



FINANCE POLICY

Policy Reviewed and Adopted by Board of Trustees

Date of Next Review: October 2021

Responsible Officer: Finance Director

Table of Contents

1.0	Introduction	5
2.0	Organisation.....	5
2.1	Trust Board of Trustees	6
2.2	The Trust Finance and Resources Committee.....	6
2.3	The Audit Committee	7
2.4	Appraisal Committee.....	7
2.5	The Chief Executive Officer	7
2.6	The Trust's Head Teachers.....	7
2.7	The Finance Director	8
2.8	Trust Compliance Manager	8
2.9	Office & Finance Managers	8
2.10	Internal Audit	9
2.11	Budget holders	9
2.12	Other Staff	10
2.13	Register of Interest.....	10
2.14	Trustees/Governors interests and Related Party Transactions.....	10
2.15	Gifts and Hospitality	11
3.0	Accounting system	11
3.1	Backup Procedures.....	11
3.2	Transaction Processing.....	11
3.3	Reconciliations of Balance Sheet Accounts	12
4.0	Financial planning & KPIs.....	12
4.1	Development Plan	12
4.2	Annual Budget	13
4.3	Balancing the Budget.....	13
4.4	Finalising the Budget.....	13
4.5	Monitoring and Review	13
4.6	Novel and contentious transactions	14
5.0	Payroll.....	14
5.1	Staff Appointments	14
5.2	Payroll Administration and Payments.....	14
5.3	Staff Expenses/Mileage payments	15
5.4	Staff severance payments	15

6.0	Purchasing.....	16
6.1	Routine Purchasing.....	16
6.2	Competitive purchasing requirements - quotations and tenders	18
6.3	EU procurement rules.....	18
6.4	Forms of tender	18
6.5	Preparation for tender	19
6.6	Invitation to tender (ITT)	19
6.7	Tender acceptance procedures.....	20
6.8	Tender opening procedures.....	20
6.9	Tendering procedures	20
6.10	Non-competitive purchases (below EU limits only).....	21
6.11	Legal advice.....	21
6.12	Specialist procurement	21
6.13	Central purchasing bodies – framework agreements	21
7.0	Income.....	21
7.1	Trips.....	21
7.2	School Meals	22
7.3	Music Lesson Income.....	22
7.4	Debt recovery.....	23
7.5	Lettings.....	23
7.6	Custody.....	24
8.0	Cash Management	24
8.1	Bank Accounts.....	24
8.2	Deposits	24
8.3	Payments and withdrawals	24
8.4	Operation of internet banking.....	25
8.5	Online Payments	25
8.6	Operation of credit cards.....	25
8.7	Administration.....	25
8.8	Cash flow forecasts	25
8.9	Investments	25
8.10	Petty Cash Accounts	26
9.0	Asset register.....	26
9.1	Security of assets	26
9.2	Disposals.....	26

9.3	Loan of Assets	27
9.4	Leases	27
10.0	Policies	27
10.1	Depreciation Policy	27
10.2	Companies Policy	27
10.3	Reserves & Investments Policy	27
10.4	Charging & Remission Policy	28
10.5	Tax.....	28
10.6	Monitoring Outcomes & Review.....	28
	Appendix 1 Financial Authorisation Levels.....	30
	Appendix 2 Summary of Financial Authorisation Levels / Tender procedures.....	33
	Appendix 3 Accounting Policies	34

1.0 Introduction

1.1 The purpose of this manual is to ensure that Vision Academy Learning Trust (the Trust) maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).

1.2 The Trust must comply with the principles of financial control outlined in the academies guidance published by the DfE, most notably the Academies Financial Handbook, and operate within the limits of delegation outlined in the Handbook. This manual expands on that and provides detailed information on the Trust's accounting procedures.

1.3 This policy should be used in conjunction with the following documents:

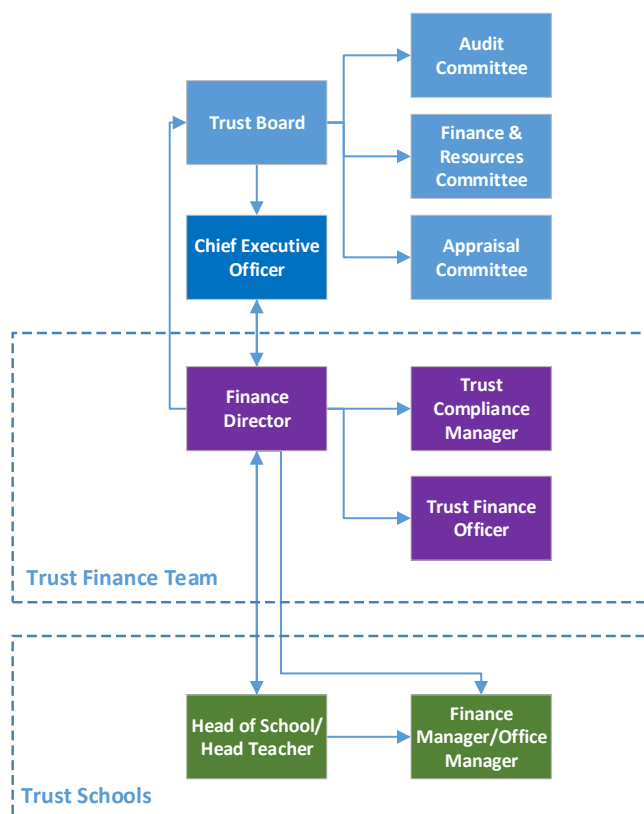
- Anti-fraud and corruption policy
- Whistleblowing policy
- Asset policy
- Treasury management policy

1.4 This policy will be regularly reviewed and amendments can only be made following the approval of the Trustees.

1.5 This policy applies to the Trust and to all individual academies. This policy should be read by all staff involved in financial transactions.

1.6 Instances of non-compliance with this policy will be reviewed by the Finance Director and may be reported to the Audit Committee.

2.0 Organisation



2.0.1 The Trust has defined the responsibilities of each person involved in the administration of the Trust finances to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees and staff. The financial reporting structure is outlined in the diagram opposite.

2.0.2 The Board of Trustees / Finance & Resources Committee / Appraisal Committee & Audit Committee of the Trust has overall responsibility for the administration of its academies' finances and the effectiveness of internal controls.

