South East Cornwall Multi Academy Regional Trust

Financial Regulations and Procedures Policy

Date	Changes
23/03/17	Adopted by Trust Board
Feb 2018	Reviewed by CFO
05/03/18	Approved by Trust Board
Nov 2018	Reviewed by CFO
Jan 2019	Approved by Trust Board
Feb 2020	Reviewed by CFO
27/03/20	Approved by Trust Board
Feb 2021	Reviewed by CFO
30/03/21	Approved by Trust Board following review by the Resources Committee
18/01/22	Reviewed by CFO
07/04/22	Approved by Trust Board
Mar 2023	Reviewed by CFO
29/03/23	Approved by Trust Board
Mar 2024	Reviewed by CFO/TLFO
16/04/24	Approved by Trust Board
Mar 2025	Reviewed by CFO/HoF
14/03/25	Approved by Trust Board
Nov 2026	Interim review by CFO (travel and subsistence, DSE)
04/11/2026	Approved by Resources Committee

Adopted Date: 4th November 2026
Status: Approved
Review Date: 1st May 2027

Contents

Introduction and purpose 5

Organisation 5

- Members, Trustees and Local Governing Committees 5
- Managing the Trust's Finances 6
- Chief Executive Officer 6
- Chief Financial Officer 7
- Head of Finance/Finance Manager 7
- The Audit Committee 8
- The Resources Committee 8
- Appointed Auditors 9
- Other Staff 9
- Register of Interests 9

Financial Planning 10

- Three Year Budget Plan 10
- Budget Management, Monitoring and Review 10
- Capital Budget 11

Income 11

- Trips/Activities 11
- Lettings 12
- Custody 12
- Waivers and Discounts 12
- Gifts and Hospitality 12

Cash Management 13

- Bank Accounts 13
- Deposits 13
- Payments and withdrawals 13
- SMART Credit Cards 13
- Bank Reconciliations 14
- Petty Cash 15
- Cash and Cheques in Stowage 15
- Cash and Cheques in Transit 15

Accounting System 15

- Administration 15
- Access Rights 15

Back-up Procedures 16
VAT 16
Purchasing and Payments 16
Orders for Goods and Services 16
Procurement Arrangements 16
Forms of Tenders and Formal Tender Process 17
Payments 17
Payments to Self Employed Individuals 18
Leases 18
Payroll and Personnel Records 18
Staff appointments and changes 18
Payroll Administration 18
Payments and Monitoring of the Payroll 19
Relocation and Interview Expenses 19
Travel and Subsistence Expenses 19
Mileage allowances 20
Subsistence payments 20
Payments in relation to DSE users 20
Debt Recovery Procedures 21
Debt Recovery Code of Practice 21
Schools' Private Fund 22
Fixed Assets 22
Asset Security 22
Asset Disposal 23
Loan of Assets 23
Depreciation 23
Data Management 23
Insurance 24
Keys and Key Code Inventory 24
Vehicles 24
Academy Companies Statement 24
Reserves and Investment 24
Counter Fraud, Theft and Corruption 24
Self-Assessment of Governance and Management 24
Open Tender 26

Restricted Tender 26
Negotiated Tender 26
Preparation for Tender 26
Invitation to Tender 27
Tender Acceptance/Opening Procedures 27
Tender Evaluation Process 27

Introduction and purpose

Through the Funding Agreement with the Secretary of State for Education, Academies have increased autonomy. However, autonomy brings responsibility and the need for transparency. Operating as a charitable company limited by guarantee the Trust is required to produce an annual set of Financial Statements accompanied by a Trustees' Report.

The purpose of this policy is to ensure that the Trust develops and maintains systems of financial control which conform to the requirements of propriety, regularity, and sound financial management. It is essential that these systems operate effectively to meet the requirements of the Trust's Funding Agreement.

The Trust must comply with the principles of the financial control outlined in the guidance published by the DfE (Department for Education) which includes the Academies Trust Handbook. This policy expands on that and provides detailed information on the Trust's accounting procedures. It should be read by all staff involved with financial and resource systems to ensure accountability.

Organisation

The Trust has defined the responsibilities of each person involved in the administration of the Trust's finances to avoid the duplication or omission of functions and to provide a framework of accountability for the Trust Board and staff. All persons to whom authority has been delegated are expected to act in the best interests of the Trust and within the letter and spirit of the law.

Members, Trustees and Local Governing Committees

Members, Trustees and Local Governing Committees will manage their affairs in accordance with the high standards detailed in the *Seven Principles of Public Life*:

Selflessness – Holders of public office should take decisions solely in terms of public interest.
Integrity – Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
Objectivity – In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merits.
Accountability – Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
Openness – Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
Honesty – Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
Leadership – Holders of public office should promote and support these principles by leadership and example.

As Trustees of a company that spends Government money, the Trustees will adhere to the Cabinet Office guidance on *Codes of Practice* for Board Members of Public Bodies:

Observe the highest standards of **propriety** involving **impartiality, integrity,** and **objectivity** in relation to the stewardship of public funds and the management of the bodies concerned.
Maximise **value for money** through ensuring that services are delivered in the most **economical, efficient,** and **effective** way, within available resources, and with independent validation of performance achieved wherever practicable. Value for money is not the lowest price; it is the optimum combination of whole life costs and quality to meet the user's requirement.
Be accountable to parliament, users of services, individual citizens, and staff for the activities of the bodies concerned, their stewardship of public funds and the extent to which key performance targets and objectives have been met.
In accordance with Government policy on **openness** and **responsiveness**, comply fully with the Code of Practice on Access to Government Information.

