



# Finance and Accounting Policy

This Policy has been adopted and approved by Oxlip Learning Partnership and is to be used by all members of the Trust.

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### 1. Introduction

The purpose of this policy is to ensure that Oxlip Learning Partnership (the Trust) maintains and develops robust systems of financial control which conform to the requirements of propriety and good financial management. These systems must operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).

The Trust must comply with the principles of financial control outlined in the academy's guidance published by the DfE. This policy expands on that and provides detailed information on the Trust's accounting procedures and should be read by all staff involved with financial systems.

### 2. Organisation

The Trust has defined the responsibilities of each person involved in the administration of Trust finances to avoid the duplication or omission of functions and to provide a framework of accountability for Executive Leaders (including Chief Executive Officer (CEO)/Accounting Officer and Chief Finance Officer (CFO)), School Finance Personnel, Trust Board, Governors, and staff.

#### 2.1 The Trust Board

The Trust Board is responsible for the finances. The main responsibilities of the Trust and its Schools are prescribed in the Funding Agreements approved by the DfE. In addition, the Trust operates a Scheme of Delegation.

The main responsibilities include:

- Ensuring that grants from the DfE are used only for the purposes intended.
- Ensuring that funds from sponsors are received according to the Trust's Funding Agreement and are used only for the purposes intended.
- Approval of the Annual Budget.
- Appointment of the CEO, CFO and Principals.

## 2.2 The Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee is a committee of the Trust Board. The Committee meets at least once a term, but more frequent meetings can be arranged if necessary.

The main responsibilities of the Finance, Audit and Risk committee are detailed in written terms of reference which have been authorised by the Trust Board.

The main responsibilities include:

- The initial review and authorisation of the annual budget prior to final approval by the Trust Board.
- The regular monitoring of actual expenditure and income against budget.
- Ensuring the annual accounts are produced according to the Companies Act 2006, Charity SORP, and the DfE guidance issued to Academies.
- Authorising of transactions in accordance with the Record of Financial Responsibility (RoFR)
- Reviewing the reports of the internal audit on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Trust Board.

## 2.3 The Chief Executive Officer

Within the Trust's framework, the Chief Executive Officer (CEO) has overall executive responsibility for its activities including financial activities as the Accounting Officer. Much of the day-to-day financial responsibility has been delegated to the Chief Financial Officer (CFO) but the CEO still retains responsibility for:

- Approving staffing structures and grades as per the Scheme of Delegation approved by the Trust Board.
- Authorising orders/contracts as per the Record of Financial Responsibility (RoFR) in conjunction with the CFO.
- Authorising BACS payments in conjunction with another authorised signatory and as per the RoFR.

## 2.4 The Chief Financial Officer

The Chief Finance Officer (CFO) works in close collaboration with the CEO through whom they are responsible to the Trust Board. The CFO also has direct access to the Trustees via the Finance, Audit and Risk Committee. The main responsibilities of the CFO are:

- The day-to-day management of financial issues including the establishment and operation of a suitable accounting system.
- The management of the Trust's financial position at a strategic and operational level.
- The maintenance of effective systems of internal control.
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records.
- Overseeing the preparation of monthly management accounts.
- Authorising payments in conjunction with the CEO and other authorised signatories as per the RoFR.
- Ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.
- Acting as Company Secretary with regard to the administration of the records at Companies House.

## 2.5 The Chief Operating Officer (COO)

The Chief Operating Officer works in close collaboration with the CEO and CFO through whom they are responsible to the Trust Board. The main responsibilities of the Chief Operating Officer are:

- Having an oversight of the day-to-day operational issues including information technology, estates and facilities.
- The management of the Trust's trading operations.
- The maintenance of effective systems for compliance and health and safety.

## **2.6 School Finance Personnel**

Schools within the Trust will have a member of staff responsible for finance duties, in some instances, the Trust or an agreed provider will operate this role. They will work in close liaison with the CFO.

The main financial responsibilities are:

- The day-to-day management of the financial function within the school.
- The maintenance and development of effective systems of internal control within the school, ensuring separation of duties is maintained in collaboration with the MAT.
- Monitoring budgetary expenditure in line with budget constraints.

## **2.7 Internal Scrutiny**

All academy trusts must have a programme of internal scrutiny to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively. This includes:

- Adhering to all advice within the annual external auditors' management letter.
- Relevant reviews undertaken by the DFE.
- Annual Internal Scrutiny work outsourced to relevant and qualified providers.

## **2.8 Other Staff**

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

## **2.9 Register of Pecuniary 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 Trust Members, Trustees, Local Governors, and staff with significant financial or spending powers are required to declare any financial interests 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 directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with Trust. The disclosures should also include the business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a Member, Trustee, Local Governor or a member of staff by that person.

The existence of a register of business interests does not, of course, detract from the duties of Members, Trustees, Local Governors and staff to declare interests whenever they are relevant to matters being discussed by the Trust, Local Board or a committee. Where an interest has been declared, this should be recorded and minuted, and those Members, Trustees, Local Governors and staff should not participate in that part of the committee or other meeting.

