FRONTIER
LEARNING TRUST

FINANCE POLICY

WOODHOUSE
COLLEGE

IMPERIAL
Maths School

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FRONTIER LEARNING TRUST FINANCE POLICY

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Abbreviations and Terminology

FLT – Frontier Learning Trust

WC – Woodhouse College

WCT – Woodhouse College Trading Limited

ICLMS – Imperial College London Maths School

AO – Accounting Officer

CEO – Chief Executive Officer

CFO – Chief Finance Officer

APF – Assistant Principal, Finance

Senior Leadership Team (SLT)– Senior management comprising -Principal. Senior Vice Principal, Vice Principal, Assistant Principals for Curriculum, Students Services and Finance

DfE - Department for Education

Trust – Frontier Learning Trust and its academies and subsidiaries

Board – Board of Trustees

Funding Agreement – legal agreement between the Secretary of state and the Academy Trust that establishes the Trust and contains provisions about how the Secretary of state will provide funding to the Trust

SFCA – Sixth Form Colleges Association

Woodle – Woodhouse College Intranet

Senior Post Holders – Principal/CEO, Senior Vice Principal, Vice Principal, Headteacher ICLMS and Clerk

Budget Holders – The member of staff who has been assigned their own budget

Introduction - Overview and Objectives of this document

1. The purpose of this policy is to ensure that the Trust maintains and develops systems of financial control, which conform with 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 Secretary of State for Education, through the Education and Skills Funding Agency (DfE).

2. The Trust must comply with the principles of financial control outlined in the Academy Trust Handbook. This policy should be read in conjunction with the financial procedures manual which expands on the policy and provides detailed information on the Trust's accounting procedures and systems. Any changes to requirements of the Academy Trust Handbook will supersede limits shown in this document.

3. This policy serves as an adjunct to the scheme of delegation providing information on the day-to-day operations and practicalities forming from this financial regulation manual.

4. This policy applies to Frontier Learning Trust (FLT, the Trust) and its academies both Woodhouse College (WHC) and Imperial College London Mathematics school (ICLMS) as well as the subsidiary company Woodhouse College Trading Limited (WCT).

1. Organisation - Roles and Responsibilities

Responsibilities are defined in respect of the administration of the Trust's finances in order to provide a framework of accountability for Members, Trustees, Governors and staff.

1.1 Members of the Trust

The key roles of the Members of the Trust are listed in the Scheme of Delegation.

In addition, Members

- Appoint the Trust's external auditors and receive (but do not sign) the audited annual reports (subject to the Companies Act)
- may, by special resolution, issue direction to the Trustees to take specific action
- have the power to change the company's name and ultimately, wind up the academy trust.

Members must not be employees of the Trust or occupy staff establishment roles on an unpaid voluntary basis.
Trusts must ensure that their members are not currently subject to a direction made under section 128 of the Education and Skills Act 2008 which prohibits individuals from taking part in academy trust management, and that they do not appoint as a member, a person who is currently subject to a section 128 direction.

1.2 Board of Trustees

The Trustees are responsible for overseeing and ensuring effective financial performance of the Trust. The Scheme of Delegation gives details of some of the responsibilities of Trustees.

According to the Academy Trust Handbook the Board *must* do the following:

- Ensure the grants from the DfE are used for the purposes intended
- Approve of the annual budget
- Ensure a Scheme of Delegation is in place
- Ensure that management accounts are shared and reviewed at Board meetings acting, if necessary, to ensure financial viability
- Appoint an Audit & Compliance Committee to advise on the Trust's controls and its risk management policies
- Approval of accounts and annual report following review by the Audit & Compliance Committee
- Ensure that appropriate and timely action is taken to findings by the auditor
- Appointment of Accounting Officer (CEO/Principal) and CFO
- Ensure that executive pay is in line with the EFSA Financial Handbook
- Manage conflicts of interest, be even-handed with related parties, and ensure that goods or services provided by them are at no more than cost

The Board may delegate functions to other committees.

The Chair of the Board is responsible for the effective functioning of the Board; setting professional standards of governance; and reviewing the monthly management accounts.

1.3 The Audit & Compliance Committee

The main responsibilities of this committee are:

- Advise the Board on appointment of external auditors.
- Review annual accounts with external auditor and submit to the Board for approval.
- Approve arrangements for internal audit, including the appointment of the internal audit provider and their work programme.
- Meet with external auditor, without management present, at least annually.
- Receive reports from external and internal auditors and consider any issues raised, associated management response and action plans.
- Coordinating and overseeing the Trust's approach to risk management.