Managing the Trust's Finances

The Trust Board has overall responsibility for administration of the Trust's finances. The main responsibilities of the Trust Board are as prescribed in the Funding Agreement between the academies within the Trust and the Secretary of State and include:

- Agreeing the long term financial objectives for the Trust.
- Ensuring the grant from the DfE is used for the purposes intended.
- Approving the annual budget and any material changes.
- Approving changes to the personnel establishment.
- Ensuring a Financial Scheme of Delegation is in place.
- Ensuring assets and allocated resources, including people, are well managed.
- Ensuring accurate accounting records are maintained.
- Ensuring the budget monitoring statements are a true and accurate record of income and expenditure.
- Authorising the award of contracts/ tenders over the FTS (Find a Tender Service) limits.
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, Charity SORP and the DfE guidance issued to academies.
- Approving the annual accounts.
- Submitting the annual Trustees' report.

Chief Executive Officer

Appointed as Accounting Officer, the Chief Executive Officer has overall executive responsibility for the Trust and is responsible to the Trust Board for:

- Ensuring regularity and propriety.
- Prudent and economic administration.
- Avoidance of waste and extravagance.
- Efficient and effective use of available resources.
- The day-to-day organisation, staffing and management of the Trust

The Accounting Officer may formally delegate, or appoint others, to assist in these responsibilities.

The Accounting Officer has the duty to take action if the Trust Board or Chair of the Trust Board is contemplating a course of action, which is considered to be novel, contentious, an infringement of propriety or regularity or a contravention of the *Seven Principles of Public Life* or the *Codes of Practice* for Board Members of Public Bodies. Objections should be put in writing to the Trust Board, details sent to the Clerk and the Trust's external auditors.

The academy headteachers retain the responsibility for:

- Approving new staff appointments within the authorised establishments.
- Approving changes within the authorised establishments' numbers, including regarding responsibility allowances.
- Authorising orders and contracts.
- Authorising payments.
- Monitoring regular budget reports with the Finance Manager and acting on any overspends or risks.

The Chief Executive Officer is authorised to exceed delegated limits in times of emergency, to ensure safety, wellbeing and security, to ensure business continuity and where it is necessary to act quickly to avoid additional expense.

Chief Financial Officer

The Chief Financial Officer works in close collaboration with the Chief Executive Officer and is responsible to the Trust Board. The main finance related responsibilities of the Chief Financial Officer are:

- The establishment and operation of a suitable accounting system.
- Management of the Trust's financial position at a strategic and operational level.
- Maintenance of effective systems of internal control.
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust.
- Preparation of monthly management accounts.
- Authorising orders and the award of contracts.
- Submitting grant applications and reports to all relevant bodies as required.

Head of Finance/Finance Manager

The Head of Finance/ Finance Manager works in close collaboration with both the academy headteachers as well as the Chief Financial Officer through whom there is responsibility to the Trust Board. The main finance related responsibilities of the Head of Finance/Finance Manager are:

- Day to day management of financial issues.
- Management of the Trust's financial position at a strategic and operational level.
- Maintenance of effective systems of internal control.
- Preparation of monthly management accounts.
- Authorising orders and the award of contracts.
- Authorising payments where appropriate.
- Submitting grant applications and reports to all relevant bodies as required.

The Head of Finance, Senior Finance Officer and Chief Financial Officer can assume the financial responsibilities of delegated budget holders during their absence to ensure business continuity and the effective use of allocated resources.

The Audit Committee

The Audit Committee supports internal audit and scrutiny and is appointed by the Trust Board to provide it with an independent assurance that:

- The financial responsibilities of the Trust Board are being properly discharged.
- Resources are being managed in an efficient, economical, and effective manner.
- Sound systems of internal financial control are being maintained.
- Financial considerations are fully taken into account in reaching decisions.
- The Risk Register is regularly reviewed.
- It helps to promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds.
- It supports the development of internal control systems which will help satisfy the Board of Trustees that the Trust will achieve its objectives whilst operating in accordance with any statutory requirements.
- A programme of internal scrutiny checks is arranged and agree who will perform the checks.
- The findings from the internal scrutiny checks are communicated to the Trust Board.

The programme of checks will be agreed with the Trust Board in line with any identified risks and guidelines set out within the Academies Trust Handbook. These checks are delegated to external auditors and a report of the findings from each visit will be provided to the Audit Committee and then the Trust Board.

The Resources Committee

The Resources Committee is responsible for decisions and recommendations to the Board on policy and the use of resources in meeting the Trust's financial and wider obligations. It has oversight at a strategic level of the Trust's finances and assets and is responsible for the regular monitoring of the financial position. The main areas of work covered by the committee, subject to the Trust's overall legal requirements, are:

- Oversight of the monitoring of the annual budgeting process and the 3-year financial plan.
- Oversight, evaluation, and decision making in relation to capital allocation to schools.
- Oversight of the effectiveness and efficiency of the staffing model used across the Trust's schools.
- Oversight of premises and site development issues, including future planning.
- Oversight of Health & Safety issues across the Trusts estate.
- Ensuring the preparation of the annual financial statement.
- Liaising with the work of the appointed auditors.
- Oversight of compliance with GDPR.
- Oversight of effectiveness of IT systems in enabling the work of the Trust.
- Monitoring and overseeing that the Local Governing Committee are fulfilling their financial obligations in relation to Resources issues.
- Review of the financial Scheme of Delegation and the Risk Register.