# **3. Accounting System**

All the financial transactions of the Trust must be recorded on the accounting system in a timely and accurate manner.

## **3.1 System Access**

Entry to the finance system is password restricted, and the CFO is responsible for implementing a system ensuring passwords are secure. Access to the component parts of the system can also be restricted, and the CFO is responsible for setting access levels for all staff members using the system.

### **3.2 Back-up Procedures**

The finance system is “cloud based” and hosted by the service provider. The provider is responsible for ensuring all data is fully backed up via their contractual agreement with the Trust.

### **3.3 Transaction Processing**

All transactions input into the accounting system must be authorised as per RoFR, each Academy in the Trust must have two authorisations from certified staff. This can either be by signed documentation or email authorisation. Invoices are scanned and attached to the corresponding payment on the system. All BACs runs are approved as per the RoFR. Detailed information on the operation of the finance system can be found in the user manuals and in the help/documentation section of the systems portal.

The CFO will review system reports, to include management accounts summarising expenditure and income against budget at budget level. It is the Trusts aim to store as much documentation as possible electronically to create a more efficient and environmentally friendly environment.

### **3.4 Reconciliations**

The CFO is responsible for ensuring the following reconciliations are performed each month:

- Payroll control account.
- All suspense accounts.
- Bank balance per the nominal ledger to the bank statement.

Any unusual or long outstanding unreconciled items must be brought to the attention of the CFO who will liaise with individual academies to clear them from the system. The CFO will review and sign, either physically or electronically, all reconciliations as evidence of the review. The CEO, as Accounting Officer, may also choose to spot check and review these items periodically.

### **3.5 Payroll Checks**

Designated staff must carry out thorough pre-payroll checks before payroll is run. Once this is complete and confirmed the CEO or CFO will complete the final authorisation of the payroll system.

## **4. Financial Planning**

The Trust prepares both medium-term and short-term financial plans.

### **4.1 Medium-term Financial Plan**

The medium-term financial plan is prepared as part of the development planning process. The development plan indicates how the Trust’s educational and other objectives are going to be achieved within the expected level of resources over the next three years.

### **4.2 Development Plan**

The School Development Plan helps to provide the framework for the annual budget within each School. The budget is a detailed statement of the expected resources available to the school and the planned use of those resources for the following year.

Development Plans are concerned with the future aims and objectives of both the Trust and its Schools and how they are to be achieved; that includes matching the objectives and targets to the resources expected to be available. Plans should be kept simple and flexible. They are the “big picture” within which more detailed plans may be integrated.

The form and content of the Development Plans are matters for the Trust and its Schools to decide but due regard should be given to any annual guidance issued by the DfE.

Each year the CEO will propose a planning cycle and timetable to the Trust Board and respective Local Boards.

The completed Development Plans will include detailed objectives for the coming academic year and outline objectives for the following two years. The budget plan both at Trust and School level

should be assessed to ensure that financial resources are available to meet each objective. Estimated costings for unusual or extra curriculum objectives should be detailed in School Development Plans so that financial requirements can be incorporated into budgetary planning.

At School level, the responsibility for ensuring progress is made against objectives will be assigned to an appropriate member of staff. Performance will be monitored throughout the year against the defined success criteria and discussed within the Senior Leadership Team. The Senior Leadership Team will report to the Local Board if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

At Trust level, the Executive Leadership will monitor progress against the Trust's objectives and provide a termly progress report to the Board.

#### **4.3 Annual Budget**

The Trust's annual budget will be prepared by the CFO with the CEO. The budget must be approved by the CEO, the Finance, Audit and Risk Committee, and then presented to, and approved by, the Trust Board. The approved budget must be submitted to the DFE by the published deadline each year. The CFO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

Each School's annual budget will be prepared by the CFO in conjunction with each school's Finance Personnel and the Principal.

The annual budget of both the Trust and individual Schools will reflect the best estimate of the resources available for the forthcoming year and will detail how those resources are to be utilised. The budget should be constructed to ensure the objectives of both Trust and School Development Plans can be achieved.

The budgetary planning process at both Trust and School level will incorporate the following elements:

- Forecasts of the likely number of pupils to estimate the amount of DFE grant receivable.
- Review of other income sources available to the Trust/School to assess likely level of receipts.
- Review of past performance against budgets to promote an understanding of the Trust/School cost base.
- Identification of potential efficiency savings.
- Review of the main expenditure headings in light of the Development Plan objectives and the expected variations in cost e.g. pay increases, inflation and other expected changes.

#### **4.4 Balancing the Budget**

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income at least matches expenditure. There should be due consideration of the desired reserves level in light of longer-term plans.

#### **4.5 Finalising the Budget**

Once the different options and scenarios have been considered, a draft budget should be prepared by the CFO in conjunction with the individual Academy Principal, for approval by the CEO, the Trustee Finance, Audit and Risk Committee and the Trust Board. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

#### 4.6 **Monitoring and Review of the Budget**

Monthly reports will be prepared by the CFO. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the CEO and Academy Principal. Any potential overspending against the budget must first be discussed with the CFO.