1.4 The Finance and Operations Committee

The main responsibilities of this committee are:

- Review and challenge the management accounts, to the period ending on the last complete month.
- Review the latest financial forecasts for the year and agree any in-year changes in expenditure (for example increasing the capital budget, if appropriate).
- Discuss and recommend to the Board annual and 3-year budgets for the Trust.
- Consider the latest personnel report, including details of vacancies, long-term absences (with financial implications) and performance management.
- Discuss property strategy, routine maintenance and capital projects.
- Oversee and approve capital projects (in line with the Finance Policy)
- Oversee assets including reviewing the fixed asset register

- Review financial information, such as cashflow forecasts and the level of reserves to ensure that the Trust remains a going concern.
- Set a reserves policy, which sets out a clear plan for managing reserves.
- Review of school benchmarking data and financial KPIs.

1.5 Accounting Officer

The Principal/CEO of the Trust is the Trust's Accounting Officer (AO). The AO has personal responsibility for ensuring compliance with the Academy Trust Handbook and the Master Funding Agreement and the Supplementary Funding Agreements (one for WC, one for ICLMS).

The AO is responsible for ensuring that public funds are spent appropriately, that value for money is obtained. Confirmation of this must be included in the audited accounts, together with examples of how the Trust has achieved value for money.

The AO must ensure that:

- the Trust's assets and property are under the Trustees' control and that measures exist to prevent losses and misuse.
- bank accounts and financial systems are operated by more than one person.
- full and accurate accounting records support the annual accounts.

The AO must advise the Board, in writing, if action it is considering is incompatible with the Articles, Funding Agreement(s) or Academy Trust Handbook.

1.6 Chief Finance Officer (CFO) – Assistant Principal, Finance

The CFO is responsible for:

- day to day management of financial procedures, the accounting system and finance staff.
- financial procedures and controls.
- annual audited accounts.
- management accounts.
- budgeting.
- capital expenditure.
- statutory returns for DfE, Companies House, HMRC and other regularity bodies;
- overseeing procurement and ensuring that "value for money" is obtained.

1.7 Senior Leadership Team

The Woodhouse College Senior Leadership Team consists of the Principal, the Senior Vice Principal, Vice Principal, Assistant Principal - Curriculum (APC), Assistant Principal - Student Services (APSS) and Assistant Principal – Finance (APF).

The ICLMS leadership team currently consists of the Headteacher and the Deputy Head, they are supported by the Trust CEO, Deputy CEO, APF and APSS as DSL.

Members of the Senior Leadership Team are responsible to the Principal/CEO for the financial management for the areas or activities they control. They are advised by the APF of their financial duties. The APF will also supervise and approve the financial systems operating within their departments, including the form in which the accounts and financial records are kept.

Members of the Senior Leadership Team are responsible for establishing and maintaining clear lines of responsibility within their areas for all financial matters.

1.8 Budget Holders

Budget Holders are responsible for:

- Ensuring that purchases are within budget.
- Ensuring that purchase orders are completed and authorised in-line with purchasing procedures.
- Authorising invoices for expenditure after checking that the goods or services have been received and are satisfactory.
- Liaising with APF in respect of any over-spend or variation to approved budget.

Where resources are devolved to Budget Holders, teaching staff are accountable for their budget to their Faculty Head, who is then accountable to their SLT line manager; non-teaching budget holders are accountable to their SLT line manager and SLT budget holders are accountable to the APF and Principal/CEO.

1.9 Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise, all FLT Members, Trustees, Governors and Senior Leadership Team employees are required to declare relevant business and pecuniary interests including:

- Directorships, partnerships and employments with businesses.
- Trusteeships and governorships at other educational institutions and charities.
- For each interest: the name of the business; the nature of the business; the nature of the interest; and the date the interest began.

The register must identify relevant material interests arising from close family relationships between the Trust's Members, Trustees or Governors. It must also identify relevant material interests arising from close family relationships between those individuals and employees. Close family relationships include a relative of the Member, Trustee or Governor or a member of the same household who may be expected to influence the Governor/staff member. This includes, but is not limited to a child, parent, spouse or civil partner.