- Regularly reviewing appropriate policies.
- Consider strategic planning to ensure future viability.
- Consider place planning in the light of local developments.

Appointed Auditors

The Trust will be required to submit annual audited Financial Statements to satisfy the requirements of the Secretary of State, company law and charity accounting. The appointed auditors are currently Bishop Fleming.

Other Staff

Other members of staff, primarily the Finance Officers, Primary School Secretaries and Budget Holders, will have some specific financial responsibilities and these are detailed in the Financial Scheme of Delegation.

All Trustees, Governors, staff and volunteers are responsible for the security of Academy property, avoiding loss or damage, for ensuring economy and efficiency and avoiding waste and extravagance in the use of resources and for the conformity with the requirements of the Trust's financial procedures.

Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise, all Members, Trustees, Governors and staff with significant financial or spending powers are required to declare any financial interest they have in companies or individuals from whom the academy may purchase goods or services. The register is open to public inspection.

The register should include all business interests such as Trusteeships, shareholding, or other appointments of influence within a business or organisation which may have dealings with the Trust.

The disclosure should also include business interests of relatives where influence could be exerted over a Member, Trustee, Governor, or a member of staff by that person. The Academies Trust Handbook defines a relative as a close member of the family, or a member of the same household. This includes, but is not limited to, a child, parent, spouse, or civil partner. The Charity SORP also includes grandparents, grandchildren, and siblings so these should also be disclosed.

The existence of a register of business interests does not detract from the duties of Members, Trustees, Governors, and staff to declare interests whenever they are relevant to matters being discussed by the Trust Board, a Committee or other meeting. Where an interest has been declared, Members, Trustees, Governors, and staff should not attend that part of any meeting.

Financial Planning

Three Year Budget Plan

The budget is complementary to the Whole School Development Plan (for all academies within the Trust) in the short and long term and is crucial in the planning and preparation of the budget. The Finance Manager/Senior Finance Officer is responsible for working with the headteacher, Head of Finance, Chief Financial Officer, and others to prepare a three-year budget plan for consideration by the Local Governing Committee and the Trust Board. The budgets must be approved prior to their submission to the DfE by the appropriate deadlines. The Chief Financial Officer and the Head of Finance are responsible for establishing a timetable which allows sufficient time for the approval process and ensures the submission date is met.

The budget will reflect a best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be utilised. There will be a clear link between the Whole School Development Plans' objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- Forecasts of the likely number of students to estimate the amount of DfE funding receivable.
- Review of other income sources available to assess likely level of receipts.
- Review of past performance against budgets to promote an understanding of the Trust's cost base.
- Identification of potential efficiency savings.
- Review of the Trust's main expenditure headings and any expected variations in cost, i.e. pay increases, inflation, and other anticipated changes.

Once ratified, the budget should be communicated to all staff with responsibility for specific budgets so that everyone is aware of the overall budgetary constraints.

Budget Management, Monitoring and Review

The Finance Manager/Senior Finance Officer/Head of Finance will prepare monthly management accounts reports to show actual income and expenditure against budget. This will be on a summary level for the headteacher, Chief Financial Officer, Chief Executive Officer and Trust Board but more detailed monthly reports will be distributed to delegated budget holders.

The monitoring process should be effective and timely in highlighting variances in the actual against budget so that differences can be investigated and action taken where appropriate. Any potential overspend against budget must in the first instance be discussed with the Finance Manager/Senior Finance Officer/Head of Finance.

The Chief Financial Officer and the Trust Board will continually monitor the quality of the financial information presented to ensure that what is provided remains appropriate, particularly in terms of the timing, level of details and narrative.

Capital Budget

The Trust will receive capital funding from the SCA, (School Condition Allocation) fund. This will be distributed throughout the Trust based on priority of need. Each Academy will also receive a small allowance under Devolved Formula Capital. Major capital investments can be funded through reserves, DfE capital grants, SCA or charitable donations. In most cases, the funds will be specific to the project.

Income

The main sources of income for the Trust are the funding from the DfE, other outside agencies and the Local Authority. The receipt of these monies is monitored directly by the Finance Manager/ Senior Finance Officer/Head of Finance who are responsible for ensuring that all monies due to the Trust are collected and correctly accounted for within the finance system.

The Trust also obtains income from students, mainly for voluntary contributions towards educational trips and activities, and from the public, mainly for lettings.

To comply with money laundering regulations, the Trust will not accept any payment in cash over £5,000.

All arrangements for dealing with income should incorporate suitable controls designed to ensure its propriety i.e.:

- Adequate records are maintained to substantiate all income transactions.
- Receipts are issued for any cash income received.
- All income received at the academies is held securely and is banked promptly.
- All income transactions (cash, cheque and online payments) are recorded promptly and accurately in the Trust's finance system.
- Invoices are raised in respect of all credit income and all such income is collected in accordance with approved instructions.