The accounting system will not allow payments to be made against an overspent budget without the approval of the CFO/designated finance personnel. Overspends are allowed in exceptional circumstances and only then if funds are available to cover the amount from other areas of the budget.

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated, and action taken where appropriate.

### 5. **Payroll**

*(to note as we merge the Trusts payroll procedures are being reviewed while we align)*

The main elements of the payroll system are:

- Staff appointments.
- Payroll administration.
- Payments.

#### 5.1 **Staff Appointments**

The Trust Board has approved a personnel establishment for the Trust. Changes can be made to staffing in accordance with the Scheme of Delegation.

#### 5.2 **Payroll Administration**

The Academy payroll is administered via EPM, payroll transactions are entered into the accounting systems. Access to the systems is password controlled. Staff are paid monthly through EPM. The CEO authorises this payment.

#### 5.3 **Payments**

All salary payments are made by BACS. The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions, and pensions. After the payroll has been processed, the nominal ledger will be updated. Postings will be made both to the payroll control account and to individual cost centres. The CFO should review the payroll control account each month to ensure the correct amount has been posted from the payroll system and departments have been recharged correctly.

Each member of staff is responsible for ensuring the school is informed of any absence and any additional/casual hours they have worked. The HR Director will ensure that SIMS Personnel and the EPM portal are kept up to date to ensure an accurate payroll run is achieved monthly.

Discretionary and sickness/emergency absence is recorded in SIMS.

Additional hours claim form is used by each member of staff for all additional hours approved for the previous month. Once each claim has been approved for payment by the appropriate member of senior staff the HR Director will ensure this information is recorded on the EPM portal. The payroll run will be authorised by the Principal/HR Personnel before EPM run the payroll. Authorised additional hours forms, staff discretionary and sick absence forms are retained by the finance office for future reference.

Claims for travel are processed as applicable for all members of staff through payroll. Claim forms are authorised before processing in arrears through the payroll system. This ensures complete compliance with HMRC rules. The only exception being expenses for Trustee and Local Boards, these will be paid by BACS.

The EPM Payroll system will generate a pre payroll run file to allow the designated Personnel of each School to check the accuracy before payments to staff. Once authorised for payment the

value of the payroll run will be recorded in the finance MIS against the appropriate ledger codes and the total reconciled to the bank statement. The Finance Personnel will monitor the actuals against predicted using the budgetary estimates.

On an annual basis, the Trust must inform each member of the teaching and support staff of their current grade and pay point in writing. This should be processed in the Autumn Term each year to align with performance management and threshold applications.

The Trust will investigate any discrepancies and contact EPM Payroll immediately.

## **6. Procurement, Purchasing, and Tendering**

All academies must comply with the Oxlip RoFR. Following the merger and new Procurement Act announced in Feb 2025 we are completing a full review of Procurement.

The Trust wants to achieve the best value for money from all its purchases. This means obtaining the correct quality, quantity, and time at the best price possible. A large proportion of its purchases will be paid for with public funds and it 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 Trust.
- **Accountability:** The Trust is publicly accountable for its expenditure and the conduct of its affairs.
- **Fairness:** That all those dealt with by the Trust are dealt with on a fair and equitable basis.

### **6.1 Compliance with the Modern Slavery Act 2015**

The Trust must comply with the Modern Slavery Act 2015 requirements and, in doing so, has prepared a statement published on the Trust website. All suppliers to the Trust are required to fully comply with the Modern Slavery Act 2015 and will confirm that they do so by accepting the Trust Terms

### **6.2 Routine Purchasing**

Budget holders will be informed of the budget available to them as soon as possible. It is the budget holder's responsibility to manage the budget and ensure that the funds available are not overspent. A report detailing actual expenditure against budget will be supplied to each budget holder termly or on request, and budget holders are encouraged to keep their own records of orders placed but not paid for.

In the first instance, a supplier should be chosen from the list of approved suppliers maintained by the Finance system. 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 CFO.

All orders must be made either in writing or on an electronic order form and emailed to the Finance Office for processing. All orders are checked to ensure adequate budgetary provision exists, authorised, and then entered onto the accounting system. The budget holder/finance personnel must make appropriate arrangements for the delivery of goods to the Academy. On receipt, the budget holder/ finance personnel must undertake a detailed check of the goods received. Discrepancies should be discussed 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 Office should be notified. If a budget holder/ finance personnel is pursuing a query with a supplier, the Finance Department must be informed of the query and periodically kept up to date with progress.

All invoices should be sent to the Trust Finance Office. Upon receipt, the invoices will be entered onto the system. The Finance Office will ensure that all invoices are authorised in accordance with the Record of Financial Responsibility (RoFR) before being passed for payment.

### 6.3 Forms of Tenders

There are three forms of tender procedure: open, restricted, and negotiated. 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 Principal/CEO/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 is 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.