Those required to complete a register of interest will do it annually, but it must be updated at any time there is a relevant change in circumstances.

The Register of Interests will be published on the Trust's website and be always kept up to date. The register must cover members, trustees, local governors and senior employees serving at any point over the past 12 months.

Existence of the standing Register of Interests of business relationships does not, of course, detract from the duties of Trustees, Governors and staff to declare interests whenever they are relevant to matters being discussed by a governance committee. Where a pecuniary interest has been declared, Trustees, Governors and staff should not be involved in the discussion or decision-making regarding the potential conflict.

Business interests are declared at the beginning of all Member, Trustee or Local Governing Body and sub-committee meetings.

1.10 Whistleblowing

The Trust has a whistleblowing policy that is available to all staff and can be found on the Staff Hub. This outlines to whom staff can report any concerns, and how such concerns will be managed.

1.11 Risk Register

The Trust Board annually assesses the present and future risks arising from the Trust's operations. The assessment is recorded in the Risk Register, which includes the likelihood and impact of each risk and details how the risks are being managed or mitigated. The Trust delegates authority for co-ordinating and overseeing risk management to the Audit & Compliance Committee.

1.12 Code of Conduct

The Trust is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life, which members of staff at all levels are expected to observe. These principles are set out in Appendix 1. In addition, the Trust expects that staff at all levels will observe all Trust and College policies, including the Anti-corruption and Bribery Policy.

2. Financial Planning and Budgeting

2.1 Financial Planning

The Principal/CEO is responsible for overseeing the preparation of the three-year financial forecast by the APF for approval by the Trustee Board and for preparing financial forecasts for submission to the DfE. Financial plans should be consistent with the strategic plan and accommodation strategy.

The budget will be presented to the Board for approval at its Summer Board meeting.

2.2 Budget Preparation

Revenue, capital budgets and monthly cashflow forecasts are prepared on an annual basis by the APF working with the Accountant. The APF works with the Principal/CEO and other members of SLT to prepare the budget.

As part of the budget preparation process the APF and accountant work with

- Budget Holders to produce detailed department budgets that feed into the overall budget.
- the HR manager, Vice Principal and CEO to ensure that staffing is accurate.
- the MIS manager and Estates manager to prepare the capital budget.
- the Principal to assess likely student numbers for the next academic year.
- the lettings team to estimate lettings and other income.
- best estimates of other grants, including incorporating advice from SFCA.

All the information collected above is reviewed by the APF, the Principal and APF then agree appropriate amendments when producing the overall budget.

Assumptions made as part of budget preparation will be documented. The impact of any significant assumptions with be assessed via sensitivity analysis and included in the documents presented to the Board.

Once the budget is approved by the Board, the accountant will notify Budget Holders of their budget for the year so that they can plan the most efficient use of resources and ensure they achieve value for money.

2.3 Capital Budget

The capital budget includes all expenditure on land, buildings, equipment, furniture and associated costs, whether funded via capital grants or from the Trust's resources.

Individual capital projects costing in excess of £50,000 must be approved by the Trustee Board, either as part of the budget approval process or as appropriate during the year. Factors that will be considered when approving a project include:

- how the project helps to meet the Trust's long-term accommodation strategy and strategic plan.
- implications of this project on the revenue budget.
- alternative options if available with budgeted costs for these options and, where appropriate, cashflow forecasts.
- implications on the current space and accommodation.
- if applicable, management of the project
- guidance included in DfE guidance Good Estate Management for Schools

3. Financial Reporting

3.1 Management Reporting to the Board

The APF is responsible for ensuring that monthly management accounts are produced, these include:

- income and expenditure summary and balance sheet.
- a monthly cashflow forecast for 12 months ahead.
- an updated summary of capital budget summary.
- Key Performance Indicators (KPIs)

Management accounts will be shared with the Chair and Chair of Finance and Operations each month. The Board must consider these when it does meet and minute it.

The Board has delegated the review of the management accounts and updated financial forecasts to the Finance & Operations committee. The Finance & Operations Committee will report back to the Trustee Board and make recommendations to approve the accounts and budget, as and when required.

3.2 Financial Reporting to the DfE

The Budget Forecast Return: Outturn comprises actual results for the period to 31 March and forecast results to 31 August and is submitted to the DfE in May of each year.