Trips/Activities

All trips and activities, including school productions must be authorised by the headteacher and the objectives must be clearly stated in order to apply the Trust's Charging Policy. Educational curriculum trips/activities only require a voluntary contribution.

An organiser/leader must be appointed for each trip who must work with the Finance staff to prepare a costing breakdown for the trip to show the trip can cover its costs and not intend to make a profit. The trip organiser must advise the Finance staff of which students are participating in the trip in order that payment contributions may be recorded and collected in full.

The Finance staff will maintain an up-to-date record of each trip showing the amount paid and the amount outstanding. A report will be sent to the trip organiser on a regular basis and any outstanding contributions chased when necessary.

Lettings

The policy for lettings and charging of premises is contained in a separate document. The policy will be reviewed annually and approved by the Local Governing Committee and Trust Board.

Lettings tariffs are regularly reviewed and must have due regard for Health and Safety legislation and the need to cover the full cost of the letting (e.g. energy, caretaking/cleaning and maintenance costs). Free and concessionary lettings should be approved by either Trust Board and/or the headteacher and CFO and documented as with all lettings.

The Site Manager, or other designated person are responsible for lettings of facilities and maintaining appropriate records for these bookings. Where necessary they will seek approval of the headteacher for new bookings.

They will also advise the Finance Staff of all lettings to ensure relevant invoices are raised to each organisation and recorded within the Trust's finance system. All payments received are promptly recorded against these numbered invoices.

Custody

Official, pre-numbered receipts should be issued for all cash and cheques received where no other formal documentation exists. All monies collected must be kept in the schools' safes prior to banking. Banking will take place on a regular basis or more frequently if the sums collected exceed the insurance limits on the safes.

Monies collected must be banked in their entirety in the appropriate bank account. The Trust's Finance teams are responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums to be posted to the finance system. The reconciliations must be prepared promptly after each banking.

Waivers and Discounts

Waivers of income due or authorisation of discounts allowed require the same scrutiny, consideration, and formal decision as any requirement to spend school money. Sometimes there are sound business reasons for not charging, e.g. to achieve wider policy objectives such as community cohesion, or for giving discounts, e.g. to secure some income rather than no income where our rates are simply unaffordable to the user. For discounts, the expected minimum recovery rate is the extra costs of providing the activity. Waivers and discounts can therefore only be approved by the headteacher or Finance Manager/ Head of Finance.

Gifts and Hospitality

Ordinarily gifts from suppliers should be declined unless they are of negligible value (e.g. branded stationery). However, any gifts or hospitality in excess of £10 should be reported to the Finance Manager/ Senior Finance Officer in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a Trustee, Governor or budget holder and has the ability to influence purchasing decisions or regularly receives reimbursement from the Trust for items other than travel expenses.

On an annual basis, staff members are required to complete a register of gifts and hospitality form. This will detail any acceptance of gifts, hospitality, awards, prizes, or any other benefit which might be seen to compromise their personal judgement or integrity.

Gifts may be given but only as a reward to students or staff but not exceeding £50.

Cash Management

Bank Accounts

The opening of all bank accounts must be authorised by the Trust Board which must set out the arrangements covering the operation of the accounts. The account must be in the name of the Trust and/or school making the request.

The signatory limits are as follows: -

A – A Steinhardt, L Griffin, K Pipe, K Ball, A Howard, Ian Foy, Neil Ellicott, Dan Wendon

Up to and including £1,000 = 1 A

Over £1,000 = 2 A

Inter account transfers = A Howard and 1A

Note – For payments over £20,000, the Chief Executive Officer will countersign the expenditure in addition to the normal signatories. When a BACS payment is then authorised, an email will be sent from the Chief Financial Officer to the Chief Executive Officer to alert them of the payment and to provide details.

Deposits

Particulars of any deposit must be entered on a paying-in slip, counterfoil or listing in a supporting receipt book. The details will include:

- The amount of the deposit.
- Receipt number or the name of the debtor.
- Details of reason for payment.

Payments and withdrawals

All BACS, cheques or other instruments authorising withdrawal from the Trust's bank accounts must bear the signatures as set out above.

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

SMART Credit Cards

The Chief Financial Officer is responsible for the approval and financial limits set for each credit card within each academy and staff must follow the practice guidance below:

- Cards are not to be used as the first option instead of full orders and invoicing etc. All corporate cards have a set limit and once this is reached the card is blocked for use.
- Cards should only be used if approval is obtained before use and within the approved budget and maybe used to purchase goods and services on-line (i.e. internet or telephone) where best value principles apply. A credit card form should be completed by the budget holder, signed, and passed to the Head of Finance/ Finance Manager/Senior Finance Officer for final authorisation before the purchase is made by a member of the Finance team.
- Official invoice paperwork including full supplier VAT registration information (often provided at the time goods are delivered or are issued as email confirmation when goods are ordered on-line) must be received.
- Budget holders in conjunction with the Finance Managers/ Senior Finance Officer/Head of Finance must satisfy themselves about the reliability and trustworthiness of suppliers including matters like warranty and returns options in case goods are faulty or not as expected.

When not in use, the cards should be locked either in the school safe or a suitable locked box. Cards should not be removed from the school site unless in case of emergency, at which point the Finance Manager/ Senior Finance Officer /Head of Finance and the Chief Financial Officer should be consulted for authorisation.