### 6.4 Preparation for Tender

Full consideration should be given to:

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

It may be useful after all requirements have been established to rank requirements (e.g., mandatory, desirable, and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

### 6.5 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.

### 6.6 Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the Trust. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on

receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

## **6.7 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 £50,000 – two of the budget holder/ finance personnel, the CFO, or the principal.
- For contracts over £50,000 – either the CFO or the Principal plus a member of the Trustee Finance, Audit and Risk Committee.

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

## **6.8 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.

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

Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the Trustee Finance, Audit and Risk Committee highlighting the relevant issues and recommending a decision. For contracts under £50,000 the decision and criteria should be reported to the Trustee Finance, Audit and Risk Committee.

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 the one that is economically most advantageous to the Trust. All parties should then be informed of the decision.

# **7. Income & VAT**

## **7.1 Main Sources of Income**

The main sources of income for the Trust and its Schools are the grants from the DFE. The receipt of these sums is monitored directly by the CFO. The CFO is responsible for ensuring that all grants due to Schools in the Trust are collected.

## **7.2 VAT Compliance**

The Trust acknowledges that VAT legislation is a complex area requiring careful consideration and that errors can potentially lead to charges of interest and penalties. Registration for VAT purposes is required if the turnover of taxable supplies exceeds a limit determined by HMRC within any twelve-month rolling period. The Trust is not VAT registered and cannot, therefore, charge VAT on any income received. The Trust will carry out a monthly check of the total taxable supplies to ensure that turnover limits are not exceeded.

A separate VAT Policy is in place.

## **7.3 Educational Visits**

In all Schools, a lead teacher should be appointed for each educational visit to take responsibility for each trip and for the calculation of sums due. The calculations should be checked by the Finance Personnel to ensure the costs have been sufficiently covered.

Once the trip and budget calculation has been authorised by the accredited Trips and Visits Coordinator, the lead teacher must prepare a letter for each student intending to go on the trip showing the amount due. A copy of the letter must be given to the Finance Office. The Finance

Personnel will keep an up-to-date spreadsheet listing those students who have been granted remission for some or all of the charges.

Students should make payments at the school office/bank or preferably through electronic means. An electronic or paper payment card is issued for all monies collected for all residential trips involving staggered payments.

Schools using electronic payment systems will have an up-to-date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a regular basis and the lead teacher is responsible for pursuing the outstanding amounts.

Once the trip has taken place, the Trips and Visits Coordinator responsible for school visit administration should collate all the information regarding the trip and liaise with the Finance Personnel to reconcile the income and expenditure. This should take place within two working days after the day of the trip. This is particularly critical in the summer term to ensure reconciliation prior to the summer break.

No refunds to students will be processed for any school trip with the following exceptions:

- Where a trip is cancelled by the school for any reason.
- Where a student is withdrawn from the trip before the school has made a financial commitment for the trip OR where a student is replaced by another student.
- Where the school excludes a student from the school (and therefore the trip).
- Any other individual circumstance at the discretion of the School's Principal.

Schools do not set out to make any profit from school trips. Trips are carefully budgeted to ensure trips are cost neutral. However, if a surplus is made, once all costs are taken into account, and this amounts to more than £10 per pupil, the school will refund the relevant amount to each student.

#### **7.4 Lettings**

The following arrangements apply to all Schools in the Trust. The Finance Personnel/Sports Centre Manger will ensure adequate records are kept relating to the booking of facilities and for identifying the sums due from each organisation. Payments must be made in advance where possible for the use of facilities as per details in the School's Lettings Policy.

Details of organisations using the facilities should be given to the Finance Personnel/Sports Centre Manager who will establish lettings records and ensure a sales invoice is raised and sent. Details of payments made, and any outstanding accounts will be monitored by the Finance Personnel/Sports Centre Manager and any issues brought to the attention of the CFO.

Debts under £500 can be written off with the approval of the principal. Any debts over £501 must be approved by the Trustee Finance, Audit and Risk Committee. The DFE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter.

#### **7.5 Custody**

Official, pre-numbered Trust receipts should be issued for all cash over the value of £100 or if requested. All cash and cheques must be kept in the Finance Office locked safe prior to banking. Banking should take place as per the agreed carrier timetable or more frequently if the sums collected exceed the £10,000 insurance limit on the Finance Office locked safe.

Monies collected must be banked in their entirety in the school bank account. Monies should be banked regularly. All income must be entered onto the accounting system in a timely manner by the Finance Personnel. The CFO is responsible for ensuring reconciliations are carried out between the sums collected, the sums deposited at the bank, and the sums posted to the accounting system.

## 8. Cash Management

### 8.1 Bank Accounts

The Trust banks with Lloyds Commercial Bank Plc. Accounts must be recorded on the RoFR and the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

### 8.2 Bank Stationery

All bank stationery must be kept in the safe. They may be kept in a locked drawer during the working day but returned to the safe at the end of every day.