2.0.3 The main responsibilities of the Board are prescribed in the Trust Articles of Association, its Constitution and in the Funding Agreement between the Trust and each of its academies with the Department for Education (DfE).

These responsibilities in relation to financial matters include:

2.1 Trust Board of Trustees

2.1.1 The Board of Trustees (the Board) has overall responsibility for the administration of the Trust's finances. The main responsibilities of the Board are prescribed in the Funding Agreements between the Trust and the DfE and in the Trust's scheme of delegation.

2.1.2 The Chair of the Trust Board receives the management accounts on a monthly basis.

2.1.3 The main responsibilities include:

- Review of the management accounts, financial KPIs and risk register
- Ensuring that grant from the DfE is used only for the purposes intended;
- Approval of the annual budget;
- Appointment of the Chief Executive and
- Appointment of the Executive Head Teacher (EHT), in conjunction with the Chief Executive.

2.2 The Trust Finance and Resources Committee

2.2.1 The Finance and Resources committee is a committee of the Board. They meet at least once per term but more frequent meetings can be arranged if necessary.

2.2.2 The main responsibilities of the Finance, Resources Committee are detailed in written terms of reference which have been authorised by the Board.

2.2.3 The main responsibilities include:

- Review of the management accounts and financial KPIs
- The initial review and authorisation of the annual budget, to then be presented to the Board;
- The regular monitoring of actual income and expenditure against budget;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies;
- Authorising the award of contracts over £50,000
- Authorising changes to the Trust personnel establishment.
- Oversee Capital investment programmes
- Establish, monitor and review employment policies on behalf of the Trustees
- Set and monitor remuneration levels for members of staff except Head teachers, and the Finance Director. Remuneration levels for those members of staff will be set by GB having considered the recommendations of this committee
- Contribute to the appraisal of the CEO and Finance Director

- The Committee is responsible for the detailed consideration as to the best means of fulfilling the Trust's responsibility to ensure sound management of the Trust and Academy finances and resources, including proper planning, monitoring and probity.

2.3 The Audit Committee

2.3.1 The Audit Committee is a committee of the Board. It meets at least termly and is responsible for providing assurance to the Board on the adequacy of financial controls within the Trust.

2.3.2 Responsible to the Board for ensuring compliance with the Funding Agreement and all relevant financial regulations relating to the Trust are observed.

2.3.3 On an annual basis the Audit Committee will commission a programme of internal audit testing to be carried out by the external auditors to support them in their role. The Audit Committee receives the reports of the external auditor in respect of both internal and external audits.

2.4 Appraisal Committee

2.4.1 The appraisal committee is a committee of the Board. They meet once a year to review and agree the performance management of the Trust staff (excluding the CEO and Finance Director).

2.4.2 The appraisal committee sets the rate of executive pay, following an evidence-based process reflective of roles and responsibilities, in line with the Handbook.

2.5 The Chief Executive Officer

2.5.1 The Chief Executive Officer (CEO) has been named as the 'Accounting Officer' with overall responsibility for the Trust's activities including financial activities. The Accounting Officer has personal responsibility (that cannot be delegated) for assuring the Board that there is compliance with the Handbook, the Funding Agreement and all relevant aspects of company and charitable law.

2.5.2 The main responsibilities of the Chief Executive are detailed in written terms of reference which have been authorised by the Board.

2.6 The Trust's Head Teachers

2.6.1 Within the framework of the Trust's Development Plan, each academy Head Teacher has overall executive responsibility for the academy's activities including financial activities.

2.6.2 Much of the financial responsibility has been delegated to the Finance Director but the Head Teacher still retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the Board of Trustees have agreed should be approved by them;
- authorising orders and the award of contracts within the approval limits shown in Appendix I;
- authorising payments within the approval limits shown in Appendix I;
- ensuring the delivery of the academy annual budget as approved by the Trust;
- monitoring the regular budget reports with the Finance Director and acting on overspends or risk.

2.7 The Finance Director

2.7.1 The Finance Director works in close collaboration with the CEO through whom he or she is responsible to the Trust board. The Finance Director has direct access to the Board.

2.7.2 The Finance Director is formally appointed to the role of Chief Financial Officer as defined by the ESFA.

2.7.3 The main responsibilities of the Finance Director include:

- The overview of the budget in conjunction with Head Teachers;
- The management of the Trust financial position at a strategic and operational level within the framework for financial control determined by the governing body;
- The joint responsibility, with the Finance & Resources Committee, for strategic budgetary matters and medium and long term planning;
- The authorisation by the Finance & Resources committee to vire between budget headings and if necessary allocate additional funds from reserves up to £10,000 at any one time to achieve the Trust's overall aims and objectives;
- Reporting to the Finance and Resources Committee and the Board on a termly basis;
- The responsibility for leading on the review and update of the Financial Procedures Manual as delegated by the Finance and Resources Committee;
- The preparation of monthly management accounts;
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust.

2.8 Trust Compliance Manager

2.8.1 The Trust Compliance Manager works in collaboration with the Finance Director and CEO to provide support to the internal financial control and compliance functions of the Academy Trust.

2.8.2 The main responsibilities of the Trust Compliance Manager are:

- Working in partnership with external professional advisers assist with all aspects of development and effective operation of financial systems and procedures.
- Support the Finance Director in the preparation and implementation of financial forecasts, business plans, reports and returns to ensure the strategic development of the Academy Trust, and long-term sustainability of the budget.
- Conduct reviews and evaluations of cost reduction opportunities and regularly monitor the Academy Trust's contracts and SLAs to ensure value for money is achieved.

