Grove Learning Trust

Financial Regulations Policy

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Date: Autumn 2025

Financial Regulations Policy
Company Number: 07728828
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Review

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1. Introduction

These are the financial regulations for Grove Learning Trust (GLT). Their purpose is to ensure that the trust delivers good financial management and maintains strong systems of financial control. These regulations must be strictly adhered to by all trust staff, trustees, academy councillors and where applicable stakeholders of Grove Learning Trust. The regulations have been compiled in line with the academies trust handbook and the Department for Education (DfE) financial guidance for academy trusts.

The finance regulations can be viewed in line with the following sub-policies that relate to financial matters for the academy trust and they are:

- Reserves policy
- Gift and Hospitality policy
- Fraud and bribery policy
- Code of conduct

2. Roles and Responsibilities

Accounting Officer

The Accounting Officer role is a requirement of the Academy Trust Handbook (ATH) and must be held by the most senior role within Grove Learning Trust. This is usually the Chief Executive Officer (CEO). The Accounting Officer is personally responsible to Parliament for GLT's financial resources. The Accounting Officer must adhere to the 7 principles of public life (Nolan principles) and ensure high standards of probity in the management of the public funds allocated to GLT. This probity particularly includes regularity, propriety and value for money.

Main financial responsibilities:

- Provide assurance to the trust board and DfE on the suitability of internal financial control frameworks.
- Review the annual accounts and complete the statement of regularity, propriety and compliance.
- In collaboration with the board of trustees, appoint the Chief Finance Officer (CFO)
- Holds the CFO role to account.
- Recommend the central and consolidated budget to the Board of Trustees
- Authorised signatory on the bank account.
- Ensures ultimate value for money and appropriate use of resources within GLT.

Chief Finance Officer (CFO)

The CFO role is a requirement of the ATH and must be held by a qualified accountant. The CFO is appointed by, and accountable to, the CEO and the board of trustees. The CFO must ensure strong financial framework and internal control, setting a suitable finance strategy, policies and procedures and completion of all financial statutory requirements.

Main financial responsibilities:

- Setting the finance strategy for GLT in conjunction with the CEO.
- Day to day financial management of GLT and the trust schools.
- Preparation of the 3-year budget.
- Preparation and presentation of the annual accounts alongside external auditors.
- Advise the CEO and board of trustees on financial matters.
- Preparation of monthly management accounts.
- Ensure adequate record keeping.
- Recruit and retain suitable finance staff.
- Authorised signatory on the bank account.
- Ensure compliance with all statutory reporting requirements.
- Approve purchases in line with scheme of delegation.
- Attends Risk and Resources committee meetings.
- Ensures value for money and appropriate use of resources with GLT.

Headteacher

Each GLT school is led by a headteacher. The headteacher is responsible for collaborating on the annual budget as the budget holder for their school setting, alongside the CFO. They are responsible for delivering value for money within their school and ensuring the most effective and appropriate use of resources. They must ensure the staff within their school adhere to the finance regulations and highlight any non-compliance to the CFO.

Main financial responsibilities:

- Make staff appointments that are within the set budget and agreed with the CFO.
- Authorise orders up to £5,000 that are within budget.
- Collaborate on the annual budget for their school alongside CFO.
- Be responsible for the delivery of the budget and ensure that the school does not go into unforeseen deficit.
- Ensure value for money and appropriate use of resources.
- Make recommendations where necessary around eligibility of pay increments for staff within their schools.

3. Accounting Principles

- The financial year runs from 1st September until the 31st August.
- Schools are expected to set a minimum break-even budget in line with the Academies Trust Handbook (ATH).
- Schools contribute 7% of their General Annual Grant (GAG) funding to the central function.
- Trust reserves are expecting to be maintained at 5% as per the ATH.
- Accounting records are retained for 6 years plus the current year.