### 8.3 Deposits

Particulars of any deposit must be entered on a copy paying-in slip, counterfoil, or listed in a supporting book. The details should include:

- The amount of the deposit.
- A reference, such as the number of the receipt or the name of the debtor.

### 8.4 Payments and Withdrawals

All cheques and authorising withdrawal from school bank accounts must bear the signatures of two authorised signatories. All electronic payments from the Trust's online bank accounts must be created and authorised by two separate individuals. All as per the RoFR This provision applies to all accounts, public or private, operated by or on behalf of the Trust/Local Board.

### 8.5 Store/Loyalty Cards

Personal store cards or loyalty cards are not to be used when purchasing items to be reimbursed.

### 8.6 Trust Charge Cards

All designated charge card holders must sign the Charge Card Policy (Annex A) and Charge Card Programme Employee Undertaking (Annex B). Purchase orders must be raised in the normal way and VAT receipts for all purchases must be provided. These must be submitted monthly to the finance office. The data will be input onto the finance system and reconciled.

### 8.7 Petty Cash Accounts

In the interests of security and to minimise administration, petty cash is not encouraged but is managed at individual sites when needed. See RoFR for Petty cash limits.

### 8.8 Administration

The CFO must ensure 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 Trusts cash book.
- Reconciliations are prepared by the Finance Office.
- Reconciliations are subject to an independent monthly review carried out by the CFO.
- Adjustments arising are dealt with promptly.

### 8.9 Cash Flow Forecasts

The CFO is responsible for preparing cash flow forecasts for the Trust to ensure that the schools and Trust have sufficient funds available to pay for day-to-day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds if circumstances are appropriate to do so in line with the Investment and Reserves.

The CFO should carry out a risk assessment and obtain Trust approval before investing academy funds in high-interest accounts as these often have limited access and other caveats. Similarly, plans should be made to transfer funds from another bank account or to re-profile planned expenditure to cover potential cash shortages.

### **8.10 Investments**

Investments must be made only in accordance with the Investment and Policy approved by the Trust. All investments must be recorded in sufficient detail to identify the investment and predicted or confirmed return on that investment. The information required will normally be the date of purchase, the cost, and a description of the investment.

### **8.11 Borrowing**

In line with the Academy Trust Handbook and funding agreements, the Trust must seek DFE's prior approval for borrowing (including finance leases and overdraft facilities) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, and regardless of the interest rate chargeable. Charge cards must only be used for business (not personal) expenditure, and balances cleared before interest accrues. Any operating leases are to be compliant with the Academy Trust Handbook.

## **9. Fixed Assets**

The treatment of non-current, current, tangible, and intangible assets (group of assets) including depreciation, capitalisation, and other accounting treatments. The Accounting Standard FRS102 Tangible Fixed Assets should be applied.

A separate Asset Control Accounting Policy is in place.

## **10. Annual Accounts**

The Trusts Members appoint the External Independent Auditors for the Financial year.

### **10.1 Working Papers**

Finance personnel in each respective School and the CFO will work collaboratively to complete the electronic working papers to support and inform the compilation of the year-end accounts. All supporting documentation will be collated into the audit file for that year.

### **10.2 Financial Statements and Supporting Documents**

The school employs the services of external auditors to compile financial accounting statements. The CFO is responsible for the overseeing of, and liaison with, the external auditors and for ensuring the auditors receive all the practical help they need to complete the audit to an appropriate standard.

The CFO is responsible for collating all the elements of the Trust's annual accounts and will work collaboratively with the Executive Leadership, Chair of Finance, Audit and Risk Committee, and the Accounting Officer to ensure all the requisite reports and statements are completed in a timely manner.

### **10.3 Company Secretary**

The CFO acts as company secretary and is responsible for ensuring all returns are completed in a timely manner and the register of Trustees is kept up to date.

## **11. Debt Recovery**

### **11.1 Pursuing Debts**

All Schools will pursue all debts, and debts may be transferred from one school to another if appropriate. The CFO will decide the appropriate course of action and seek Trust Board approval as necessary.

### **11.2 Legal Advice**

If further difficulty is encountered in recovering the income, the CFO will seek the advice of the Legal Advisors in the first instance.

### 11.3 Reporting Debts

The CFO will be responsible for reporting debts against Schools' or the Trust's budget to the Finance, Audit and Risk Committee for write-off approval up to the level stipulated in the RoFR.

## 12. Value for Money

### 12.1 Definition

Value for money (VFM) is a term used to assess whether an organisation has obtained the maximum benefit from the goods and services it both acquires and provides, within the resources available to it. Some elements may be subjective, difficult to measure, intangible, and misunderstood. Judgement is therefore required when considering whether VFM has been satisfactorily achieved or not. It not only measures the cost of goods and services, but also takes account of the mix of quality, cost, resource use, fitness for purpose, timeliness, and convenience to judge whether, together, they constitute good value.