2.9 Office & Finance Managers

2.9.1 Each school will have an Office Manager or Finance Manager who undertakes that role albeit with a different job title

2.9.2 The Office Managers work in close collaboration with the Finance Director, although most of the financial responsibility is retained at trust level. Responsibilities of the Office Managers are:

- the day to day management of financial issues
 - Ensuring that budgetary control methods and purchasing procedures within the Trust are in compliance with financial regulations and contract procedure rules;
 - Providing general support to the Finance Director in financial matters

- Ensuring that all funding due to the Trust from the ESFA and other sources is received and properly accounted for.
- Ensuring that financial information held on the Civica financial management system is properly maintained;
- authorising orders and the award of contracts within the approval limits shown in Appendix I;
- ensuring that financial controls are working effectively at school level

2.9.3 The Finance Managers work in close collaboration with the Finance Director. Responsibilities of the Finance Managers are:

- the day to day management of financial issues
- the preparation of monthly management accounts;
 - Assisting the Finance Director and the Finance & Resources Committee in the preparation of the draft budget;
 - Ensuring that budgetary control methods and purchasing procedures within the Trust are in compliance with financial regulations and contract procedure rules;
 - Providing general support to the Finance Director in financial matters including strategic planning;
 - Ensuring that all funding due to the Trust from the ESFA and other sources is received and properly accounted for.
 - Ensuring that financial information held on the Civica financial management system is properly maintained;
- authorising orders and the award of contracts within the approval limits shown in Appendix I;
- authorising payments within the approval limits shown in Appendix I.
- ensuring that financial controls are working effectively at academy level

2.10 Internal Audit

2.10.1 The Internal Auditors are appointed by the Board (through the Audit Committee) and provide Trustees with an independent oversight of the financial affairs.

2.10.2 The main duties of the Internal Auditors are to provide the Board with independent assurance that:

- the financial responsibilities of the Board are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained and financial considerations are fully taken into account in reaching decisions;
- risks are identified and appropriate actions put in place

2.10.3 The board will appoint internal auditors to undertake a regular programme of reviews to ensure that financial transactions have been properly processed and that controls are operating effectively. A report of the findings from each visit will be provided to the Audit Committee for review.

2.11 Budget holders

2.11.1 The main responsibilities of Budget holders include:

- Responsibility for their individual budget allocations including monitoring their departmental spending;
- Not exceeding their departmental budget allocation;
- Following procedures laid down within the Trust's Finance Policy in respect of purchasing of goods and services;

- Informing the Finance Director by the end of June each year if they wish to carry forward any under spend into the following financial year;
- Ensuring that all ordering of goods is via the Civica financial management system and should liaise with the Trust Finance Officer , and the Finance Manager who are responsible for the ordering process;
- Regularly reviewing the spending profile.

2.12 Other Staff

2.12.1 Other members of staff, primarily the Trust Finance Officer, school administration assistants and budget holders, will have some financial responsibilities and these are detailed in the following sections of this policy.

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

2.13 Register of Interest

2.13.1 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 and senior staff are required to declare any financial interests they have in companies or individuals from which the Trust may purchase goods or services. The register is open to public inspection. This information is published on the Trust website.

2.13.2 The register should include all business interests such as Trusteeships, share holdings or other appointments of influence within a business or organisation which may have dealings with the Trust. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a Trustee or a member of staff by that person.

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

2.14 Trustees/Governors interests and Related Party Transactions

2.14.1 No Trustee/governor will take or hold any interest in any equipment or property held or used for the Trust.

2.14.2 No Trustee/governor will obtain an interest in the disposal of Trust equipment or property or Trust materials surplus to requirements at the end of any contract between the Trust (including persons acting on its behalf) and any third party.

2.14.3 Trading with any related parties will only be undertaken within the not-for –profit requirements set out in the Academies Financial Handbook.

2.15 Gifts and Hospitality

2.15.1 No Trustee/governor or member of staff involved in awarding a contract will accept personal gifts or offers of hospitality from current or potential suppliers.

2.15.2 All incentivised personal gifts and hospitality above a monetary value of £25 received by Trustees, governors and staff should be declared and recorded in line with the Code of Conduct.

3.0 Accounting system

3.0.1 All the financial transactions of the Trust must be recorded on the Civica financial management and accounting system.

- Nominal Ledger
- Sales Ledger
- Purchases Ledger
- Bank transactions
- Journals
- Automatic update

3.0.2 Entry to the Civica accounting system is password restricted and the Finance Director is responsible for implementing a system which ensures that passwords are changed at least every month.

3.0.3 Access to the component parts of the system can also be restricted and the Finance Director is responsible for setting access levels for all members of staff using the system.

3.0.4 System access must ensure that there is adequate separation of duties in the process and that users may not initiate and approve transactions.

3.1 Backup Procedures

3.1.1 It is the contractual responsibility of One IT Services to maintain adequate back-up and emergency disaster recovery procedures.

3.1.2 One IT Services are responsible for:

- developing, maintaining and periodically testing disaster recovery plans to ensure that they are adequate and fit for purpose;
- ensuring that all data managed on behalf of the Trust is adequately protected to enable efficient and effective recovery;
- ensuring data is backed-up onto appropriate media at regular intervals;
- ensuring media is securely stored off-site;
- ensuring test restores of data are carried out at regular intervals;
- ensuring that in the event of a disaster they will recover the services to an acceptable state of operation within 5 working days.

3.2 Transaction Processing

3.2.1 All transactions input onto the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual.

3.2.2 All journal entries must be documented on the appropriate journal form and authorised by the central Trust Finance Team prior to being input to the accounting system.

3.2.3 Bank transactions should be input by the Finance Manager and Trust Finance Officer and the input should be checked, and signed to evidence this check. Detailed information on the operation of the Civica system can be found in the user manuals held on the intranet.

3.3 Reconciliations of Balance Sheet Accounts

3.3.1 The Trust Finance Officer is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- Sales ledger control account;
- Purchase ledger control account;
- Payroll control account;
- All suspense accounts and other control accounts
- Bank balance per the nominal ledger to the bank

3.3.2 The Finance Director will review and sign all reconciliations.

4.0 Financial planning & KPIs

4.0.1 The Trust and each school will prepare both medium term and short-term financial plans. Medium term is defined as a period of three years.

4.0.2 The following KPIs on areas of expenditure are set as a target spend as a % of total budget and reported against the national benchmark and across schools in the Trust.

- Teaching staff
- Other staff
- Premises / infrastructure
- Curriculum
- Other

4.0.3 The medium term financial plan is prepared as part of the Trust and Academy Development planning process. The Development Plan indicates how the Trust's and each academy's educational and other objectives / priorities are going to be achieved within the expected level of resources over the next three years.

4.0.4 The Development Plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to each academy and the planned use of those resources for the following year.

