other Considerations

- Pre sales demonstrations
- After sales service, warranties
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Tender Instructions

- 8.35 The invitation to tender should state the date and time by which the completed tender document should be received by the academy. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

Tender Opening Procedures

- 8.36 All tenders submitted should be opened at the same time and the tender details recorded. A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

At least two people should be present for the opening of tenders being either the Financial Officer or the Headteacher and a member of the LB.

Tendering Evaluation and Acceptance

- 8.37 The Trust Board has set a minimum requirement of 3 tenders for fair evaluation purposes and in the interest of achieving best value. In any consideration of less than that number being received, the Trust Board should consider whether this is sufficient and consider re tendering. Decisions to go ahead should fully document the justification.
- 8.38 The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.
- 8.39 Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.
- 8.40 Full records should be kept of all criteria used for evaluation and a report should be prepared for the Trust Board highlighting the relevant issues and recommending a decision. Approval in principal for undertaking the expenditure and following a tender process will already have been gained prior to the commencement of the process. The Trust Board should at that time agree a mechanism for delegating selection of the successful tenderer to those involved in the evaluation process if necessary due to timing of subsequent meetings. Where timescales allow, the acceptance of a tender should be ratified by the Trust Board prior to entering into a contract. However there may be times (for example the need for work to be undertaken during school closure periods, or for work to commence to ensure completion within a grant makers deadline) when there will not be a meeting scheduled to enable timely approval. This should be evident at the time the initial proposal is discussed with the Trust Board, and arrangements such as delegation of the tender acceptance or electronic approval should be agreed.
- 8.41 Where required by the conditions attached to a specific grant from the DfE / DFE, their approval must be obtained before the acceptance of a tender.
- 8.42 The accepted tender should normally be the one that is economically most advantageous in terms of best value to the academy that meets all the requirements. All parties should then be informed of the decision. Where a tender other than the lowest has been accepted, the reasons for its acceptance must be documented and reported to the Trust Board. All decisions made must be justified and recorded as such in the minutes of that meeting for future reference.
- 8.43 A copy of the tender documentation should be held on site for easy reference as required.
- 8.44 Acceptance of any tender will be confirmed to the contractor in writing and no work shall be started until this has been done.

- 8.45 Any contracts awarded will include a paragraph to the effect that any contractor will be prohibited from transferring or assigning, directly or indirectly, any portion of the contract to any other person or contractor, without the written permission of the Trust Board.

9.0 PETTY CASH

- 9.1 Petty cash is not held at the academy.
- 9.2 Minor items of expenditure can be paid for using the school credit card subject to the procedures set out above or reimbursed to staff through BACs / cheque payments.
- 9.3 All purchases regardless of size should be pre-authorized by the Headteacher. Purchases made by the Headteacher must be pre-authorized by the Chair of the Board of Trustees.
- 9.4 All payments made must be supported by a VAT receipt for the goods purchased.
- 9.5 The maximum amount of cash held in the academy at any time must never exceed the insured limit for the safe as set by the academy's insurance cover.
- 9.6 The Finance Officer will be responsible for the prompt entry of transactions onto the accounting system.

10.0 PAYROLL AND PERSONNEL PROCEDURES

- 10.1 All staff appointments, amendments to an employee's terms of employment and terminations of employment are to be made in accordance with the arrangements laid down in 3.9.
- 10.2 Neither the Headteacher nor the Deputy Headteacher can authorise amendments concerning their own pay and contract conditions. Changes to the Headteacher's pay and contract conditions must be authorised by the Trust Board. For new starters, amendments, leavers and overtime the FO or HR assistant must complete the relevant payroll forms and pass these forms and supporting documentation i.e. offer letter, amended contract, overtime form to the Headteacher and then to the CEO for review, authorisation and signature. The CFOO must then upload the payroll forms to the external payroll provider via a portal.
- 10.3 The external payroll provider uploads the draft monthly payroll report to the payroll portal. The CFOO downloads the report and reviews it checking each entry against the prior months agreed payroll report and verifying any changes to supporting documentation relating to new starters, amendments, leavers and overtime forms. The CFOO passes the report to the CEO for authorisation. In particular, the CEO must authorise the details for all new starters, amendments, leavers and overtime in the month.
- The CFOO confirms authorisation to the external payroll provider via the portal who issues the final payroll report via the portal.
- 10.4 The CFOO has responsibility for checking and reconciling actual monthly payroll payments and deductions to those expected and committed. The CEO must review and authorise these reconciliations.