### 12.2 The Three Es

Achieving VFM can be described in terms of the 'three Es' - economy, efficiency, and effectiveness. The definition of the three Es is as follows:

- **Economy:** Careful use of resources to save expense, time, or effort.
- **Efficiency:** Delivering the same level of service for less cost, time, or effort.
- **Effectiveness:** Delivering a better service or getting a better return for the same amount of expense, time, or effort.

### 12.3 Good Practice

In many areas of activity, there is recognised 'good practice' or 'best practice'. In general terms, the Trust wants to adopt such good practice as appropriate to its own circumstances, as a recognised way not only of achieving value for money but also of demonstrating that value for money has been both sought and achieved. Good practice requires a well-planned, thorough, and clear approach to an activity.

### 12.4 Benefits of VFM Principles

The main benefits of promoting VFM principles include:

- **Clarification of Objectives:** Rather than acting on assumptions about what is required, VFM principles will give managers a proper assessment of the objectives of an activity. This will maximise the chance of achieving the desired ends without unnecessary expenditure and effort.
- **Planning:** Planning is an essential part of all well-managed processes. Good planning minimises the risk of an activity failing to deliver the intended outcome, at the right time and at the right price.
- **Openness and Transparency of Process:** Through properly documented planning and assessment, and the adoption of open processes involving all interested parties, the Trust can publicly demonstrate a commitment to achieving propriety and regularity as well as VFM.
- **Compliance with Statutes and Regulations:** All organisations need to comply with legal and other associated requirements. By adopting good practice, the risk of failing to identify and comply with such requirements is significantly reduced.
- **Risk Assessment:** All activities have risks attached. These include reputational risk, control risk, financial risk (including financial health risk), health and safety risk, and business risk. Although it may not be necessary to undertake a full risk assessment for every activity, an inadequate risk assessment, particularly for significant activities, can result in poor value for money.

### 12.5 Responsibility for VFM

Under the Academy Trust Handbook, all Academies have a clear responsibility to obtain 'value for money'. Although this is usually the aim of all organisations, it is of particular significance to those that receive public funds. The Trust receives a significant proportion of its income from 'public'

sources, including grants, fees, and charitable income. An institution's assets and other income would not exist without that public income.

In general terms, the Trust Board is responsible for the VFM that is obtained from the activities undertaken. In practice, the responsibility for VFM is largely (and properly) delegated to management. Consequently, the Trust should ensure that its own processes are sufficient for it to be assured that management is satisfactorily discharging its responsibility for VFM. In practice, this can be achieved through proper scrutiny of the Trusts finances, through exercising appropriate oversight over the strategies and policies.

## 13. Gifts and Hospitality

### 13.1 General

This is the Trusts approved Code of Conduct relating to the offer and/or acceptance by staff of gifts and hospitality of whatever nature from outside individuals or organisations.

- Within the terms of the Code, Staff, Trustees and Governors are expected to exercise common sense. If they are in any doubt they must consult the CFO, Principal and Chair of Trustees and in every case declare the acceptance of a gift or hospitality in the register kept by the Trust, using the 'Declaration of Gifts and Hospitality Received' form. (Annex C)
- The process set out is designed to safeguard Trustees, Governors and staff from any misunderstanding or criticism.
- The general principles which govern gifts and hospitality are:
  - Offers of hospitality should only be accepted if there is a genuine need to represent the Trust.
  - Gifts should only be accepted in **exceptional** circumstances.
  - The Code of Conduct applies to all Trustees, Governors, and Staff of the Trust.
  - Registers are accessible for viewing by the following appropriate officers: CEO, Principal, Trustees, CFO, External Auditors.

### 13.2 Hospitality

The following principles should be followed in deciding whether or not to accept hospitality: -

Staff, Trustees and Governors should ask themselves whether members of the public, knowing the facts of the situation, could reasonably think that they might be influenced by the hospitality offered. If the answer is yes, the hospitality should be declined. In making judgements, relevant facts to take into account include the person or organisation offering the hospitality, its scale and nature, and its timing in relation to decisions to be made by the Trust.

Care should be taken to avoid situations in which an individual Trustee, Governor or member of Staff is the sole person invited to partake of hospitality or where it creates a pattern of receiving hospitality from that organisation.

Examples of when it may be proper to accept hospitality (always depending upon the particular circumstances) are as follows:

- Attendance at conferences, events and demonstrations of equipment organised by outside bodies where there is a service interest.
- Attendance at events or functions where there is a demonstrable need for the Trust to be represented to either give or to receive information or to participate as part of the Trust's corporate image.
- Attendance at events or functions which are part of the civic, cultural or sporting life of the Trust.
- Working lunches where this is an appropriate and effective way of conducting business and the refreshments provided are on a reasonable level.

Overnight hospitality linked to any of the above should **not** be accepted.

**13.3 Receipt of Gifts**

All personal gifts should be refused or donated to charity unless they come within the categories set out in 13.3.1 or 13.3.2 below.