4.1 Development Plan

4.1.1 The Development Plan is concerned with the future aims and objectives of the Trust and each academy and how they are to be achieved; the Trust will set overall Core Objectives which will be turned into specific objectives for each Academy. The Development Plans will ensure that the Trust's objectives and targets are matched to the resources expected to be available. Plans should ideally be simple and flexible.

4.1.2 The form and content of the Development Plan will be set by the CEO and due regard should be given to any annual guidance issued by the DfE.

4.2 Annual Budget

4.2.1 The Finance & Resources Committee is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Chief Executive, Finance and Resources Committee and the Board.

4.2.2 The approved budget must be submitted to the DfE by 31 July each year and the CEO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

4.2.3 The annual budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

4.2.4 The budgetary planning process 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 to assess likely level of receipts;
- Review of past performance against budgets to promote an understanding of the Trust;
- Cost base;
 - Identification of potential efficiency savings and
 - 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 anticipated changes.

4.3 Balancing the Budget

4.3.1 Each school should set a balanced budget, taking into account the current level of reserves, medium term projections and the need to invest to meet the longer term business plan. 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.

4.3.2 This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

4.4 Finalising the Budget

4.4.1 Once the different options and scenarios have been considered, a draft budget should be prepared by the Finance Director for approval by the CEO & Finance and Resources Committee and the Board. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

4.5 Monitoring and Review

4.5.1 Half termly reports will be prepared by the Finance Director supported by the Trust Finance Team. The reports will detail actual income and expenditure against budget for budget holders and at a summary level for the CEO, Head Teachers, and Board of Trustees.

4.5.2 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. Monthly management accounts will always include a latest financial forecast for the year. The variance from the budget identifies the virements

4.5.3 If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency. All budget virements must be authorised as shown in Appendix I.

4.6 Novel and contentious transactions

4.6.1 The ESFA defines novel payments as those in which the Trust has no experience; or are outside the range of normal business activity for the Trust.

4.6.2 Contentious payments are defined as those which might give rise to criticism of the Trust by the public or the media.

4.6.3 Novel and contentious payments must always be referred to the ESFA for explicit prior authorization. If there is any doubt about the propriety of a payment the Trust must ask the EFA in advance.

5.0 Payroll

5.0.1 The main elements of the payroll system are:

- staff appointments;
- payroll administration and payments.

5.1 Staff Appointments

5.1.1 As part of the annual budget process, the Trust Board will approve a staff establishment for the trust and academies. Substantial changes (e.g. the addition of permanent full time posts) can only be made to this establishment with the express approval in the first instance of the CEO who must ensure that adequate budgetary provision exists for any establishment changes.

5.1.2 Where changes are in line with agreed budgets and in line with the approved School Development Plan, Head Teachers have authority to change the FTE size or scope of posts within their School - these changes will be included in the Head Teacher's report to the Local Governing Body.

5.1.3 The CEO and Head Teachers have authority to appoint staff within the authorised establishment except for the roles of Head Teachers where Trustees will be involved. The CEO will approve all appointments to the senior leadership team of the Trust.

5.2 Payroll Administration and Payments

5.2.1 Xentrall Services are responsible for making monthly net salary payments to all staff. They are an approved BACS Bureau for this purpose. All salary payments are made by BACS.

5.2.2 After the payroll has been processed but before payments are dispatched a Payroll Analysis Report is received from Xentrall Services and the Finance Director and Finance/Office Managers in schools will carry out a review of all starters, leavers and significant variations together with an overall

review to test for 'reasonableness' against the previous months totals and will raise any queries with Xentrall Services before payments are generated. This reconciliation is reviewed and authorised by the Finance Director.

5.2.3 Xentrall Services is responsible for calculating the deductions due from payroll to comply with current legislation. The major deductions are for PAYE, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay print received from Xentrall Services and the BACS payments for these amounts are prepared by the Trust Finance Officer and paid by the on-line banking system (see section 8 'On-line banking controls')

5.2.4 After the payroll has been processed the nominal ledger will be automatically updated. Postings will be made both to the payroll control account and to individual cost centres. The Trust Finance Officer should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

5.3 Staff Expenses/Mileage payments

5.3.1 The Trust Staff may claim for reasonable expenses incurred to perform their duties or to repay them for items bought on behalf of the Trust. Reasonable expenses include:

5.3.2 Staff may claim mileage at the agreed rate for Trust business journeys. All claims must be supported by evidence of:

- Insurance certificate (business use cover)
- Driving licence

5.3.3 A claim form must be completed and must be authorised by the Budget holder before being entered for payment.

- Travel by public transport;
- Use of own car and parking (excluding home to work travel);
- Unavoidable overnight accommodation;
- Reimbursement for approved items bought on behalf of the Trust.

5.3.4 Rates and allowances are laid out in a schedule of allowed expenses which will be reviewed annually and are available from the Trust Finance Team.

5.3.5 Staff must submit an expenses claim form and seek approval as laid out in the Finance Regulations in Appendix I before being sent to the Office/Finance Manager to be paid. All claims must be accompanied by receipts.

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

5.4 Staff severance payments

5.4.1 Non-contractual payments at the end of employment would only be paid if the Academy Trust has concluded that the payment represented the best value for money compared to other options. The business case for such payments would be fully documented and the guidance issued by the EFA will be followed. Signed settlement agreements will be approved by the Chair of Trustees.

5.4.2 The Chief Executive in conjunction with the Finance Director and the Chair of the Board may approve non-contractual payments up to £50,000.

5.4.3 Non-contractual payments over £50,000 require approval in advance from HM Treasury.

6.0 Purchasing

6.0.1 The Trust wants to achieve the best value for money from all its purchases. This means getting goods at the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds and there is a need 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.

6.0.2 It is particularly important in the case of the Trust that any tenders where a Trustee may have a conflict of interest are managed with utmost probity.

6.1 Routine Purchasing

6.1.1 Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. On line Budget holder statements are available in real time status and showing commitments together with the actual expenditure against budget.

6.1.2 The Trust will seek to adhere to Best Value principles in the procurement of goods and services (see 6.2 Competitive Purchasing Requirements).