SMART Prepaid Debit Cards

Prepaid debit cards may be issued to facilitate low value or emergency purchases where payment by invoice is not practical. Their use is intended to improve efficiency and reduce the need for petty cash, particularly in the case of school trips both in the UK and abroad.

Prepaid debit cards will only be issued with the prior approval of the Chief Financial Officer. Cards may be issued to specific staff members who have been identified as an authorised cardholder and budget holder in the case of school trips.

All staff issued with cards must follow the guidance below:

- Each card will have a pre-set spending limit determined by the CFO
- Cards may only be used for official Trust business
- All transactions must be supported by appropriate receipts and entered promptly into the finance system. In the case where receipts are not supplied by the staff member, they may be asked to cover the cost of the expenditure themselves
- Cards statements will be reviewed and reconciled by a member of the finance team
- Lost or stolen cards must be reported immediately to the Finance Manager and CFO

Bank Reconciliations

The Trust Shared Services team will ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures will ensure that:

- All bank accounts are reconciled to the Trust's finance system.

- Reconciliations are prepared by a member of the Trust Shared Services team
- All bank reconciliations are then signed off by the Chief Financial Officer.

Petty Cash

Petty Cash is administered by the Trust's Finance teams and is kept in a locked box in the school safe. Budget holders may authorise the use of petty cash for items of expenditure of up to £100. Payments of petty cash will not be made without receipts and signed authorisation by the budget holder. VAT receipts must be obtained for purchases where appropriate. The Trust's Finance teams are responsible for entering all transactions into the petty cash records which will be reconciled on at least a termly basis then reviewed by the Finance Manager/ Senior Finance Officer.

Cash and Cheques in Stowage

The maximum holdings in the safes at all schools are £3,000 cash and £40,000 cheques. Up to £1,000 may be held in a lockable container within an Academy office.

Cash and Cheques in Transit

Appropriate safeguarding of individuals and cash/cheques must be taken when monies are in transit. The maximum cash to be carried outside the academies is £3,000 and £40,000 for cheques.

Accounting System

All the financial transactions of the Trust must be recorded on its PS Financials accounting system. PS Financials is operated by the Finance team and includes the following key elements:

- Income.
- Purchasing.
- Payroll.
- Bank accounts.

Administration

There will be a clear audit trail for all financial transactions from the original documentation to accounting records. Financial records will be stored for seven years in accordance with the Companies Act. Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.

Authorisation and supervisory controls will ensure transactions are properly recorded or that errors are identified. All records will be protected against unauthorised modifications, destruction, disclosure, or loss whether by accident or intention.

Access Rights

The Chief Financial Officer is responsible for setting access levels for all members of staff using the Trust's finance system. These are defined for each user with a unique ID and password.

Back-up Procedures

The finance system is a cloud-based system and will be protected by robust back up procedures.

VAT

The Trust is not currently registered for VAT. VAT reclaims can be made under simplified arrangements with HMRC on a VAT 126 form. For cashflow purposes the Trust reclaims VAT on a monthly basis.

Purchasing and Payments

The Trust will achieve best value for money for all purchases. As the majority of its purchases will be paid for with public monies it needs to maintain the integrity of the monies by following the general principles of:

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

The Chief Financial Officer will ensure that there is a clear separation of duties within the Finance team.

Orders for Goods and Services

Any company with which the Trust wishes to place orders must first complete a supplier information form to provide the Trust with all relevant information including payment details which will then be used to set up that supplier on the finance system. This also includes details of employment status to ensure compliance with IR35 off payroll working regulations. Official purchase orders will be raised using the Trust's finance system following authorisation by a relevant budget holder and before the order is placed with the company.

To ensure efficiency of working practices for the Finance Team a purchase order number will not be required for items that have been procured through a larger tender process. This includes but is not limited to; insurance, electricity, gas, cleaning, and catering services and photocopying services.

Procurement Arrangements

All orders are subject to the rules concerning quotes and tenders listed below: -

Orders below £1,000 – consideration should be given to alternative suppliers and evidence attached to purchase orders.

Orders of £1,000 but less than £5,000 – At least two written/verbal quotations should be obtained for all orders to identify best value. Any written details of quotations should be attached to the purchase order for audit purposes.

Orders of £5,000 but less than £10,000 - At least three written/verbal quotations should be obtained for all orders to identify best value. Any written details of quotations should be attached to the purchase order for audit purposes.

Orders of £10,000 but less than £50,000 – A minimum of three formal quotations to be obtained in writing based on a written specification. All evidence of the quotations should be attached to the purchase order.

On occasions when it is not possible to obtain the number of quotations as detailed above, the process to follow is shown in appendix B.

Orders over £50,000 but less than FTS (Find a Tender Service) Threshold – (FTS Threshold as at 1st January 2024: £214,904 supplies and services; £5,372,609 works)

Goods/services ordered with a value over £50,000, or for a series of contracts which exceed £50,000, must be subject to formal tendering procedures as detailed below. All paperwork relating to the tender must be retained by the Finance Manager/ Senior Finance Officer.

Orders over FTS (Find a Tender Service) Threshold – Purchases over the FTS Thresholds should under PPN (Procurement Policy Note)01/23 use the FTS for the advertising and the Award of Contracts.