4. Financial Planning

The trust prepares a 3-year financial forecast, this is made up of a 1-year budget and a 2-year projection forecast. Each school has an individual budget, and it is the responsibility of the headteacher of the school to set and deliver the budget with the support of the trusts central

finance team. A consolidated trust budget is prepared by the CFO for the trust board, which includes all schools and the central function.

Budget Preparation

The CFO is responsible for preparing and obtaining approval for the consolidated annual budget. Between the CFO and the headteacher the budget will incorporate the following elements:

- Forecasts of pupil numbers to estimate grants received.
- Review of other sources of funding.
- Staffing structure.
- Review of past performance against budget.
- All available efficiency savings in non-staffing.
- Any capital requirements.
- Any assumptions that the information is based on.
- Key ratios that can be used to benchmark both internally and externally.
- Consideration of trust reserves at the point the budget is set.

The budget cycle is as follows:

Spring term (Jan – Mar)

- Monitoring and reviewing of year's budget.
- Revise budget where appropriate including any returns to DfE.
- Pre-planning new financial year.

Summer term (Apr – Aug)

- Planning for forthcoming year.
- Preparation and submission of financial budget plan.
- Review of current year budget.
- Preparation for year end and audit.

Budget Monitoring

To ensure good financial control and effective monitoring of financial performance it is essential to track income and expenditure. Management accounts are prepared monthly for all schools and central functions by the CFO and central finance team.

These include:

- Actual vs budget – year to date performance.
- Commentary on variances of £1,000 or more.
- Any risks or opportunities.

Budget Forecast Return

The approved budget must be submitted to the DfE by end of August each year by the CFO. The CFO is responsible for establishing a timetable, which allows enough time for the approval process and ensures that the submission date is met.

Review of Regularity

The Accounting Officer reviews the following documents monthly to ensure the trust is working within the boundaries of regularity and propriety:

- reviews management accounts
- reviews compliance against the scheme of delegation
- reviews transactions for evidence of connected party transactions
- value for money practice
- review of Trustee and Academy Committee minutes.

Annual Accounts

The trust must prepare annual audited financial statements for the accounting period to 31 August.

The base level accounts are prepared in house by the CFO. The accounts in statutory format are outsourced to the trust's auditors for preparation.

The accounts are then submitted as follows:

- by 31 December – to DfE.
- by 31 January – published on the Trust website.
- by 31 May – to Companies House.

Audit Arrangements

External auditors must be appointed in accordance with the Academy Trust Handbook. This is by the Members of Grove Learning Trust.

Internal auditors must be appointed in accordance with the Academy Trust Handbook. This is by the Resources Audit and Risk (RAR) Committee of the Board.

The CFO is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

Work Undertaken During Accounting Period

The CFO is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:

- reviewing the structure of the trial balance
- maintaining a fixed asset register
- maintaining income and expenditure records (including filing of invoices)
- reviewing aged debtors for any provisions required
- maintaining a record of local governor and Trustee interests, related and connected party transactions
- control account reconciliations (bank, wages, debtors, creditors)
- monitoring & reporting to the Accounting Officer and Board of Trustees

Work Undertaken for The Year End

The CFO is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:

- prepayments or accruals for grant income
- control account reconciliations (bank, wages, debtors, creditors)
- close down of the purchase ledgers
- close down of the sales ledgers and aged debtors

5. Accounting System

All the financial transactions of the trust must be recorded into PS Financials, the computerised financial information accounting system. This system is operated by the finance team.

System Access

The PS Financials accounting system is protected by access permissions to authorised staff. Access permissions should be strictly controlled, and individual logins and passwords should not be compromised. Access to PS Financials should be restricted and the CFO is responsible for determining the access levels for all members of staff using the system. All leavers with previous access to PS Financials must have their access permissions formally removed.

Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this policy. All journal entries are input on to the finance system as appropriate by the finance team. Bank transactions are input by the finance team and reviewed by the CFO.