A. Academies budget forecast return three years (BFR3Y)

Following approval of the budget and long-term plan by the Trustee Board, the APF oversees submission of the 3-year budget forecast return online to the DfE in August of each year. This return includes a financial forecast for the current financial year, comprising actual results for 31st March and forecast results for the period to 31st August.

B. Academies Accounts Return (AAR)

The annual Academies Accounts Return consists of key financial information drawn from the statutory accounts and is submitted to the DfE by the required date in January following the accounting period.

3.3 Statutory Reporting

A. Audited Accounts

The Trust's financial year-end is 31st August.

Subsidiary accounts for WCT are also prepared to 31st August each year.

The Trust produces audited accounts which are:

- submitted to the DfE by 31st December each year
- filed at Companies House within 9 months of the year-end, i.e. by 31st May each year
- published on the Trust's website by 31st January each year
- made available to anyone who requests them

B. Teachers' Pension End of Year Certificate (EOYC)

The Trust must submit the EOYC to Teachers Pensions by 31st May each year. The EOYC must be audited, and the audited certificate must be returned to Teachers Pensions by 30th September.

C. VAT Returns

The academy will reclaim VAT incurred on purchases used for its non-business activities by way of a VAT 126 claim. VAT 126 returns are submitted monthly to HMRC. The VAT 126 claim is prepared by finance office staff and signed by the accountant or APF before submission.

4 Financial Control

4.1 Budgetary Control

The APF oversees the preparation of monthly management accounts and as part of this process monitors actual results against budgets. Significant variances against the budget are explained. An updated financial outturn is prepared twice a year any adjustments to the forecast outturn are explained as part of this process.

Budget Holders are responsible for monitoring their own budgets. Budgets can be accessed in real-time via PSF Purchasing. Purchase orders cannot be raised against overspent budgets without approval of APF or the Principal/CEO.

At the year end, Budget Holders will not normally have the authority to carry forward a balance on their budget to the following year unless the Principal or APF has approved a specific scheme for carrying forward all or part of unspent amounts.

4.2 Internal Financial Control

The separation of duties is a key financial control. Details of day-to-day procedures are included in the staff financial procedures handbook. As far as possible, the allocation of duties has been made to ensure that the same person is not responsible from start to finish to reduce the risk of error or internal manipulation. Where this is not possible, the APF undertakes some form of internal check, e.g. reviewing the bank reconciliations. As far as possible the following functions are separated:

- Authorisation
- Execution (e.g. the authorisation orders and invoices is separate from the placing or orders and making payments)
- Custody
- Recording (e.g. the finance department keep a fixed asset register and IT keep an inventory)

In the event of long-term absence of any post-holders, their responsibilities should be delegated upwards until alternative arrangements can be made.

4.3 Internal Scrutiny

Internal auditors will be appointed by the Board on the recommendation of the Audit & Compliance Committee. The internal auditors will provide independent assurance that the Trust's financial and non-financial controls and risk management procedures are operating effectively.

The Audit & Compliance Committee will agree areas of scrutiny based on the approach outlined in the Academy Trust Handbook. In some circumstances, audit reports will be commissioned by other experts to provide the necessary assurance, examples of this are Health & Safety and Cyber assurance.

4.4 Fraud and irregularity

The Trust is aware of the potential for fraud, theft and/or irregularity to occur and has put in place policies/procedures to reduce the risk of fraud or irregularity occurring - Register of interests, Whistleblowing Policy, Risk register, Expenses Policy, Gifts and Hospitality Policy, Fraud Policy, Trustee Code of Conduct. The Trust also has internal controls in place to guard against the risk of

fraud.

Should fraud or irregularity be suspected or identified, this will be dealt with in line with the Trust's Fraud Policy and will be disclosed to the DfE in line with the requirements of the Academy Trust Handbook.

The DfE reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any academy, either as the result of a formal notification from the Trust itself or as the result of other information received.

4.5 Liabilities and write-offs

The Trust must obtain the DfE's prior approval for the following transactions beyond the limits set out below:

- Writing off debts and losses;
- Entering into guarantees or letters of comfort; and
- Entering into indemnities which are not in the normal course of business.

  The delegated limits are:
  - 1% of total annual income or £45,000 (whichever is smaller) per single transaction;
  - Cumulatively, 2.5% of total annual income in any one financial year per category of transaction for any academy trusts that have not submitted timely, unqualified accounts for the previous two financial years; and
  - Cumulatively, 5% of total annual income in any one financial year per category of transaction for any academy trusts that have submitted timely, unqualified accounts for the previous two financial years.