13.3.1 Gifts of the following type may be accepted:

- modest gifts of a promotional character, e.g. calendars, diaries and other similar articles.
- gifts on the conclusion of any courtesy visit to an outside organisation of a sort normally given by that organisation.
- Gifts up to £30 in value

13.3.2 Gifts which are intended for the Trust as a corporate body can be accepted but must not be retained by the individual who receives them. Such gifts should be passed to the Trust as appropriate.

**13.4 Registration of Gifts and Hospitality**

Trustees, Governors and Staff must, within 28 days of accepting any gift or hospitality, provide written notification to the CEO, CFO or Principal using the 'Declaration of Gifts and Hospitality' form. All offers accepted should be recorded in case of any queries, in particular through FOI requests.

The Declaration of Gifts and Hospitality forms must be completed in full, setting out full details of the offer or the gift and or hospitality received as well as:

- estimated or actual value.
- an indication from the CEO, CFO or Principal as to why acceptance of the offer is authorised.
- the Employee's/Trustee's/Governor's printed full name (not typed) and signature; and
- the CEO, CFO or Principal's printed full name (not typed) and signature.

**13.5 Monitoring of Gifts and Hospitality**

The Trust maintains a register of gifts and hospitality accepted.

If there are no declarations of gift/hospitality, a nil return should be made. The pro-forma, detailing the individual declarations, and nil returns should be obtained. Copies of these forms should be attached to the annual declaration that confirms that the Register is up to date.

The Trust monitors the Register annually and reports the outcome to the Trustee Finance, Audit and Risk Committee. Any concerns/issues identified should be noted and an action plan put in place.

**13.6 Penalties for breaching the Code.**

The Trust disciplinary procedures may be applied where it is found that breaches of the Code have occurred.

**13.7 Giving of Gifts**

To adhere to the Academy Trust Handbook, the Trust must ensure the value is reasonable, documented and achieves propriety and regularity in the use of public funds.

To ensure this we have set out the following:

**13.7.1 Staff Leaving** – The following will be given.

0-2 years' service	NIL
Over 2 – 5 years' service	£10.00 gift voucher
Over 5 – 10 years' service	£15.00 gift voucher
Over 10 – 15 years' service	£20.00 gift voucher
Over 15 years' service	£25.00 gift voucher

**13.7.2 Long Service Retirement Award:**

At the point of retirement any staff member with 20+ years' service with the Trust will receive a long service retirement gift calculated as follows:

£10 for each completed year of service for more than 0.5 fte.

£5 for each completed year of service for 0.5 fte. or less

*The fte. at the point of retirement will be the determining factor when making this calculation.*

The gift must be tangible and cannot include food, drink, fuel or clothing.

**Under no circumstances can alcohol be purchased.**

### 13.7.3 Recognition and Thanks

This is a list of the maximum that can be given and require CEO/Principal Approval.

- **Recognition to Staff/Adult or Student Volunteers/Others who contribute substantially to the Trust/Academy**

Flowers/Fruit/Vouchers/Gifts can be given to an individual totalling no more than £50.00 per annum.

- **Personal circumstances for wellbeing (for example long term complex illness)**

Flowers/Fruit can be sent costing no more than £50.00.

- **Recognition to Staff**

- Refreshments can be offered to all staff half termly, for example cakes/coffee (not to exceed £5.00 per person).
- Breakfast/Lunch can be provided for early meetings and PD days (not to exceed £4.00 per person).
- Staff who do a lunch duty receive a lunch.
- Staff who are asked to work for training/collaboration offsite later than 6pm can have a meal purchased for the at a maximum of £20 per staff member, a maximum of twice per school year.
- Staff who are asked to work for training/collaboration onsite later than 6pm can have in house catering offered at a maximum of £7 per head.

**Under no circumstances can Alcohol be purchased.**

## 14. Redundant Equipment

### Surplus Equipment

The Trust has the authority to declare equipment, furniture or other assets or stores, surplus to requirements and to plan for their sale or disposal

A Disposal of Asset form (obtained from Asset Control Accounting Policy) will be completed for all items which are to be disposed of and internal control will be exercised to ensure that the equipment is no longer of use (i.e. it is obsolete) and that obsolete stocks are destroyed to ensure they are not illegitimately procured and then resold.

Where the estimated disposal value of surplus or redundant equipment is less than £500 or sale is to be by public auction or competitive tendering, disposal can be authorised by the CFO.

The prior approval of the Trust Finance, Audit and Risk Committee will be required if:

1. The estimated disposal value is over £501, and the sale is not to be by public auction or competitive tendering.
2. The sale is to be to a Trustee/Governor or Employee of the Trust.

The net income (i.e., excluding VAT) from sales of surplus or redundant assets purchased from the Trusts budget will be credited back to the Trusts budget.

A list of any equipment disposed of will be presented to the Trust Board at its next meeting. This list will show, as far as may be known, the item, department, date of manufacture or purchase, values when new and when made redundant (estimated where necessary) and disposal value.

The Trusts inventory will be amended to show disposals, and such entries will be endorsed by the CEO.