Payments made each month to the Payroll Service Provider and payments made to outside staff agencies are to be debited against the relevant budgets and credited to the payroll control accounts. After the appropriate BACs transfers and the corresponding entries in the payroll control accounts and the academy bank accounts have been made, any balance

remaining in the payroll control accounts must be reconciled, and appropriate explanations documented. It is the responsibility of the CFOO to ensure that this is done.

- 10.5 Each month the CFOO will reconcile back to the bank statement all payments for salaries, BACS, and other salary related payments.
- 10.6 Each month the CFOO will check a sample of the personnel records maintained by the academy to the payments actually made by the Payroll Service Provider. It is expected that over the course of a year, every member of staff would have had his/her salary payment checked against personnel records at least once. It is the responsibility of the CFOO to ensure this is done.
- 10.7 Copies of all individual notifications to the Payroll Service Provider will be filed by the CFOO and kept securely (mainly on the pay portal).

11.0 INCOME

General

- 11.1 The sources of income for the academy are the grants from the Education and Skills Funding Agency, top up fees from the local authorities and from tenants, students (academy meals and trips / events), other academies and professional bodies and the public. It is the responsibility of the Finance Officer to ensure that all income due to the academy has been received, banked and that all income due to the academy is collected and reconciled to its financial accounting system.
- 11.2 The Trust should use their allocated General Annual Grant (GAG) funding for the full benefit of their current pupils. If the trust has a substantial surplus they should have a clear plan for how it will be used to benefit their pupils.
- 11.3 Pooling of GAG by trusts with multiple academies. The trust has the ability to amalgamate and direct funds to meet improvement priorities and need across the trust's schools can be integral to a trust's successful financial operating model.
- 11.3 All income received should be recorded immediately on the Academy's daily record books and entered onto the academy's financial accounting system. The collection record should contain the amount received, the name of the person / organisation making the payment, the date the payment is received, and the method, i.e. cash or cheque.
- 11.4 All income received by the academy should be banked at least fortnightly if the amount exceeds £500. Otherwise it will be banked at least monthly. The insurance policy cover for cash and cheques held on site must not be exceeded. However, if a high level of income is expected e.g. proceeds from a fete, the insurer must be informed to obtain additional short term cover, and the income must then be banked as soon as is practicable.
- 11.5 Personal cheques should not be cashed.
- 11.6 When income is banked the collection record must be totalled in value in order to provide a clear cross reference to the value entered on the bank paying in slip. The bank paying in slip number should then be entered onto the income collection record to assist in providing a clear and simple audit trail.

- 11.7 When banking money received (either cash or cheques) the bank paying in slips will be completed in full, clearly showing the split between cash and cheques, and each cheque will be listed separately, either on the bank paying in slip, or the Academy Cash Analysis Sheet.
- 11.8 Income received by the academy will be acknowledged to the payer by either i) issue of a receipt (by duplicate book or email) or, ii) by the collector signing an official collection record. No category of income should be excluded from the issue of a receipt e.g. academy meals. Copies of receipts issued should be retained for future reference, e.g. to resolve a dispute over payment.

In order to ensure adequate separation of duties the recording process for income will be as follows: the cash or cheques will be received and recorded in the daily record books by the finance administrator, office assistant or office manager. They will issue a receipt. At St Mary's a different office assistant will complete the bank paying slip and bank the cash/cheques. The School Business Manager then reviews the bank paying slip against the daily record books to ensure they reconcile prior to banking.

No debts should be written off without the express approval of the CFOO for amounts up to £25, the Headteacher up to £250, the LB up to £1,000 or the Trust Board over £1,000 up to £44,999. The DFE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter.

Custody

- 11.9 Where required, official, pre-numbered academy receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the safe prior to banking.
- 11.10 Monies collected must be banked in their entirety (intact) in the appropriate bank account. The Finance Officer is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system and related system generated reports, i.e. Parent Pay Dinner Money module. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the Headteacher.

Trips

- 11.11 The academy uses the ParentPay system at Shenfield St. Mary's CofE Primary School for recording and collecting payments for trips / events. Teachers responsible for trips or activities resulting in a charge to parents must complete a Trips and Visits Authorisation form and return to the Office Manager. This form should include an indicative cost per pupil. The Office Manager will verify the costs and the cost per pupil and submit the form to the Head of School for approval.