4.6 Staff severance, compensation or ex-gratia payments

A. Special staff severance payments

From time to time the Trust may consider making staff severance payments above the contractual entitlement. The Trust must consider the following issues:

- Whether such a payment is justified, based on a legal assessment of the chances of the Trust successfully defending the case at tribunal. If the legal assessment suggests a better than even chance of winning, there is no rationale for settling the case. But where the case will be lost, there is a justifiable rationale for the settlement.

- If the settlement is justified, the Trust would then need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an Employment Tribunal) is likely to award in the circumstances.

Staff severance payments are not made where they could be seen as a reward for failure, such as dismissal for gross misconduct or poor performance. The only acceptable rationale in the former case would be where the claimant will win an Employment Tribunal claim because of employment law procedural errors. In the latter, an acceptable comparison would be the time and cost of taking someone through performance management and improvement procedures.

The Trust can approve individual staff severance payments provided any statutory/non-contractual element is under £50,000 gross. Where the Trust is considering a non-statutory/non-contractual payment of more than £50,000, DfE's prior approval **must** be obtained before making any binding offer to staff. The DfE will refer such transactions to HM Treasury, so trusts should allow sufficient time for proposals to be considered.

The Trust must demonstrate value for money by applying the same scrutiny to payments under £50,000 as those over £50,000 and have a justified business case. Settlements must not be accepted unless they satisfy the conditions in the Academy Trust Handbook, including DfE approval.

Additionally, the Trust must obtain prior approval from the DfE before making any special staff severance payment of £100,000 or above or where the employee earns over £150,000.

B. Use of confidentiality clauses

The Trust must ensure confidentiality clauses associated with staff severance payments do not prevent an individual's right to make disclosures in the public interest (whistleblowing) under the Public Interest Disclosure Act 1998.

C. Compensation payments

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

The Trust can approve individual compensation payments provided any non-statutory/non-contractual element is under £50,000. Where the Trust is considering a non-statutory/non-contractual payment of £50,000 or more, the DfE's prior approval **must** be obtained. DfE will refer such transactions to HM Treasury.

Trusts should consider whether cases reveal concerns about the effectiveness of internal control systems and take steps to correct failings.

D. Ex-Gratia Payments

Ex-gratia payments are separate to other classes of special payments such as staff severance payments and compensation payments.

Ex-gratia transactions must always be referred to the DfE for prior authorisation. HM Treasury approval may also be needed dependent on the nature of the transaction. If in any doubt about a proposed transaction, seek prior advice from the DfE.

4.7 Insurance

The Trust must ensure that it has adequate insurance cover or has opted into the Academies Risk Protection Arrangements (RPA).

Where the Trust uses a commercial insurance provider, the Trust must ensure that this provides value for money.

4.8 Novel and contentious transactions

Novel, contentious and repercussive transactions must always be referred to DfE for approval, and the request must be made and approved before the transaction is agreed and before the transaction occurs.

- Novel payments or other transactions may arise where the academy has no experience or are outside the range of normal business activity for the trust.
- Contentious transactions are those which might give rise to criticism of the trust by Parliament, the public, aor the media.
- Repercusive transactions are those likely to set a precedent and cause pressure on other trusts or the broader public sector to take a similar approach and hence have wider financial implications, including where a trust proposal could cause additional costs to arise for other parts of government.

4.9 Related Party Transactions

Related parties include individuals or entities closely associated with the Trust, such as trustees, members, key management personnel, and their immediate family members. Additionally, entities over which any of the aforementioned individuals exert significant influence or control are considered related parties.

The Trust is committed to transparency in its financial dealings and acknowledges the importance of disclosing all transactions involving related parties in its financial statements.

The Trust must report all contracts or agreements with related parties to the DfE, in line with requirements in the ATH. Prior agreement must be sought from the DfE for any contract or agreement exceeding £40,000 in one financial year.

5. Banking Arrangements

5.1 Appointment of Bankers

The Board shall approve the appointment of bankers for the Trust, following competitive tendering procedures.

5.2 Banking Arrangements

The Assistant Principal - Finance (APF) is responsible for the operation of all matters in relation to the bank accounts of the Trust. Only the APF shall either open or close any bank account in the name of the Trust, its academies or subsidiaries.