6.1.3 Official orders must be raised and authorised in advance of all purchases. The only exceptions to this being;

- Credit card orders where purchases are made online in a shopping basket (ie grocery orders) – in these cases the order must be printed and signed by the card holder.
- Ad hoc credit card purchases below the value of £100 - in these cases the receipt must be signed by the card holder.
- Periodical payments such as utility charges.
- Emergency orders- if for exceptional reasons an order must be issued verbally an official order will be raised retrospectively as soon as possible.
- Procurement controlled by a contract, i.e. insurance policies, legal agreements- in such cases the purchase will be made in line with the competitive purchase procedures and invoices will be verified against the contractual agreement.
- Catering purchases where official orders are not practical.

6.1.4 All requisitions will be made via the Civica online requisition system. The system will have the delegated levels of authority built into it and budget holders will receive emails advising them when requisitions have been raised against their budgets. The system will automatically budget check the relevant budgets and providing all criteria is met, the order will be pushed through to the Office Managers/Finance Managers. Note that orders for IT systems, learning platforms and other services that involve the processing of staff or student data will require prior approval from the DPO/Trust IT Manager in addition to the above criteria. The orders will then be created by the Office Managers/Finance Managers.

6.1.5 Any orders outside of the delegated authorities for the budget holders will automatically be forwarded for approval to the Finance Director, Academy head teacher or Chief executive officer in line with the delegated levels of approval.

6.1.6 All orders over £50,000 are approved by the Chief Executive and Finance Director following approval from the Board.

6.1.7 The budget holder must make appropriate arrangements for the delivery of goods to the Trust. On receipt the budget holder must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.

6.1.8 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Trust Finance Team should be notified. The Trust Finance Officer will keep a central record of all goods returned to suppliers.

6.1.9 All invoices are sent to the Trust/Finance Team for processing and will be signed by the budget holder. The Finance staff will verify the invoice is correct against both the order and GRN and will stamp invoices as 'Passed for Payment' as evidence that the following checks have been completed:

- Invoice arithmetically correct;
- Invoice posted to purchase ledger;
- Goods/ services received;
- Goods/services as ordered;
- Prices correct;
- Invoice authorised for payment;
- Payment authorised;
- VAT treated correctly and payment made.

6.1.10 The Trust/Finance Team will then input the invoice details into the purchase ledger in Civica. Supplier payment terms will have been input into the system and payments will be generated in line with these terms.

6.1.11 BACS payments will be generated by the Trust/Finance Team, in line with agreed weekly timetable. Prior to payments being generated the Trust Finance Officer will print and check a BACS listing detailing individual invoices to be paid. The Finance Director will review the listing and will raise any queries with Finance staff. The Finance Director will sign the listing as evidence of this review.

6.1.12 Changes to supplier details are carefully controlled as the Trust is aware that this is an area that is vulnerable to fraud. Request for supplier details to be updated will not be amended until the changes have been verified as being valid.

6.1.13 All amendments to existing bank account details and new suppliers set up are checked against originating paperwork and this report is signed as evidence of any changes made. These changes will only be made by the Finance officer and Finance Manager.

6.1.14 In the case of cheque payments, the cheques and associated paperwork must be authorised and signed by two of the nominated cheque signatories. Cheques will be dispatched to suppliers by the Finance Team.

6.2 Competitive purchasing requirements - quotations and tenders

6.2.1 Orders below £5,000

A fixed quote or price must always be obtained before any order is placed and each budget holder must consider value for money.

6.2.2 Orders of £5,000 and over, but less than £25,000

At least three written quotations should be obtained for all orders between £5,000 and £25,000 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. Telephone quotes are acceptable if these are evidenced and email confirmation of quotes has been received before a purchase decision is made.

6.2.3 Orders of £25,000 and over, but less than £50,000

At least three written quotations should be obtained for all orders between £25,000 and £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. An evaluation report should be prepared and approved by Finance and Resources Committee to tie in with delegated limits.

6.2.4 Orders over £50,000

All goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000 must be subject to formal tendering procedures.

6.3 EU procurement rules

6.3.1 Supply, Services and Design contracts over £181,302¹ and Works Contracts over the value of £4,551,413 (threshold from Jan 2018 for two years) may fall under EU procurement rules which require advertising in the Official Journal of the European Union (OJEC).

6.4 Forms of tender

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

6.4.2 Open tender: This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Finance Director 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.

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

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

¹ <https://www.ojec.com/thresholds.aspx>

tendering.

- The Academy would normally invite at least four bidders.

6.4.4 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.

6.5 Preparation for tender

6.5.1 Full consideration should be given to:

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

6.5.2 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.

6.6 Invitation to tender (ITT)

6.6.1 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.

6.6.2 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 and form of response.

6.6.3 The following aspects should be considered when issuing an ITT:

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

6.6.5 Technical/suitability

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures

- Details of previous sales and references from past customers.

6.6.6 Other considerations

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

6.7 Tender acceptance procedures

6.7.1 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.

6.7.2 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.

6.8 Tender opening procedures

6.8.1 All tenders submitted should be opened at the same time and the tender details should be recorded.

6.8.2 Two persons should be present for the opening of tenders as follows: the Finance Director, or the Chief Executive plus a member of the Finance and Resources Committee.

6.8.3 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.

6.9 Tendering procedures

6.9.1 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.

6.9.2 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.

6.9.3 Full records should be kept of all criteria used for evaluation and for contracts over £25,000. A report should be prepared for the Finance, Resources and Employment Committee highlighting the relevant issues and recommending a decision. For contracts under £25,000 the decision and criteria are set by the Extended Leadership Team and are reported to the Finance and Resources Committee.

6.9.4 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.

6.9.5 The accepted tender should be the one that is economically most advantageous to the

school. All parties should then be informed of the decision.

6.10 Non-competitive purchases (below EU limits only)

6.10.1 If competitive purchasing procedures are not followed, i.e. a sole supplier, reasons of urgency etc. approval will be sought from the Finance and Resources Committee.

6.11 Legal advice

6.11.1 When the Trust is considering the award of contracts of any significant value further legal guidance should be sought.

6.12 Specialist procurement

6.12.1 Where a specialist service e.g. architect/project manager is appointed to act as an agent on behalf of the Trust, the Trust may delegate the procurement process (including the ITT and receipt of documents) where assurance of open and transparent procurement principles has been gained in advance regarding the processes involved by the outside agency.