Reconciliations

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

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

The CFO signs all reconciliations as evidence of review. Any unusual or long outstanding reconciling items are brought to the attention of the CFO and dealt with according to the bad debt limits in this policy.

6. Cash Management

Bank Accounts

The following procedures must be followed when opening a bank account and operating it:

- The trust is responsible for selecting the banking institution and negotiating the terms and conditions.
- The Board of Trustees must authorise the opening of all bank accounts.
- The trust will ensure that in the event of changes to key personnel, signatories will be changed immediately, and the bank notified. Any online access to banking will also be removed.
- Terms of arrangements, including account signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement minuted.
- The trust must inform the bank, in writing, that their accounts must not become overdrawn.
- The trust must ensure there are enough funds to cover large payments.

Deposits

A deposit must be entered on a copy paying-in slip or listed in a supporting book with the following details:

- The amount of the deposit.
- A reference (for example the number of the receipt or the name of the debtor).

The finance team are responsible for updating the accounting system for deposits placed.

Payments and Withdrawals

All cheques and other instruments authorising withdrawal from the trust bank accounts must bear the signatures of two of the following authorised signatories:

- Chief Executive Officer
- Chief Finance Officer
- Finance Manager

This provision applies to all accounts, public or private, operated by or on behalf of the board of trustees of the trust including funds held in trust.

Administration

The CFO ensures bank statements are received regularly and that reconciliations are performed at least monthly. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the Trust's finance system.
- reconciliations are prepared by the Finance Team
- adjustments arising are dealt with promptly

Direct debit payments may be entered into for the payment of utility bills and other suppliers with whom the school has a regular contract. The value of each direct debit should be reviewed and compared with invoices received from the supplier. Suppliers paid by direct debit must be reviewed regularly to ensure they continue to provide best value.

Petty Cash

No academy should hold petty cash. Any school/academy joining the trust must bank any petty cash prior to the conversion date.

E-procurement & Payments

The trust debit card is used only when it is not practical to use the purchase order/BACS system. There are 3 cards, held by the CEO, CFO and the Finance Manager.

BACS Payments

On receipt of an invoice, the finance team will action as follows:

- Where a purchase order has been raised for the purchase and therefore already approved by the budget holder, the invoice will be entered once the school has confirmed that goods have been received.
- In the event that a purchase order has not been raised, the invoice is entered into the Register on PS Financials and sent to the budget holder for approval.
- Check that the invoice has not been previously paid.
- VAT chargeability on qualifying expenditure is shown and accounted for.

The BACs payment is then prepared. It requires two people who are account signatories, to check and authorise payment in the banking system. Any BACS payment run which exceeds £150,000 also needs to be approved by the CEO.

7. Investments

Investments are made in accordance with Investments Policy. All investments are recorded in enough detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

8. Reserves

Any overall surpluses or deficits (reserves) at the end of the year are carried into a central reserve held by the trust. The CEO, as Accounting Officer, must inform the DfE immediately if a deficit is anticipated. If the trust is anticipating a deficit at the end of any financial year, the Board of Trustees and the CFO have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The trust is expected to hold a reserve to the value of that advised in the Academy Trust Handbook. As per the scheme of delegation, any bid to spend reserves must to submitted for approval to the Board of Trustees.

Capital Reserves

Any overall surpluses at the end of the year are carried into a central reserve held by the trust. It is the responsibility of the CFO to keep accurate records of the capital funds, especially where grants have been received for capital projects.

9. Staff Appointments

The annual budget sets out the staffing structure for each GLT school. Headteachers are authorised to manage the staffing within the agreed structure at the time that the budget is set, provided their budget is in surplus or a breakeven.

Where changes are required outside of the budget (for example, increased hours, additional roles, teaching and learning responsibility awards) or where the school is not in a break even or surplus position, changes must be approved as follows:

- Any member of SLT within school – CEO and CFO approval
- Any central team member of staff (except the executive team) – CEO and CFO approval
- Executive team staff – CEO and Board of Trustees
- Any other member of staff – CFO approval

Staffing structure changes must be proposed to the Board of Trustees by the CEO and CFO, via a business case for approval.