Exceptions to the rules above are acceptable where instances arise where obtaining alternative quotes maybe impractical, for example;

- The purchase is for a bespoke item or there is no alternative supplier
- In cases of reasonable continuity, such as solicitors or therapy providers
- For school trips where the same company and destination is used as a preferred supplier and most costs are covered by the parents

Forms of Tenders and Formal Tender Process

There are three forms of formal tender procedure: open, restricted, and negotiated and the circumstances in which each procedure should be used are described in Appendix A.

Payments

Invoices will be paid when the budget holder has shown approval that goods/services have been received and are of the quality expected. Any discrepancies must be notified to the Finance staff for appropriate action to be taken. Invoices sent electronically by email are acceptable.

Wherever possible payments will be made by BACS, but cheques may be issued as an exception if this is not an option.

The Finance staff will ensure that the required number of signatures are obtained to authorise a BACS payment and are on any cheques issued. All cheque stationery should be recorded and stored in a locked cupboard.

All cheques and cash are to be stored in the safes and are not to be accessible to any bank signatory. Similarly, electronic payment input screens, such as BACS, should not be accessible to authorised bank signatories.

Payments to Self Employed Individuals

Payments can be made to individuals who are genuinely self-employed on production of an invoice. An enquiry must be carried out on the individual on the HMRC Employment Status Indicator Tool and a reference number obtained.

Leases

The Trust may enter into operating lease agreements where these provide an affordable option over outright purchase. For any finance leases, permission will be required from the Secretary of State in cases where assets are not on the DfE's approved list.

Payroll and Personnel Records

Staff appointments and changes

The Trust Board will have approved a personnel establishment for each Academy within the Trust. The headteacher has the authority to appoint staff within the authorised establishment and to make changes within the authorised establishment, such as regarding responsibility allowances and deletions. If the change is outside of the overall agreed establishment then the headteacher must complete a SMART Personnel request form and await authorisation from the Chief Financial Officer or Chief Executive Officer. The exception would be the appointment of Deputy heads and members of the Senior Leadership Teams which would require consultation with the Chief Executive Officer and the Trust Board. The headteacher and HR Officers will maintain personnel files for all members of staff, including contracts of employment.

All personnel changes must be notified, in writing, to the Chief Financial Officer to enable budget monitoring of the salaries budget.

Payroll Administration

Payroll is outsourced to Cornwall Council Payroll Services.

All payroll transactions relating to Trust staff, permanent or casual, will be processed through the payroll system. Payments for employment will not be made to staff through any other mechanism, other than emergency payments by BACS where payroll timings would impact adversely on the employee. In such cases the amount to be paid will be agreed with the payroll team and recovered the following month through the payroll process.

All personnel files are stored in a lockable cabinet. Only the headteachers, the HR Officers and Operations Managers may have full access to staff files but individuals can request to see their own files in line with data protection policies.

The HR Officers and the relevant designated staff are responsible for keeping the staff files and personnel database up to date via SIMS.

Payments and Monitoring of the Payroll

Each section head must complete the relevant paperwork, when necessary, for all staff in the section in the case of sickness and other absences during the month along with any overtime payments and any new appointments or terminations. The paperwork must be authorised by the nominated budget holder. Authorised paperwork should be sent to the HR Officers or Finance Staff who then input the data on to the payroll spreadsheets for submission to the payroll provider in accordance with their monthly timetable.

After the payroll has been processed by the payroll provider reports are sent to the SMART HR Officer who reviews all records against those submitted by the HR Officers or Finance Staff. If correct, the records will be authorised by the Chief Financial Officer to allow the payroll provider to release the payments to staff.

Monthly salary payments are made by BACS. The payroll provider calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, national insurance contributions and pensions. The amounts payable are summarised on a letter of authority which are checked against the monthly reports from the payroll provider and authorised for payment by the Chief Financial Officer by the due date.

After the payroll has been processed the nominal ledger within the accounting system will be updated. Postings will be made both to the salary control accounts and to individual cost centres. The Chief Financial Officer will review the salary control accounts each month to ensure the correct amount has been posted, individual cost centres have been correctly updated and to identify any amounts left in the control accounts.

On a half termly basis the Chief Financial Officer and the HR Officers or Finance Staff will check each member of staff to ensure that the gross pay per the payroll system agrees to the contract of employment held on SIMS.

Relocation and Interview Expenses

Relocation expenses to new members of staff are not paid.

Interview expenses are paid at the discretion of the interview panel and will only be settled on the production of valid receipts and invoices. Travel expenses, if approved, will be calculated using the Trust's approved mileage rates set out under Mileage allowances below.

Travel and Subsistence Expenses

Travel and Subsistence expenses are certified by the member of the academies Senior Leadership Teams (or Line Manager) permitting the travel and then authorised for payment by the Finance Manager. The Chief Executive Officer's travel claims are authorised for payment by the Chief Financial Officer. All expenditure must be supported by receipts.

Mileage allowances

In accordance with HM Revenue and Customs regulations all mileage claims must be supported by a VAT fuel receipt dated on or before the date of the journey, so that the Trust can reclaim the VAT on the fuel element of the claim. This does not apply to electric vehicles charged at home.