6.12.2 A report would be presented to the relevant committee in line with the processes above with a recommendation for the appointment of the contract, including the scoring process and details of all other submissions. For contracts over £50,000 the final decision will be made by the Finance and Resources Committee.

6.13 Central purchasing bodies – framework agreements

6.13.1 The Trust will make appropriate use of available framework agreements where these are relevant.

7.0 Income

7.0.1 The main source of income for the Trust is the grant received from the ESFA. The receipt of these sums is monitored directly by the Finance Director who is responsible for ensuring that all grants due to the Trust are collected. The Trust also obtains income from students, mainly for trips and catering.

7.1 Trips

7.1.1 A lead teacher must be appointed for each trip.

Secondary Schools

7.1.2 The lead teacher must present a register of students to the Finance Office. The trip is then registered on the parent pay system with the amount due and the payment schedule. Letters are sent to students detailing the methods of payment accepted and final payment dates.

7.1.3 Any cash or cheques must be brought by students to student services. All payments are registered on the ParentMail system. The Trust Finance Team keep up to date records within the ParentMail system which details the amount outstanding for parents to view. The record is then sent to the lead teacher on a regular basis and they are responsible for chasing the outstanding amounts.

Primary Schools

7.1.4 : The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Office Managers who will take responsibility for the collection of sums due. All payments are registered on the ParentMail system. Where cash or cheque payments are made, these should be made at the School Office. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.

7.1.5 School Office staff should maintain 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 chasing the outstanding amounts.

7.2 School Meals

Secondary schools

7.2.1 Lunch income is received either by the ParentMail online system or by cash and cheque. Cheques are paid in via student services and logged onto the cashless system. Cash is also loaded onto the revaluation units in by the students using the biometric thumbprint system.

7.2.2 The revaluation units are emptied after lunch each day by 2 members of the school Finance Office and then reconciled to the daily printout from the cashless system. The reconciliation is checked by a second member of staff to ensure it is correct. The income is then logged into the finance system, placed in the banking bags and locked in the safe ready for secure cash collection.

7.2.3 Till units. Cash income is collected daily and recorded via an electronic till. Income is totalled and checked against till roll by a member of the school Finance Office. This is then double checked by a second member of the school Finance Office and any discrepancies referred to Finance Manager for investigation/authorisation. Income is then recorded daily on the cash book for banking in the weekly cash banking.

Primary Schools

7.2.4 All meal income is accounted and paid via ParentMail and money is transferred into the trust bank account on a 2 weekly basis.

7.2.5 Where cash payments for school meals are made, this transaction is recorded on the ParentMail system as a manual payment and the income is then recorded daily on the cash book for banking in the weekly cash banking. All cash payments are checked by a second member of staff.

7.3 Music Lesson Income

7.3.1 Trust schools receive income for the provision of music lessons to both secondary and primary students. In addition to cash and cheque Income, the following methods of receipt are also used:

7.3.2 Direct debit payments are collected monthly. Application forms and DD mandates returned to music administrator with direct debit form being forwarded to Finance Office. . Any unpaid or cancelled payments are advised via the BACS service system and picked up daily and followed up by the school Trust/Finance Team.

7.3.3 ParentMail. Parents are set up to pay for music lessons on ParentMail when they return the application form. The payment can be made monthly or termly. Funds received via ParentMail are deposited into the Trust's bank account on a weekly basis with income statements provided and keyed weekly.

7.4 Debt recovery

7.4.1 The Trust will make all appropriate efforts to collect outstanding debts.

7.4.2 Any debt write-off exceeding £100 in value will need to be approved by the Finance & Resources Committee. Debts below £100 in value will be approved for write-off by the Chief Executive in conjunction with the Finance Director and reported to Finance and Resources Committee for information.

7.4.3 The Trust may perform the following financial transactions up to the limits set out below;

- Writing off debts and losses (including any uncollected fines)
- Entering into guarantees, indemnities or letters of comfort (excluding those relating to borrowing by the Trust).

7.4.4 The limits are:

- £45,000 per single transaction
- Cumulatively 2.5% of total annual income in any one financial year per category of transaction
- Beyond these limits the Trust must seek and obtain explicit and prior approval of the Secretary of State (through the EFA) to the transaction

7.5 Lettings

7.5.1 Letting and hire of the Trust facilities will be conducted in line with the Lettings Policy for each academy which includes a scale of charges, which will be reviewed annually.

7.5.2 Secondary school lettings are outsourced to a third party agent who administered the entire lettings process and collection of payments.

7.5.3 All lettings income will be sent to the school/finance office for recording in the finance system.

7.5.4 Wherever possible payment should be made in advance of a letting;

7.5.5 Complete records should be kept of hirer's application, the issue of permit, invoices, payments and receipts issued;

7.5.6 The permit will require the hirer to comply with conditions on supervision and the qualifications of persons teaching potentially hazardous activities;

7.5.7 Evidence of necessary qualifications and insurance cover will be obtained and kept on file;

7.5.8 The Office / Finance Managers will have an overview of lettings arrangements and will carry out a routine check of records each term.

7.6 Custody

7.6.1 Official, pre-numbered Trust receipts should be issued for all cash and cheques received where no other formal documentation exists.

7.6.2 All cash and cheques must be kept in office safes prior to banking. Banking should take place every week or more frequently if the sums collected exceed the £7,000 cash insurance limit on the Finance safe. (RPA limit is £10000).

7.6.3 Cash received is counted and recorded by the Finance staff, and checked and counter signed to evidence the check. The cash is banked by the Finance and school office staff. Monies collected must be banked in their entirety in the Trust bank account.

8.0 Cash Management

8.1 Bank Accounts

8.8.1 The opening of all accounts must be authorised by the Board who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

8.2 Deposits

8.2.1 Particulars of any deposit must be entered on a paying-in slip, counterfoil or listed in a supporting book. The details should include the amount of the deposit and a reference, such as the number of the receipt or the name of the debtor.