5.3 Authorised Signatures

Changes to the bank mandate, including changes to bank signatories and authorisation limits must be approved by the Trustee Board.

5.4 Bank Reconciliations

The APF is responsible for ensuring that all bank accounts are reconciled on a regular basis, at least monthly. Reconciliations are reviewed at the end of each month, any unusual items will be investigated further, cheques that are more than six months old can be written back if appropriate.

5.5 Cash flow forecasting

Cashflow forecasts are prepared each month and included as part of the management accounts.

The Trust must not become overdrawn on any of its accounts.

5.6 Investments and longer-term cash deposits

The APF uses cash-flow forecasting to calculate amounts of cash not required in the short-term. These amounts are then put into higher interest deposit accounts in-line with the treasury policy, with agreement of the Principal/CEO.

5.7 BACS payments

BACS payments will be used where possible; authorisation levels are the same as for cheque payments. BACS payments are made using Natwest's Autopay software; authorised signatures have to login to authorise payments.

5.8 Procurement Cards

The APF is responsible for the operation and control of the Trust's procurement cards.

Holders of procurement cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Cards must not be used for personal or private purchases. Cardholders should obtain approval to purchase from the relevant Budget Holder and should ensure that there is sufficient budget available to meet the costs. Cardholders should adhere to the issuer's Terms and Conditions of Use.

Procurement cards are reconciled monthly.

5.9 Banking of Cash and Cheques

Cash and cheque receipts are checked by the Assistant Accountant when received in the finance department, all receipts are kept in the safe until banked.

Students and parents are encouraged to make all payments using the Trust's on-line payment system.

5.10 Woodhouse College Trading Ltd

Woodhouse College Trading Limited has its own bank account. All payments require two signatures. All supplier payments are made via Woodhouse College payment systems.

5.11 Borrowing

Borrowing (including finance leases and overdraft facilities) is not permitted without prior permission from the DfE. Credit cards must only be used for business expenditure, and balances cleared before interest accrues.

The DfE will grant permission for borrowing in exceptional circumstances, such as schemes introduced by the Secretary of State to meet broader policy objectives - for example the Department's Condition Improvement Fund for capital projects, and the Salix scheme that supports energy saving.

5.12 Leasing

The Trust must obtain DfE's prior approval for the following leasing transactions:

- taking up a finance lease on any asset not on the DfE approved list for any duration from another party (this counts as borrowing);
- taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years;
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

The Trust must ensure that any lease arrangement meets the principles of value for money, regularity and propriety and should seek advice from the external auditor if in any doubt over whether a lease involves an element of borrowing.

6.Payroll and staff costs

6.1 Appointment of Staff

The Principal/CEO is responsible for appointing Trust staff within the agreed staffing budget. All staff will be appointed to the salary scales approved by the Board and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Principal/CEO or Senior Vice Principal. All contracts of service shall be concluded in accordance with the Trust's approved personnel practices and procedures, and all offers of employment with the College shall be made in writing by the Principal/CEO or Senior Vice Principal (or by the delegated HR Manager).

6.2 Payment of Salaries

The APF is responsible for all payments of salaries to all staff including payments for overtime or services rendered. All time sheets for additional hours will be approved by the Senior Vice Principal. Other timesheets, such as Covid Tuition, MESME, Invigilation will be signed by the relevant line manager.

The HR Manager is responsible for keeping the APF informed of all matters relating to personnel for payroll purposes monthly. These include:

- appointments, resignations, dismissals, suspensions, secondments and transfers
- absences from duty for sickness or other reason, apart from approved leave
- changes in remuneration including normal increments and pay awards
- information necessary to maintain records of services for pensions, income tax, national insurance
- visa checks where relevant in accordance with legislative requirements
- changes to pension scheme membership

6.3 Senior Post Holders

Salaries and other benefits for Senior Post Holders will be determined by the Remuneration Committee set up by the Board, following guidance in the Academy Trust Handbook.

6.4 Pension schemes

The Board is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees. The recognised pension schemes are:

- The Teachers' Pension Scheme (TPS), for teaching staff
- The Local Government Pension Scheme (LGPS), for all other staff

The HR manager is responsible for overseeing the administration of the schemes carried out by the Trust's payroll provider, this includes monthly updates of starters, leavers and changes as well as assessing eligibility to pension arrangements.

The APF is responsible for overseeing the payment of contributions to the authorised pension schemes and preparing annual returns for the pension schemes.