Normal home to work mileage must be deducted from any claim for travel where the journey starts or finishes at the claimant's home. The claimable mileage is the distance actually travelled less the distance the claimant would normally travel between home and their normal place of work. For example, a claimant who lives 6 miles from their normal place of work and drives 10 miles from home to a meeting may claim 4 miles for that journey.

Trustees and Governors are able to claim travel expenses. These should be authorised by the Chair of the Trust Board or Chair of the Local Governing Committee, if the claimant is the Chair of the Trust Board then the claim should be authorised by the Chief Financial Officer.

Trustees, Governors and staff who use a private vehicle on Trust business will be paid at the HM Revenue and Customs approved mileage rates, which from the date of Trust Board ratification are 55p per mile for cars and vans (including electric vehicles) for the first 10,000 business miles in a tax year and 35p per mile thereafter, and 24p per mile for solo motorcycles. An additional 5p per mile is payable per passenger where work colleagues share the vehicle. If HMRC changes these rates, the revised rates will apply from the date HMRC sets and this policy will be updated at its next annual review. Claimants must hold insurance that covers business use.

Subsistence payments

Employees may claim reimbursement of reasonable additional expenditure actually incurred whilst they are away from their normal place of work and unable to follow their usual arrangements.

Subsistence may be claimed where an employee is away from their normal place of work on Trust business and meals are not provided. The actual cost incurred will be reimbursed, on submission of an itemised receipt, up to the following limits:

Away for 5 hours or more: up to £10.00.
Away for 10 hours or more: up to £20.00.
Away for 15 hours or more, or staying overnight: up to £40.00 for each 24-hour period (£50.00 in London).

Where an overnight stay is required, accommodation will normally be a standard room at Premier Inn, Travelodge or an equivalent budget hotel within reasonable travel of the venue, booked and paid for by the Trust wherever possible. Bookings should be made as early as possible, and any room costing more than £220 per night requires the prior approval of the Chief Financial Officer. An incidental allowance of up to £5.00 per night may be claimed for overnight stays without a receipt. Alcohol will not be reimbursed.

In exceptional circumstances, and with the prior approval of the Headteacher or Chief Financial Officer, reasonable costs above these limits may be reimbursed on submission of a receipt, so that no employee is left out of pocket for necessary business travel.

Payments in relation to DSE users

The Trust schools will provide information, training and, on request, eye and eyesight tests for DSE users. Where the test shows that an employee needs corrective glasses specifically for DSE work, because their normal prescription is not suitable, the Trust will pay the cost of a basic pair of glasses, which is normally expected to be no more than £50.

This covers glasses for DSE work only and does not include prescription safety glasses or goggles, designer frames, or lens options beyond those clinically required. Where eye protection is required for other work activities, the Trust will provide safety goggles that can be worn over the employee's own glasses, in line with the Trust's health and safety arrangements.

Debt Recovery Procedures

Debt recovery becomes necessary when the customer fails to pay to the agreed terms set out in the original contract.

The Finance Team will pursue outstanding debts as follows:

- If payment has not been received 30 days after invoice a first remainder will be sent requesting payment.
- If payment is not forthcoming after a further 30 days, a second reminder will be sent with a notification of further action to recover the debt if payment is not received within 7 days.
- If payment is still not forthcoming, a third reminder will be sent with a notification of legal action through the Claims Court if payment is not received within 7 days.
- If payment is still not forthcoming the matter is reported to the Resources Committee to seek approval for proceeding with legal action through the Claims Court.
- OR the current aged debtors report together with details of any debts outstanding and requests for debts to be written off will be provided to the Resources Committee.

Debt Recovery Code of Practice

- The Trust does not use oppressive and intrusive collection methods.
- The Trust does not act in a manner intended to embarrass the debtor.
- The Trust is circumspect and discreet when attempting to contact the debtor, whether by telephone, letter, or by personal visit.
- The Trust ensures that all attempted contact with the debtors is made at reasonable times and at reasonable intervals.
- Unless instructed otherwise by the debtor, the Trust does not discuss with or disclose to neighbours, relatives or employers a consumer's indebtedness.
- The Trust does not use improper means to obtain the telephone number or the address of the debtor.
- The Trust does not pressure debtors to sell property or raise funds by further borrowing.

- The Trust does not falsely imply that criminal proceedings will be brought nor that civil action has been instituted in default of payment.

Schools' Private Fund

The Schools' Private Fund is a Trust resource that is not part of the Trust's delegated budget from the DfE. The funds act as a holding account for voluntary contributions for trips and charity items. The funds are appropriately safeguarded and controlled by the same policies and procedures as the rest of the Trust's income and expenditure. The funds have separate bank accounts.

Fixed Assets

All items purchased with a value over £1,000, the Trust's capitalisation limit, must be entered in the accounting asset register and recorded on to either the School Asset Manager system or an alternative that is in place.

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.

The asset register helps:

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

Asset Security

Stores and equipment must be secured by means of physical and other security devices.

All items in the register should be permanently and visibly marked as the Trust's property and there will be a regular spot check. Any discrepancies arising as a result of the check will be investigated promptly and, where significant, be reported to the Trust Board by the Chief Financial Officer. Inventories of Trust property will be kept up to date and reviewed regularly.