8.3 Payments and withdrawals

8.3.1 All cheques and other instruments authorising withdrawal from Trust bank account must bear the signatures or electronic approval of two of the following authorised signatories:

- Chief Executive;
- Finance Director
- Trust Compliance Manager
- School Headteacher

8.3.2 This provision applies to all accounts, public or private, operated by or on behalf of the Board. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

8.4 Operation of internet banking

8.4.1 Access to the Trust's bank accounts is available through Lloyds corporate online software.

8.4.2 Appropriate access rights to the Lloyds corporate on line system are determined by the bank signatories. Access is controlled by user ID and password security administered by Lloyds.

8.5 Online Payments

8.5.1 Payments by bank transfer; BACS or CHAPs can be generated through Lloyds Corporate online. All payments require authorisation by two approvers. Authorisation access is controlled by smartcards and passwords. Smartcards are held in a safe place.

8.6 Operation of credit cards

8.6.1 The use of credit cards is permitted subject to the approval of named staff and agreed limits by the Finance & Resources Committee and reviewed on an annual basis. All expenditure shall be recorded by the Finance/ Office Manager on a weekly basis, linked to an authorised order, and reconciled on a monthly basis by the Finance Officer.

8.7 Administration

8.7.1 The Finance Director must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- All bank accounts are reconciled to the Trust's cash book;
- Reconciliations are prepared by the Trust Finance Officer;
- Reconciliations are subject to an independent monthly review carried out by the Finance Director and adjustments arising are dealt with promptly.

8.8 Cash flow forecasts

8.8.1 The Finance Director is responsible for preparing cash flow forecasts to ensure that the Trust has sufficient funds available to pay for day to day operations.

8.8.2 If significant balances can be foreseen, steps should be taken to invest the extra funds.

8.8.3 Similarly plans should be made to transfer funds from another bank account or to re-profile expenditure to cover potential cash shortages.

8.9 Investments

8.9.1 Investments must be made only in accordance with written procedures approved by the governing body in the Treasury management policy.

8.10 Petty Cash Accounts

8.10.1 Each school within the trust maintains a maximum cash balance of £300. The cash is administered by the Office / Finance Managers and all money is kept in the safe.

9.0 Asset register

9.0.1 All items purchased with a value over the Trust's capitalisation limit must be entered in an asset register. (See Asset policy)

9.0.2 The asset register should include the following information:

- Asset description
- Date of acquisition
- Asset cost
- Source of funding
- Expected useful economic life
- Depreciation
- Current book value

9.0.3 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 and the Trust's financial system
- Support insurance claims in the event of fire, theft, vandalism or other disasters.

9.1 Security of assets

9.1.1 Equipment must be secured by means of physical and other security devices. All the items in the register should be permanently and visibly marked as the Trust's property and there should be a regular (at least annual) count by someone other than the person maintaining the register.

9.1.2 Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the governing body. Inventories of Trust property should be kept up to date and reviewed regularly.

9.1.3 Where items are used by the Trust but do not belong to it this should be noted.

9.2 Disposals

9.2.1 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Finance Director and the CEO and, items with a value of over £100 should be sold following competitive tender.

9.2.2 The Trust must seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

9.2.3 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Trust would need to ensure licences for software programmes have been legally transferred to a new owner.

9.2.4 The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Trust assets. If the sale proceeds are not reinvested then the Trust must repay to the DfE a proportion of the sale proceeds.

9.2.5 All disposals of land must be agreed in advance with the Secretary of State.

9.3 Loan of Assets

9.3.1 Items of Trust property, except staff and student laptops or tablets, must not be removed from school premises without the authority of the Head Teacher.

9.3.2 If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Trust's auditors.

9.4 Leases

9.4.1 The Trust is able to enter into operational leases as outlined in the Academies Financial Handbook

9.4.2 Finance leases are classed as borrowings and can only be entered into with the specific authority of the ESFA.

9.4.3 All leases must be approved by the Finance Director.

10.0 Policies

10.1 Depreciation Policy

10.1.1 The Trust will depreciate fixed assets in line with recognised accounting standards, best practice and DfE guidelines.

10.1.2 Depreciation rules will be approved by the board in advance of preparing the annual statements. The current policy is shown in Appendix 3.

10.2 Companies Policy

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

10.3 Reserves & Investments Policy

10.3.1 The Trust will build and maintain a revenue reserve fund to provide flexibility and certainty in forward planning.

10.3.2 All revenue reserves are controlled by the Trust Board including those transferred in upon conversion and cannot be spent without the approval of the Board

10.3.3 In accordance with ESFA and charity accounting standards, the Trust will maintain financial records which identify revenue reserves by academy

10.3.4 The Trust will build and maintain a capital reserve fund in line with the reserves approved by the Board from time to time.

10.3.5 Reserve funds will be held on deposit in an interest bearing account in a UK regulated bank or in other instruments and investments as agreed from time to time by the Board.

10.3.6 The Trust will take a very prudent approach to any deposits or investments that it makes.

10.4 Charging & Remission Policy

10.4.1 The Trust will ensure that educational opportunities provided at the Trust during school hours are available to all students regardless of ability to pay and that other activities are charged for in a fair and transparent way. No student will be excluded from essential curriculum activities because of their parents' inability to pay.

10.4.2 The separate Charging and Remission Policy is designed to be consistent with the requirements relating to charging laid out in the Funding Agreement.

10.4.3 Academies may charge for some optional activities which take place wholly or mainly outside academy hours. The Trust may invite voluntary contributions for these from parents. Parents who wish to discuss financial matters are able to discuss them in confidence with the Head Teacher.

10.4.4 In all cases, where a charge is made it will not exceed the costs of the provision.

10.5 Tax

10.5.1 The Trust will account for VAT strictly in compliance with the rules and regulations applicable at that time. It is the responsibility of the Finance Director to ensure compliance with VAT regulations.

10.5.2 The Finance Director will ensure that, if applicable, any Corporation Tax returns are completed on time and in accordance with legislation.

10.6 Monitoring Outcomes & Review

10.6.1 Outcomes will be monitored and reviewed by regular internal checks and scrutiny by senior management including an annual review with the Finance Director.