The Office Manager or Office Administrator will set up the trip on ParentPay and will monitor income received, chasing payments where necessary. ParentPay income will be entered on the accounting system by the FO using journals.

- 11.12 At Mountnessing the academy uses the ParentMail system for recording and collecting payment for trips and events. Teachers responsible for trips or activities resulting in a charge to parents must complete a Trips and Visits Authorisation form and return to the Office Manager. This form should include an indicative cost per pupil. The Office Manager or

Assistant will verify the costs and the cost per pupil and submit the form to the Headteacher for approval.

The Office Manager or Office Administrator will set up the trip on Parent Mail and will monitor income received, chasing payments where necessary. Parent Mail income will be entered on the accounting system by the FO using journals.

- 11.13 At Bentley St Paul's the academy uses the School Money system for recording and collecting payment for trips and events. Teachers responsible for trips or activities resulting in a charge to parents must complete a Trips and Visits Authorisation form and return to the Office Manager. This form should include an indicative cost per pupil. The Office Manager or Assistant will verify the costs and the cost per pupil and submit the form to the Headteacher for approval.

The Office Manager or Office Administrator will set up the trip on School Money and will monitor income received, chasing payments where necessary. School Money income will be entered on the accounting system by the FO using journals.

- 11.14 On a termly basis the FO will prepare an income and expenditure statement for the term's charged activities. For termly charges to year groups any excess or deficit for the term will be added to or offset against the next term's charges. The income and expenditure statement will be signed by the Headteacher to record review of the information.

Catering / Meals Income

- 11.15 **Academy Meal Income Class Registers:** the registers are completed on line via Study Bugs (or exceptionally manual registers are completed in ink). Meal numbers will be entered on to the sims.net catering module and to ParentPay / Parent Mail. Meal numbers for the purpose of income recognition in the catering trading account will be based on the sims.net data. Catering income in Iris is recognised on the basis of ParentPay / Parent Mail receipts paid into the school bank account or cash and cheque receipts paid into the school bank account. At period ends debtors/ creditors will be raised to account for receipts in advance and arrears.

Automated Payments

- 11.16 When setting up a contract with a new supplier for provision of this service, consideration should be given to the following areas:
- i) Basis of fees payable to the company
 - ii) Complete audit trail and facility of income reconciliation of totals received
 - iii) Reminder facilities to chase up overdue amounts

Any contract for the services of an online parental payment system Service Provider will be reviewed regularly to ensure that the academy is getting value for money and that the provider is giving an adequate service. A copy of the contract should be held in academy.

12.0 RISK MANAGEMENT

- 12.1 The Trust must recognise and manage present and future risks to ensure its effective and continued operation. The Local Board should ensure that a risk register is compiled and updated regularly. The register must be reviewed annually It should identify significant risks and the member of staff responsible for managing it. A copy of the register should be presented to the LB at every meeting. Termly a copy should be forwarded to the Trust Board.
- 12.2 The Trust's management of risks must include contingency and business continuity planning.
- 12.3 Where risks arise that threaten the reputation of the Academy Trust or the financial viability of the academy, they should be notified to The Board of Trustees immediately

13.0 LETTINGS POLICY

General

- 13.1 The Trust Board recognises the position of the academy in the local community and that encouragement should be given to the use of the academy premises by outside organisations.

The Trust Board wishes to take every possible care to ensure that all children / young people and others using the academy premises out of academy hours are safe from abuse and that they are treated with dignity and respect.

The letting of the academy is the responsibility of the Local Board and the administration of the letting is the responsibility of the finance staff.

14.0 GOVERNORS' and TRUSTEES' ALLOWANCES

- 14.1 Section 36(5) of the Education Reform Act 1988 enables Governing Bodies to decide whether they wish to pay travelling and subsistence allowances from the school budget to individual members of the Governing Body. The policy of the governors in respect of payment of allowances must be openly available to parents and governors. The Trust Board must consider the payment of allowances annually, and the outcome must be recorded appropriately in the minutes.
- 14.2 The Education (Governors' Allowances) Regulations 2003 provide the legal framework for governing bodies to pay 'out of pocket' expenses to their governors. The then DCSF (now DfE) guidance which accompanied those regulations states, "It is good practice to pay such allowances as governors should not be out of pocket for the valuable work they do".
- 14.3 Legitimate allowances include: travel allowances to Trust Board meetings, Committee meetings or training courses, cost of child-care while attending meetings or / training, cost of photocopying / printing papers for governing body business.
- 14.4 The Trust has agreed that the TB will set the policy relating to payment of expenses to governors and trustees, in line with HMRC limits. The Academy will reimburse mileage expenses to governors and trustees for journeys at a rate in accordance with the limitations set out by HM Revenue & Customs.