10. Payroll Administration

Payroll is administered through Edupay, the trust's payroll provider. All staff are paid monthly through the payroll provider. A master file is created for each employee which records:

- salary
- bank account details
- taxation status
- personal details
- any deductions or allowances payable
- other legal and relevant details

Any changes to payroll required are notified to the Payroll Manager by the HR team and then checked against pre payroll report by the CFO. Any amendments each month prior to the payroll run must be authorised by the CFO. Final Payroll should be authorised by CFO.

Each school must keep a record of sickness for each month using the absence monitoring sheet and then notify to the HR team to complete the absence return master sheet and update the payroll system with absences.

Timesheets for temporary work or overtime undertaken are to be completed on the payroll system by the employee. This is then automatically submitted to the headteacher for authorisation, to then be included in the next pay run. Timesheets must not be submitted prior to work having been undertaken. These are then monitored by the CFO for the trust as a whole. No payments for work undertaken will be made other than via the payroll system.

Annually, the CFO checks that the gross pay for each staff member on the payroll system aligns with the contract of employment held on the personnel file.

Payments

All salary payments are made by BACS. The Payroll Manager prepares a reconciliation report between the current and previous month's gross salary payments. Comments explaining differences for new appointments, resignations, pay increases, overtime, unpaid leave etc will be made for review and approval by the CFO.

The payroll system will automatically calculate the deductions due from gross pay to comply with current legislation, mainly for tax, national insurance and pensions. The payroll manager will produce a report to summarise these deductions for approval by the CFO.

The trust has a responsibility for ensuring that all payments to individuals are subject to tax and national insurance deductions where appropriate. To achieve this, the following guidelines should be followed:

- An assessment must be made as to whether the individual is providing a contract of service (i.e. employed) or a contract for services (i.e. self-employed).
- If considered to be a contract of service, the individual shall be set up as an employee of the school before receiving payment through the payroll.
- Where an individual seeks payment from the trust for a contract for services, this must be in the form of an invoice, the invoice should state the individual's tax reference number if they have one.
- Once payroll has been processed, postings will be made both to the payroll control accounts and to the individual nominals in PS Financials. The payroll manager will review the payroll control accounts each month to ensure a clear balance.

Salary Advances

The trust does not award salary advances.

Special Payments

Certain transactions by public bodies may fall outside their usual planned range of activity and may exceed statutory and contractual obligations. HM Treasury calls these 'special payments' (see annex 4.13 of Managing Public Money). They are subject to greater control than other payments and include:

- staff severance payments
- compensation payments
- other types of special payments, including ex gratia payments

Special Severance Payments

Special staff severance payments are paid to employees outside statutory or contractual requirements when leaving public employment. They are different to ex gratia payments.

If the trust is considering a staff severance payment above statutory or contractual entitlements, it must consider the following issues before making a binding commitment:

- That the proposed payment is in the trust's interests.

- Whether the payment is justified, based on legal assessment of the trust's chances of successfully defending the case at employment tribunal. If there is a significant prospect of losing the case, a settlement may be justified, especially if the costs of a defence are likely to be high – where a legal assessment suggests the trust is likely to be successful, a settlement should not be offered.
- If the settlement is justified, the trust would need to consider the level of settlement – this **must** be less than the legal assessment of what the relevant body (for example an employment tribunal) is likely to award.

Staff severance payments should not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance. The only acceptable rationale in the case of gross misconduct would be where legal advice is that the claimant is likely to succeed in an employment tribunal because of employment law procedural errors. In the case of poor performance, an acceptable comparison would be the time and cost of taking someone through performance management and capability procedures.