10.6.2 Effectiveness of this policy and any associated procedures will also be monitored by the Audit Committee, supported by External Audit, including the Regularity Audit, and regular testing by Internal Audit. Audit results will be presented by regular written reports to the Audit Committee. Findings & recommendations will be used to revise this policy and associated procedures- this will be undertaken by referring any recommendations for changes to the Finance, Resources and Employment Committee

10.6.3 Key indicators of the success of this policy are:

- No inappropriate use of money
- Adherence to budgets
- Value for Money being demonstrated
- Expenditure targeted on key priority areas
- Timely reports to Board, DfE and others
- Up to date, accurate records.

Appendix I Financial Authorisation Levels
 Summary of Financial Authorisation Levels (September 2019)

Delegated Duty	Value	Delegated Authority
1. Ordering Goods and Services (raising requisitions) All ICT related purchases must also be reviewed by an IT specialist. Tendering procedures	Up to £1,000	Budget Holder, reviewed by Finance Manager (Secondary) Office Manager, reviewed by Head teacher (Primary)
	£1,001 - £10,000	As above plus Finance Director
	£10,001 - £50,000	As above plus Head Teacher and Finance Director
	£50,001 - £100,000	As above plus Chief Executive Finance and Resources Committee as per policy
	Over £100,000	Finance & Resources Committee
2. Signatories for cheques and payment authorisations for individual academies (including BACS payments other than payroll)	Any	Two signatories from: - - HeadTeacher - Chief Executive - Finance Director -
3. Signatories for cheques and payment authorisations for MAT	Any	Two signatories from: - Chief Executive - Finance Director - Head Teachers
4. Payroll BACS	Any	Trust Finance Officer or Director reviewed by Finance Director or Chief Executive

5. Signatories for DfE grant claims and DfE returns for individual academies	Any	Two signatories from: <ul style="list-style-type: none"> - Finance Director - Head Teachers - Chief Executive
6. Signatories for DfE grant claims and DfE returns for MAT	Any	Two signatories from: <ul style="list-style-type: none"> - Chief Executive - Finance Director - a Board Trustee
7. Virement of budget provision between budget headings	Up to £10,000	Finance Director
	£10,001 - £50,000	As above plus Chief Executive and reported to the Finance and resources Committee
	£50000 - £100000	As above plus Head Teacher, reporting to the Finance and Resources Committee
	Over £100,000	Finance and Resources Committee
8. Virement of funding between academies	Any	Board of Trustees
9. Disposal of assets	Up to £1,000	Finance Director
	£1,001 - £5,000	Head Teacher or Chief Executive
	Over £5,000	As above plus Finance and Resources Committee DfE approval required as appropriate for disposal of assets funded with DfE grant, or transferred from an LA at nominal consideration
10. Write-off bad debts	Up to £100	Finance Director
11. Purchase or sale of any Freehold property	Any	Board of Trustees and DfE approval required
12. Take up of any leasehold or tenancy agreement exceeding seven years	Any	Board of Trustees and DfE approval required

Grant any tenancy – DfE approval needed		
13. Raising invoices to collect income	Any	Office / Finance Staff
14. Petty Cash & Expense Claims	Against Budget Holders delegated budgets	Budget Holder
	As above but Budget Holder is claiming	Office Manager and Finance Staff
	SMT Business Manager Trustee of Finance Head Teacher Trust appointments Chief Executive Governor or Trustee	Head Teacher or Finance Director Head Teacher Chief Executive Chief Executive Chief Executive Chair of Board of Trustees Company Secretary
15. Credit Cards	Finance Director	Head Teacher Chief Executive

Appendix 2 Summary of Financial Authorisation Levels / Tender procedures

Delegated Duty	Value	Delegated Authority	Method
Ordering Goods and Services	Up to £1,000	Budget holder	Orders must be placed in the Civica finance system or on an official order form.
Total commitment value – revenue	£1,001 - £10,000	Finance Manager	At least three written quotes over £5,000
	£1,001 to £25,000	Head Teacher Head of School Trust IT Manager Trust Premises Manager Finance Director	At least three written quotes over £5,000
	£25,001 to £50,000	Chief Executive and report to the board	At least three written quotes Tenders as per policy
	£50,001 + above	Finance & Resources Committee	Formal tendering process
<p><u>Ordering Goods and Services</u> Capital</p> <p>All IT purchases must be discussed with and approved by the Academy Head of IT.</p> <p>Lease agreements cannot be entered into without the authority of the Trustee of Finance and the DfE if the lease can be classified as borrowing</p>	Up to £100,000	Chief Executive	<p>At least three written quotes. Does not agree with policy</p> <p>Where Capital spend relates to CIF funded projects, the Chief Executive will approve the grant application and the CIF Completion Certificate. Authorisation of individual purchases, where these are within the approved grant application, will be authorised using the same delegated authority levels as Revenue purchases.</p> <p>Minor ICT items (e.g one off software, laptops etc.) and their repair/enhancement purchased from Capital funds, where the Finance Manager confirms there are adequate funds available, will be authorised using the same delegated authority levels as Revenue purchases.</p>

Appendix 3 Accounting Policies

Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission Statement of Recommended Practice: 'Accounting and Reporting by Charities' ('SORP 2015'), the Academies: Accounts Direction issued by the Education & Skills Funding Agency and Companies Act 2006. A summary of the accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grant income is included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities to the extent of the entitlement to the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Capital grants are recognised as voluntary income on a receivable basis to the extent that there is an entitlement.

Donations

Donations are included recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

Other income including hire of facilities is recognised in the period it is receivable and to the extent the goods have been provided or the completion of the service.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable in incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the Academy Trust's educational operations.

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and Department for Education.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency and the Department for Education and the Local Authority where the asset acquired or created is held for a specific purpose.

Tangible fixed assets - Capitalisation policy

Tangible Fixed Assets costing £2,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of

Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided on all tangible fixed assets other than Finance & Resources Committee held land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Long leasehold buildings	2% pa (50 years)
Fixtures, fittings and equipment	25% pa (4 Years)
ICT equipment	25% pa (4 Years)
Motor Vehicles	25% pa (4 Years)
Building additions	10% pa (10 years)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Second Pension (S2P) and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at

each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA.

Conversion to an Academy Trust

The conversion from a state maintained school to an Academy Trust, involves the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from a maintained school to the Academy Trust is valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Vision Academy Learning Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income in the Statement of Financial Activities and analysed under unrestricted, restricted general and restricted fixed asset funds.