6.5 Private Consultancies & Other Paid Work

In accordance with the staff's contract of employment, outside consultancies or other paid work may not be accepted without the consent of the Principal/CEO and in the case of the Principal/CEO, the approval of the Chair of Trustees.

The Principal/CEO is entitled to request information about the work before consent can be considered, including and an undertaking that the work will not interfere with teaching and normal Trust and College duties. Work that constitutes a conflict of interest is unlikely to be approved.

6.6 Casual and Off Payroll Workers

All casual and part-time employees, such as exam invigilators, will be included on the payroll.

HR will assess any contractors engaged by the Trust either via their own limited company or as an individual for tax deductions. These assessments must be done prior to any contract being issued. The Line Manager must contact the HR Manager if they wish to engage contractors. If deductions are required, these contractors will be paid via the payroll.

6.7 Travel, Subsistence & Other Allowances

All claims for travel and subsistence expenses will be completed using the approved form. Claims by members of staff must be authorised by their Line Manager or, where this relates to training, by the Budget Holder for training. Authorisation of a claim by the Line Manager shall be taken to mean that:

- the journey was authorised.
- the expenses were properly and necessarily incurred.
- the allowances are properly payable by the Trust.
- consideration has been given to value for money in choosing the mode of transport.

Mileage claims will be paid in accordance with the current HMRC advisory fuel rates.

Arrangements for travel by the Principal/CEO will be approved by the Chair of Trustees. Arrangements for travel by the Members, Trustees or Governors will be approved by the Clerk. Claims from the Clerk must be certified by the Chair.

7. Purchasing and Expenditure

The Trust must be able to show that public funds have been used as intended by Parliament.

7.1 Value for Money

Value for money must be achieved for all purchases, this is defined as achieving the best possible educational and societal outcomes thorough the economic, efficient and effective use of resources and the avoidance of waste and extravagance, and prudent and economical administration.

7.2 Purchase of Alcohol

The Trust's funds must not be used to purchase alcohol for consumption.

7.3 Cybercrime and ransom demands

The trust cannot pay any cyber ransom demands

7.4 Delegated authority for purchasing

Budgets holders are responsible for purchases in their departments. In exercising that delegated authority, Budget Holders are required to observe the purchasing policies and financial procedures. Any changes to the authority to commit expenditure must be agreed by the APF in advance.
Budget Holders are not authorised to commit the Trust to expenditure without ensuring that there are sufficient funds to meet the purchase cost.

7.5 Procurement

The Trust requires all Budget Holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements, sustainability and equality legislation and in accordance with sound business practice.

Members of the Senior Leadership Team must ensure that the College's procurement policy is known and observed by all involved in purchasing for the College.

The APF, accountant and finance assistant will:

- provide advice on matters of Trust purchasing policy and practice.
- provide advice to and assist departments where required on specific departmental purchases.
- develop appropriate standing supply arrangements on behalf of the Trust to assist Budget Holders in meeting their value for money obligations.
- approve all orders before they leave the Trust.
- draft and negotiate all large-scale purchase contracts (generally in excess of £75,000) undertaken by the Trust in collaboration with the responsible department.
- ensure that the Trust complies with the UK public sector tendering regulations.

7.6 Purchase Orders

The ordering of goods and services shall be in accordance with the Trust's detailed financial procedures and purchasing policy.

Official purchase orders must be used for all purchases, with specific exceptions for utility and some other specific costs identified in the financial procedures. Budget Holders are responsible for raising purchase requisitions for purchases within their department. These requisitions must then be passed to the Finance Office for approval and so that an official order can be raised.

No member of staff, including members of the Senior Leadership Team and Budget Holders, is authorised to commit the Trust to expenditure without an official order number and without first reserving sufficient funds to meet the purchase cost.

7.7 Purchasing Limits and quotations

All Budget Holders making purchases must comply with the Trust's tendering and purchasing procedures, which are applicable as follows:

For all purchases value for money must always be obtained.

- under £100 – no specific restrictions or procedures
- from £100 to £1,500 at least one written quote is required.
- from £1,500 to £10,000 – the Budget Holder must obtain two written quotations.
- over £10,000 to £ 200,000– three written quotations.
- over £200,000 – formal tendering procedures must be adopted (see next section)

Contracts should not normally be for more than 3 years in length, although it is acceptable to arrange a 3-year contract plus 2 additional years. Any contract for more than 3 years must be approved by APF or Principal/CEO.