Where the trust is considering a staff severance payment including a non-statutory or non-contractual element of £50,000 or more, (gross, before income tax or other deductions), DfE's prior approval must be obtained before making any offer to staff.

Settlements must not be accepted unless they satisfy the conditions of the Academy Trust Handbook.

Additionally, in accordance with HM Treasury's guidance on Public Sector Exit Payments, academy trusts must obtain prior DfE approval before making a special staff severance payment where either:

- an exit package which includes a special severance payment is at, or above, £100,000
- the employee earns over £150,000

The Trust can self-approve the non-contractual element of severance payments up to published amounts. A business case must be presented before agreeing a payment, using the form provided by ESFA on Gov.uk.

Where the non-contractual element is on or over the published amount, prior approval from the ESFA must be sought.

The accounting officer must sign off and review each business case.

Use of Confidentiality Clauses

The trust must ensure 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.

Compensation Payments

Compensation payments provide redress for loss or injury, for example personal injuries, traffic accidents or damage to property. If the trust is considering a compensation payment, it must base its decision on a careful appraisal, including legal advice where relevant, and ensure value for money.

Where the trust is considering a non-statutory or non-contractual payment of £50,000 or more, DfE's prior approval must be obtained.

Other Types of Special Payments Including Ex-gratia

Other types of special payment, which go beyond statutory or contractual cover or administrative rules, include:

- ex gratia payments
- extra-statutory payments
- extra-contractual payments
- extra-regulatory payments

Annex 4.13 of Managing Public Money provides examples including, in the case of ex-gratia, payments to meet hardship caused by official failure or delay, and to avoid legal action due to official inadequacy.

These types of special payment transactions must always be referred to DfE for prior approval. If trusts are in doubt about a proposed transaction, they should seek DfE advice.

11. Income

Core School Grants

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

- General Annual Grant
- Pupil premium
- SEN top up funding
- Sports Premium
- Devolved capital grants

Other Grants

The receipt of these sums is monitored directly by the CFO who is responsible for ensuring that all grants due to the Trust are collected.

Trips

A lead member of school staff must be appointed for each trip. The finance team to agree costings and parent contributions with the school. School office staff should monitor the payment system for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a regular basis. The lead teacher is responsible for chasing the outstanding amounts.

Trips should be run at cost price, although allowances can be made for administrative fees and additional staff cover. If the school decides to subsidise the school trip, the amount of subsidy must be approved by the CFO in advance of the booking being made.

Catering

Parents should order children's food on the payment system at least a week in advance and pay for ordered items at the same time through the payment system. Children eligible for free school meals will be uplifted from Arbor, allowing parents to order on the payment system without having to pay.

Lettings

The schools are responsible for maintaining records of bookings and identifying the sums due. Details of the organisations using the facilities will be held by the schools. The finance team will establish a sales ledger account and produce a sales invoice from PS Financials accounting system. Payments must be made on receipt of the invoice for the use of the facilities. Copies of the organisations up to date relevant public liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept with the Letting Agreements.

Bad Debts

The trust chases all monies due, and those that have not been paid within 30 days of an invoice being issued, by telephone or email. If the debt remains unrecoverable after 6 months, or it becomes clear that the debt will not be repaid, the finance team submits a report to the CFO for approval of write off.

A debt will only be considered for write off after careful appraisal and after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it and the trust is satisfied that there is no feasible alternative available. Prior to the write off of any debt, the trust will offset any monies owed to the debtor against the money owed to the Trust. The following write off limits apply:

- Up to £500 – CEO or CFO
- £500 to £1,000 – Resources, Audit and Risk (RAR) committee of the Board.
- Over £1,000 – Board of Trustees

12. Purchasing

Routine Purchasing

The trust must achieve value for money on all purchases. A large proportion of the purchases are paid for with public funds and the trust needs to maintain the integrity of these funds 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 school.
- Accountability, the school is publicly accountable for its expenditure and the conduct of its affairs.