Asset Disposal

Items which are to be disposed of by sale or destruction must be authorised for disposal by either the Chief Financial Officer, the Operations Manager, and/or the Finance Manager. The Trust must seek approval of the DfE in writing if it proposes to dispose of an asset for which a capital grant in excess of £20,000 was paid. The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid into other Trust assets. If the sale proceeds are not reinvested, then the Trust must repay to the DfE a proportion of the sale proceeds.

Loan of Assets

Items of Trust property must not be removed from Academy premises without the authority of the appropriate Line Manager and the Operations Manager and/or the Finance Manager. A record of the loan must be recorded on the School Asset Manager System or an alternative that is in place and booked back in on its return. The person borrowing the asset will be responsible for returning it to the Academy in the same condition and must ensure that they have sufficient insurance cover to address any damage or loss of the asset.

Depreciation

The Trust will depreciate fixed assets in line with recognised accounting standards, Academy best practice and DfE guidelines. Depreciation rules and revisions will be approved by the Trust Board.

Depreciation is provided for at the following annual rates in order to write off each asset over its estimated useful economic life and to reflect the resultant resource consumption in the Trust's accounts:

- Fixtures, fittings and general equipment – 20% straight line.
- Computer equipment – 33.33% straight line.
- Long Term Leasehold Property – 2%/4% straight line.
- Freehold Property – 2% straight line.
- Motor vehicles – 25% - straight line.

Depreciation is not charged on assets under construction until they are brought into use.

Data Management

Academy data is a key resource, whether held in paper or electronic format. All data is processed in accordance to the Data Protection Act.

Physical protective measures will be in place for hard copy information relative to the classification of the data.

Systems are in place to protect key computer and electronic data; control features include:

- Regular back up procedures.
- Passwords.
- Disaster recovery plans.

Insurance

The Trust purchases adequate insurance to protect assets, activities, and outcomes. The insurance policy terms and levels of cover are reviewed annually by the Chief Financial Officer. In the case of a claim the Finance Manager/ Senior Finance Officer will notify the Trust Shared Services team who will in turn contact the Trust's insurers without delay to ensure the matter is dealt with in a timely and appropriate manner. This will result in the efficient reimbursement of monies.

Keys and Key Code Inventory

The key inventory is the responsibility of the Site Manager or relevant designated person to maintain and will be kept up to date at all times. It is the responsibility of staff to report all lost and stolen keys, or compromised key codes, to enable new security measures to be put in place and for the key inventory to be updated.

Vehicles

Staff must ensure that only persons that are suitably qualified drive the Trust's vehicles. The Trust's vehicles can only be used for business in relation to the Trust's purposes (see Articles of Association). This includes wider community use for which donations are acceptable. However, the vehicles are not available for general hire.

Prior to use all vehicles are to be checked in line with the Trust's procedures; failure to do so may lead to disciplinary action - see Staff Handbooks for booking and operating procedures. The name of the driver, start point, end point and mileage for each journey is to be recorded in the vehicle log.

All damage is to be reported to the Site Manager or relevant designated person.

Academy Companies Statement

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

Reserves and Investment

The Trust has separate policies containing further details.

Counter Fraud, Theft and Corruption

The Trust takes a firm zero tolerance approach to all instances of fraud, theft, or corruption. Through its systems, checks and controls, the Trust aims to prevent theft, fraud, and corruption, but will act as necessary to identify suspected instances and irregularities and will take appropriate action against those responsible. Full details can be found in the Trust's Counter Fraud Theft and Corruption policy.

Self-Assessment of Governance and Management

The Trust Board and the Chief Financial Officer will ensure that a self-assessment is undertaken annually in order to provide the DfE with assurance on the adequacy of the Trust's arrangements for financial management and governance. The self-assessment will

provide assurance to the Trust's Accounting Officer and Audit Committee that conditions of funding are being met, and that appropriate systems of control are in place.

Appendix A – Forms of Tender and Formal Tender Process

Open Tender

This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Head of Operations/Head of Finance/ Senior Finance Officer how best to advertise for suppliers e.g. general press 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 of because of the nature of the goods are such that only specific suppliers can be expected to supply the school'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

Full consideration should be given to:

- Objective of project.
- Overall requirements.
- Technical skills required.
- After sales service requirements.
- Form of contract.

Invitation to Tender

If a restricted tender is to be used, then an invitation to tender must be issued. If an open tender is used an invitation may be issued in response to an initial enquiry. An invitation to tender should also include the following:

- Introduction/background of project.
- Scope and objectives of the project.
- Technical requirements.
- Implementation of the project.
- Terms and conditions of tender.
- Form of response.

Tender Acceptance/Opening Procedures

The invitation to tender should state the time and date by which the completed tender document should be received by the Trust. All tenders submitted should be opened at the same time and the details recorded.

Tender Evaluation Process

The evaluation process must involve members of the Trust Board, the Chief Financial Officer, the Head of Operations, and the Head of Finance. 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. Those involved in the decision making must also take care not to accept gifts or hospitality form potentials suppliers as this could be seen to compromise the process.

Full details should be kept of all criteria used for evaluation and a report should be made to the Local Governing Committee/Trust Board highlighting the relevant issues and advising the decision.

Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.

The accepted tender should be one that is economically most advantageous unless it can be demonstrated that is not the best option for the academy. All parties should then be informed of the decision.