## **15. Insurance**

All schools within the Trust sign up to the DfE's Risk Protection Arrangement (RPA) for schools.

Key areas not covered include:

- Motor vehicles
- Engineering and Inspection

## **16. Monitoring and Review**

The CFO will be responsible for monitoring the implementation and effectiveness of this policy and Procedure. The Policy and Procedure will be reviewed by the Trust annually.

## **17. Linked Policies**

- Asset Control Accounting Policy
- VAT Policy
- Scheme of Delegation (SoD)
- Record of Financial Responsibility (RoFR)
- Finance, Audit and Risk Committee – Terms of Reference (ToR)
- Academy/Schools Lettings Policies
- Investment and Reserves Policy

## Appendix A

### Charge Card Policy

- An Academy charge card should only be used when no other method of payment is available.
- The card should under no circumstances be used to withdraw cash.
- Individual pin numbers must be kept private and used only by the designated card holder.
- Each card holder must sign and date a copy of this written policy. This should be kept in a secure place.
- All existing financial procedures must be adhered to. Orders must be raised and authorised in the usual way.
- All documentation must be kept with regard to the card transaction and reconciled with the monthly charge card bill at the end of each month

#### Lost or Stolen Card

The card holder is responsible for the security of the Charge Card and the transactions made with card. If the card is lost or stolen, these steps should be taken immediately:

- Call the Lloyds Card Helpdesk. A Customer Service Representative will block use of the card and order a replacement card with a new account number
- Notify the CFO.

#### Cancellation of Card

When an employee is no longer required to hold a card, the card must be returned to the CFO and the original signed copy of this form updated by both the member of staff and CFO. The CFO will then arrange for cancellation of the card.

#### Damaged cards

If your card becomes damaged, a replacement card can be requested by contacting the CFO. You should follow the procedures as per card cancellations. Once your existing card has been cancelled, the CFO will receive a replacement card and arrange to forward it to you.

<b>I understand and agree to abide by the above Charge Card Policy requirements: I have received my charge card and PIN:</b>			
<b>Signature:</b>			
<b>Print Name:</b>			
<b>Job Title:</b>		<b>Date:</b>	

## Appendix B

**Charge Card Programme Employee Undertaking**

<b>Last Name:</b>	
<b>First Name(s):</b>	
<b>Job Title:</b>	
<b>Department:</b>	
<b>Office Location</b>	
<b>Telephone Number:</b>	

**I declare that:**

- I have received my Academy Charge Card and associated PIN and will keep it in a safe place at all times;
- I have received a copy of the Trusts Procedure Guide about the use of Academy Charge Cards;
- I have read the Guide and agree to comply with its requirements;
- I accept responsibility for the security, safe-keeping and confidentiality of the Charge Card issued to me;
- I undertake to use the Charge Card solely for Academy business
- If I leave the group with purchases outstanding on the card which cannot be reconciled with business use, I agree to the outstanding monies being deducted from my final salary payment.

<p>This Employee Undertaking will be applied in conjunction with the Employer's:</p> <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Disciplinary Procedure</li> <li>• Financial Policies</li> </ul> <p><i>Staff are advised to read and refresh themselves of the above regulations.</i></p>	
<b>Signed:</b>	
<b>Dated:</b>	

## Appendix C

## Declaration of Gifts &amp; Hospitality Form

Staff must, within 28 days of accepting any gift or hospitality, provide written notification to the principal using this form.

The general principles which govern gifts and hospitality are:

- Offers of hospitality should only be accepted if there is a genuine need to represent the Trust or its schools
- Gifts should only be accepted in **exceptional** circumstances other than:
  - a. modest gifts of a promotional character, e.g., calendars, diaries, and other similar articles
  - b. gifts on the conclusion of any courtesy visit to an outside organisation of a sort normally given by that organisation
  - c. gifts up to £30 in value
- The Code of Conduct applies to all governors and staff of the Trust
- To determine whether a gift or hospitality is acceptable, the '**PROVE IT**' test should be applied by staff and referred to the CEO/CFO if in doubt

PROVE IT	
<b>Purpose</b>	Token, thanks or seeking a favour? <i>(token or thanks: yes; favour: no)</i>
<b>Rules</b>	What are they? Does this situation conform?
<b>Openness</b>	Is the offer transparent?
<b>Value</b>	Expensive or inexpensive?
<b>Ethics</b>	Does the offer fit with academy ethics? Is this an exceptional circumstance?
<b>Identity</b>	Who has made the offer?
<b>Timing</b>	Are you about to make a decision affecting the giver?

Description of Item	Offered by (name and/or organisation)	Did you accept the item? (Y/N)	Approximate value (£)

<b>Employee Signature:</b>			
<b>Employee Name:</b>			
<b>Academy:</b>			
<b>Job Title:</b>		<b>Date:</b>	

Authorisation			
<b>Reason for authorisation of acceptance of the offer:</b>			
<b>CEO/CFO/Principal Signature:</b>			
<b>CEO/CFO/Principal Name:</b>		<b>Date:</b>	