- Fairness, that all those dealt with by the school are dealt with on a fair and equitable basis.

Budget holders will be informed of the budget available to them monthly from the beginning of the academic year via the management accounts. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Any overspends without authorisation by the CFO could result in disciplinary action.

Routine purchases up to £5,000 can be ordered by budget holders providing they have the funds in their budget to do so. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the finance team. Copies of all quotes must be attached to the order form.

Orders with a value of £5,000 or more will need to follow a process of obtaining 3 quotes and will need approval from the CFO.

Orders and Invoices

Orders should not be entered into verbally. The use of 'purchase orders' through PS Financials accounting system automatically updates the financial records and enables committed expenditure to be included in management information for Trustees.

All orders must be made, in the purchase order module of PS Financials, which allocates a purchase order number and commits expenditure. This is to be done at school level.

Orders placed will automatically be sent to the headteacher for approval. It is the headteacher's responsibility to check adequate budgetary provision exists before approving the order. Orders will only be placed with the supplier once approval has been received. On receipt of the goods, the school must take a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies with the supplier of the goods without delay.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the finance team should be notified to prevent payment of an incorrect invoice. Invoices received for payment must contain the following criteria:

- Supplier name and address shown
- Academy or trust office address shown in full
- Invoice number
- Invoice date
- Terms of payment
- Purchase order number (if applicable)
- Service or goods clearly referenced
- VAT number if VAT registered

All invoices are to be sent to the finance team. Invoices for purchase orders can only be processed once the school has completed the GRN for each item. The finance team are to communicate with the school for any purchase order invoices without a completed GRN.

If a budget holder is pursuing a query with a supplier, the finance team must be informed of the query and periodically kept up to date with the progress.

Once a purchase order invoice has been processed, the finance team will generate payment as required.

All supplier statements should be checked upon receipt against vendor line items. If an invoice number and amount cannot be matched, then the supplier should be contacted to provide a copy invoice.

Orders over £5,000

At least three written quotations must be obtained for all orders between £5,000 - £50,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. The documentation will also need approval from the CFO before order.

Approval for orders over £5,000 but less than £50,000 must have approval from the CEO and the CFO.

Approval for orders above £50,000 must be obtained from the Board of Trustees and the Resources, Audit and Risk (RAR) committee of the Board.

Creating New Suppliers

New vendor details will be added to the PS Financials system by the finance team and then checked for accuracy by the Finance Manager. The request must be accompanied by the vendor's bank details on the vendor's invoice to include VAT description (what service the vendor is supplying) and VAT number if applicable. If this is not available, then confirmation must be received on the vendor's headed paper and signed on behalf of the vendor.

Trading with Related Parties

Related parties include persons and entities with control or significant influence over the trust, and members of the same group (e.g. parent and subsidiary companies).

Trustees must comply with their statutory duties as company directors to avoid conflicts of interest, not accept benefits from third parties, and declare interest in proposed transactions or arrangements

A register of interest must be kept and reviewed annually in conjunction with the suppliers list.

Trading with Connected Parties

Trading with connected parties must be in line with the Academy Trust Handbook.

Goods and services for private use

No goods are ordered, or services provided to include any elements of private use by directors, academy committee governors and staff.

13. Tenders

Forms of Tenders

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 budget holder must discuss and agree with the CFO 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 trust'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

A full specification should be written up for the procurement and it should include:

- Precise description of what is needed
- Explanation of objectives
- Amount required
- Quality it should be
- When it is needed

All spending decisions must represent value for money and propriety in the use of public funds including in relation to any actual or perceived conflicts of interest.

Award criteria should be set and ranked, and shared with supplier as part of the invitation to tender:

- Objective of procurement exercise
- Overall requirements
- Technical skills required
- After sales service requirements
- Form of contract
- Price/cost

A tender brief must always be prepared and reviewed by the CFO.