The Trust Board has agreed that Trustees may claim reasonable expenses in line with HMRC limits. These must be authorised by the Chair of the Board or , in his /her absence the Vice-

Chair of the Board. Claims by the Chair of the Board of Trustees will be authorised by the Vice Chair of the Board of Trustees.

- 14.5 Rates of subsistence will be paid up to the rates below, will not include claims for alcohol and must be supported by receipts. The same conditions apply covering mileage and subsistence.

Breakfast	£5
One meal (5 hour) rate	£5
Two meal (10 hour) rate	£10
Late Evening Meal rate	£15

15.0 WHISTLEBLOWING POLICY

Existing good practice within the academy in terms of its systems of internal control, both financial and non-financial and the external regulatory environment in which the academy operates will ensure that cases of malpractice rarely occur. The Trust's whistleblowing policy is set out in a separate policy document and in the staff code of conduct policy and is a reference document to establish a framework within which issues can be raised confidentially internally, and if necessary outside the management structure of the academy. This policy must be published on the website.

The Trust's policy document is a public commitment by the Trust that concerns are taken seriously and will be actioned.

Trustees' Statement

- 15.1 The Trust Board are committed to tackling all forms of malpractice, fraud etc. and treat these issues seriously. The Trust Board recognise that some concerns may be extremely sensitive and have therefore developed a system which allows for the confidential raising of concerns within the academy environment but also has recourse to an external party outside the management structure of the academy.
- 15.2 The Trust Board are committed to creating a climate of trust and openness so that a person who has a genuine concern or suspicion can raise the matter with full confidence that the matter will be appropriately considered and resolved. The provisions of the policy apply to matters of suspected malpractice and fraud and not matters of more general grievance which would be dealt with under the academy's grievance procedures.

16 Investigation of fraud, theft and / or irregularity

16.1 The trust must be aware of the risk of fraud, theft and/or irregularity occurring and, as far as possible, address this risk in their internal control and assurance arrangements by putting in place proportionate controls. The Trust must take appropriate action where fraud, theft and/or irregularity is suspected or identified.

16.2 The trust must notify DFE, as soon as is operationally practical based on its particular circumstances, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. Any unusual or systematic fraud, regardless of value, must also be reported. The following information is required:

- full details of the event(s) with dates
- the financial value of the loss
- measures taken by the trust to prevent recurrence
- whether the matter was referred to the police (and why if not)
- whether insurance cover or the risk protection arrangement have offset any loss

16.3 DFE will not tolerate fraud. It reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any academy trust, either as the result of a formal notification from the trust itself or as the result of other information received. DFE may involve other authorities, including the police, as appropriate. DFE will publish reports in line with its own policy on publishing information. The DfE may recover funds where there is evidence of irregularity or fraud.

16.4 For further information reference to the Trust's anti-fraud and corruption policy.

16.5 Academy trusts must also be aware of the risk of cybercrime, put in place proportionate controls and take appropriate action where a cyber security incident has occurred.

16.6 Trusts **must not** pay any cyber ransom demands.

endix A

Mid Essex Anglican Academy Trust:

Declaration of pecuniary and personal interest

Name:

School:

Position:

I [Name], declare as a Governor/Trustee of [School/Trust Name] that I hold the following personal and/or pecuniary interest(s):

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

Personal interests	Name	Relationship to me	Organisation	Nature of the interest
Immediate family/close connections to governor/trustee				
Company directorships or trusteeships of family/close connections to governor/trustee				

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

Name of school/academy: _____
Position held: _____
Date appointed/elected to post: _____
Date of termination to post: _____

To the best of my knowledge the information supplied above is correct and complete. I understand that it is my responsibility to declare any conflict of interest/loyalty, business or personal that relates directly or indirectly, to me or any relation in any contract, proposed contract or other matter when present at a meeting at the school where such contract or matter comes under consideration. I understand that I must withdraw from any meeting during the discussion of such contract or matter and must not vote in respect of it.