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 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
- Dates for decision and work to be delivered

Tender Acceptance Procedures
The invitation to tender should state the date and time by which the completed tender document is received by the trust. Tenders are 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 be accepted.

Tender Opening Procedures
All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:

- For contracts up to £25,000 – budget holder & CFO
- For contracts over £25,000 – CEO plus a member of RAR

A separate record should be established to record the names of the firms submitting tenders and the amount tendered. The record is signed by both people present at the tender opening.

Tendering Procedures
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 and be replaced.

Those involved in making a decision must not accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Full records should be kept of all criteria used for evaluation and for contracts over £25,000 a report should be prepared for the Resources, Audit and Risk Committee highlighting the relevant issues and recommending a decision. For contracts under £25,000 the decision and criteria should be reported to the Resources, Audit and Risk Committee.

The accepted tender should be the one that achieved the highest scoring in the evaluation process. The tender may also be economically advantageous whilst achieving best value to the trust. All parties are then informed of the decision.

14. Insurance

The Resources, Audit and Risk Committee reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for trust property when off the premises.

The trust has opted all schools into the Department for Education's Risk Protection Arrangements.

Headteachers must ensure all valuables are kept under lock and key when not being used in a supervised manner.

All contractors must have public liability insurance before they are allowed to undertake work on the school's premises.

15. Governor and Trustees Expenses

All governors and trustees of this trust are entitled to claim the actual costs, which they incur as follows:

- the cost of travel relating only to travel to meetings/training courses at a rate of 45 pence per mile which does not exceed the specified rates for school staff.
- travel and subsistence costs, payable at the current rates specified by the Secretary of State for the Environment, Transport and the Regions, associated with attending national meetings or training events, unless these costs can be claimed from the any other source

The Board of Trustees acknowledges that:

- Governors are not to be paid attendance allowance.
- Governors are not reimbursed for loss of earnings.

Governors wishing to make claims under these arrangements, must complete a claims form from the finance team, together with the relevant receipts. The form must be submitted to the finance

team within two weeks of the date when the cost was incurred, when they will be submitted for approval by the Chair of Trustees and presented to the Resources, Audit and Risk (RAR) Committee for final approval.

Claims will be subject to independent audit and may be investigated if they appear excessive or inconsistent.

16. Gifts

Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £25 are reported to the CFO to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, can influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses. Gifts that have been reported are entered onto the gifts and hospitality register.

17. Energy Management

The school caretaker is responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be checked before authorising any invoices from the utility providers.

The CFO ensures that the school is purchasing energy at the most competitive prices available.

18. Fraud

The Trust does not tolerate fraud. Where instances of fraud are found the CEO will notify the DfE. Please refer to the trusts Fraud Policy.

19. VAT

The finance Team is responsible for submitting the VAT 126 form each month.

20. Fixed Assets

Asset Register

All items purchased with a value over the trust's capitalisation limit of £1,000 must be entered on the fixed asset register at each school with the following details:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from grant and % funded from other sources)

- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

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
- to manage the effective utilisation of assets and to plan for their replacement
- help the external auditors to draw conclusions on the annual accounts
- support insurance claims in the event of fire, theft, vandalism or other disasters

All the items in the asset register should be permanently and visibly marked as the school's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and where significant, reported to the CFO. Inventories of school property should be kept up to date and reviewed regularly.

Security of Assets
Equipment is, where possible, stored securely when not in use. A rolling count programme is directed by the headteacher, who is different from the preparer of the asset register. Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the CFO.

Disposal of Assets
Disposals are in line with the Academy Trust Handbook. Items which are to be disposed of by sale or destruction up to the value of £1,000 (other than land and buildings) must be authorised for disposal by the headteacher and / or the CFO.

Items which are to be disposed of by sale or destruction above the value of £1,000 but less than the value of £10,000 (other than land and buildings) must be authorised for disposal by the CEO.

Items which are to be disposed of by sale or destruction above the value of £10,000 but less than the value of £25,000 (other than land and buildings) must be authorised for disposal by the Resources, Audit and Risk Committee. Items which are to be disposed of by sale or destruction above the value of £25,000 (other than land and buildings) must be authorised for disposal by the Board of Trustees.

For the disposal of any asset to be approved, the CFO must be satisfied with the reasons given for disposal and that the method of disposal is the most appropriate to ensuring the trust is obtaining the best 'value-for-money' and the reputation of the trust is protected.

Loan of Assets
The Trust does not loan out its assets.

Appendix A: Segregation of Duties

Segregation of Duties

Purchase Ledger				
Process	**Person Responsible**	**Procedure**	**Frequency**	**Segregation**
New Supplier Forms	Finance Officer Finance Manager	Checking details and entering on PSF Checking again details and PSF entry	Ad-hoc	More than one person overseeing new suppliers
Processing Invoices	Finance Officer	Entering POINs and getting authorisation for purchase invoices	Daily	Entering invoices, not making BACS runs
Invoices for immediate payment	Finance Officer	Ensure correct authorisation, make payment as soon as possible. Obtain VAT receipt	Ad Hoc	Making payment, not posting payment to bank
Checking Statements	Finance Officer	Chasing suppliers for copies of invoices	Weekly	N/A
Aged Creditors	CFO	Running each month and ensuring 60 days + is clear	Monthly	Not entering invoices, or processing BACS run
BACS Run	Finance Manager CFO	Checking invoice amounts and authorisation. Raising media file for bank upload. Importing payment file to bank. Approving BACS run and checking invoices included	Weekly	Not entering invoices Double checking BACS run
Remittances	Finance Officer	Email remittances	Weekly	N/A

Sales Ledger				
Process	**Person Responsible**	**Procedure**	**Frequency**	**Segregation**
Lettings Invoicing	Finance Officer	Raising monthly sales invoices in advance of letting	Monthly	N/A
Ad hoc invoicing	Finance Officer	Raising sales invoices as requested	Ad Hoc	N/A
Aged Debtors	CFO	Running each month and chasing debts past 30 days	Monthly	Not raising sales invoices

Bank				
Process	**Person Responsible**	**Procedure**	**Frequency**	**Segregation**
Posting transactions	Finance Manager	Posting daily transactions and checking running bank balance to PSF	Daily	Not raising sales invoices, can't make payments on own.
BACS Payments	Finance Manager CFO	Enter BACS payments on banking system. Doing first approval. Checking BACS payment. Doing second approval.	Weekly	Payment cannot be made without second approval. Has not made the first approval.
Bank Reconciliation	Finance Manager CFO	Monthly reconciliation of all bank transactions Checking and approving	Monthly	Not processing transactions

VAT				
Process	**Person Responsible**	**Procedure**	**Frequency**	**Segregation**
VAT	Finance Manager	Reconciliation of VAT account in PSF, submitting to HMRC	Monthly	Not entering VAT transactions

Payroll				
Process	**Person Responsible**	**Procedure**	**Frequency**	**Segregation**
General Amendments	HR Officers	Processing amendments during the month	Weekly	Not processing or checking the payroll
Locking Payroll	Finance and Payroll Manager	Ensuring timesheets and expenses are approved, and HR have processed sickness and leave	Monthly	N/A
Processing the payroll	Finance and Payroll Manager	Checking timesheets and expenses, starters and leavers, SMP, AOE, etc	Monthly	Not entering amendments or doing a final check of the payroll
Checking payroll variances	Finance and Payroll Manager	Commenting on variances in gross pay e.g. salary increases	Monthly	Not entering amendments or doing a final check of the payroll
Checking the payroll	CFO	Checking variances and reasons for them. Signing off amendments by the HR team.	Monthly	Not entering amendments or processing the payroll
Pensions	Finance and Payroll Manager	Any pension queries and monthly reconciliations	Ad Hoc	N/A