I agree to review and update this declaration annually and give consent for the information provided to be used in accordance with the trust/school's conflicts of interest policy.

Signed: _____

Date: _____

Guidance notes

Governors and trustees have a legal duty to act only in the best interests of their schools. Where a situation arises in which they cannot do this due to a personal interest they have, steps should be taken to identify, prevent and record the conflict. This ensures governors or trustees are acting in the best interests of the school.

In the declaration above, you must provide details relating to:

- Your ownership or partnership of a company or organisation which may be used by the trust/school to provide goods or services;
- Goods or services you offer which may be used by the trust/school;
- Any close relation you have to someone who satisfies either of the above;
- Any close relationship you have to someone who is employed by the trust/school.

Declaring your conflicts of interest is a legal requirement within the School Governance (Roles, Procedures and Allowances) (England) Regulations 2013 and for academies, in the Articles of Association and Academies trust handbook. However, making an annual declaration does not remove your requirement to make an oral disclosure of the interest and temporarily leave the meeting, where the interest is relevant to something being discussed.

Pecuniary interests

Generally, governors should not participate in any discussions in which they may directly or indirectly benefit from a pecuniary interest, except where the relevant authority has authorised this i.e. legislation for maintained schools or articles of association for academies. A direct benefit refers to any personal financial benefit and an indirect benefit refers to any financial benefit you may have by virtue of a relationship to someone who stands to gain from a decision of the Trust Board. Both direct and indirect interests must be declared.

Non-pecuniary interests (Conflicts of loyalty)

There may be a non-pecuniary interest whereby the governor does not stand to gain any benefit but a declaration should still be made. For example, this might be where a governor has a family member working in the school. While the governor might not benefit personally, their judgment could be impaired if something was brought up that would affect the family member.

Handling the conflict

The Trust Board must make a decision as to whether or not they should take steps to remove the conflict by:

- Not pursuing the course of action it relates to; or
- Proceeding with it in an alternative way which does not give rise to conflict; or
- Not appointing the governor in question or seeking to secure their resignation.

In the minutes of the meeting, the following should be recorded:

- The nature of the conflict;
- Which governor(s) it relates to;
- Whether a declaration was made in advance of the meeting;
- A brief overview of what was discussed;

- Whether the governor(s) withdrew from the meeting;
- How the governors made the decision in the best interests of the school.

The School and Early Years Finance (England) Regulations 2013 provide for local authority financing schemes to keep a register of pecuniary interests for the trustees, governors and staff of schools. The register should be reviewed annually by the governance professional to the governing body but any new interest or ceased interest, should be reported to the governance professional as and when they occur. Upon completion, this signed form should be given to the governance professional of governors whose responsibility it is to keep a register of all interests and review it annually. You can find NGA's model conflict register on the [NGA's website](#).

The Charity Commission has produced [guidance on dealing with conflicts of interests](#) which may be useful, even for schools that do not have charitable status.

Appendix B(i)

**Mileage Rates/Subsistence Rates
Staff/Governors/Directors/Members**

Revenue & Customs approved mileage rates 2015/16		
From 2009/10	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p

Breakfast	£5
One meal (5 hour) rate	£5
Two meal (10 hour) rate	£10
Late Evening Meal rate	£15

Note:

Employees using their own vehicles for work are entitled to receive certain payments free of tax and National Insurance Contributions (NICs); the rules for each are related but not identical.

The table above denotes the current maximum rates payable at which no additional tax or NI is incurred.

If employees receive greater amounts than are allowed tax-free, they will pay tax on the excess. If they receive greater amounts than are allowed NICs-free, both employers and employees will be liable for Class 1 NICs on the excess.

If employees receive less than the respective amounts above, no NICs will be payable and tax relief will be available.

Appendix B(ii)

Staff: Remuneration Expenses Statement

- Staff are reimbursed for **Business Mileage and Subsistence** through a claim form procedure as detailed in the Academy's Financial Regulations, and reimbursed via the BACs system
- **Car Parking & Train Fares** to attend training courses are reimbursed to staff via the BACs system.
- Staff are reimbursed for **Consumables & Resources** purchased for classroom/academy use via the BACs system
- There are no other reimbursed expenses