There may be circumstances where due to speed or the specialism of the service required it is not possible to obtain the number of quotes outlined above. In these rare situations, the purchase will be discussed by the Senior Leadership team and the decision made will be recorded alongside the reasons for the decision. For any purchases over £20k, the Chair of Trustees would be notified, and these purchases will be reported to the next audit committee.

7.8 Tendering

Invitation to tender, or to apply for permission to tender, must be accompanied by comprehensive and clearly written specifications to include those items set out in the detailed financial procedures. The DfE procurement frameworks can be used to assist in this process. Use of these frameworks ensures value of money and best value criteria are met.

Formal tendering procedures may be waived by the Principal/CEO without reference to the Chair of the Board where:

a. the estimated expenditure does not, or is not reasonably expected to exceed, £200,000; **or**

b. the supply is proposed under special arrangements negotiated by the Principal/CEO, in which event the said special arrangements must be complied with; **or**

c. the timescale genuinely precludes competitive tendering (failure to plan the work properly is not a justification for single or no tender); **or**

d. specialist expertise is required and is available from only one source: **or**

e. The task is essential to complete the project, ***AND*** arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate; **or**

f. There is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering.

The limited application of the single tender rules should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.

Where it is decided that competitive tendering is not applicable and should be waived, by virtue of **c** to **f** above, the reasons should be documented and reported by the Principal/CEO to the Board.
Except where the preceding paragraph applies, the Board shall ensure that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate, **and in no case** fewer than three firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required.
The Board shall ensure that where possible DfE frameworks are used to support the tendering process, where value for money can be assured.

Quotations are required where formal tendering procedures are waived.

Where quotations are required, they should be obtained from at least two firms/individuals based on specification or terms of reference prepared by, or on behalf of, the Principal/CEO. Quotations should be in writing.

Any waiver of this regulation is under the authority of the Board. This will only be given where clear value for money has been demonstrated and there is no breach of UK regulations in force at the time.

7.8 Building Contracts

Building contracts are the responsibility of the Principal and are administered by the APF.
Proposals will normally be initiated by the APF or Estates Manager in line with the Trust's accommodation strategy and capital budget.

Appointments of any consultants shall be subject to tendering and other purchasing procedures.

Proposals will be considered by the Board for approval prior to submission to DfE where necessary. If the required agreement is secured by the DfE, its procedural rules should be followed. DfE guidance on best practice should be followed even when DfE approval is not required.

7.9 UK Public Sector procurement

The APF is responsible for ensuring that the Trust complies with its legal obligations concerning public sector procurement, (under the procurement Act 2023) the thresholds for this (at January 2026) are:

- Supplies & Services - £214,914
- Works - £5,372,609

7.10 Receipt of Goods

All goods received should be checked for quantity and inspected for quality and specification by the department who purchased the goods. A delivery note shall be obtained from the supplier at the

time of delivery and signed by the person receiving the goods and is then submitted to the Finance Department.

If the goods are deemed to be unsatisfactory, the delivery note should be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the delivery note should be marked accordingly and the supplier immediately notified.

7.11 Payment of Invoices

The procedures for making all payments shall be in a form specified by the APF.
Payments to UK suppliers will normally be made by BACS transfer, every week.
Suppliers should be instructed by the Budget Holder to submit invoices for goods or services to the Finance department. Invoices will be registered by Finance Assistant and distributed electronically to the relevant Budget Holder for authorisation.

Payments will only be made by the Finance Assistant against invoices which have been authorised for payment by the appropriate Budget Holder.

Authorisation of an invoice will indicate that:

- the goods have been received, examined and approved regarding quality and quantity, or that services rendered or work done is satisfactory.
- where appropriate, it is matched to the purchase order.
- invoice details (quantity, price, discount) are correct.
- the invoice is arithmetically correct.
- the invoice has not previously been passed for payment.
- where appropriate, an entry has been made in the departmental inventory.
- an appropriate cost centre is quoted; this must be one of the cost centre codes included in the Budget Holder's areas of responsibility and must correspond with the types of goods or services described on the invoice.

Budget Holders should make every effort to ensure that any discounts available are obtained.

7.12 Petty Cash

The College keeps a small petty cash float in the safe in the finance office. Petty cash is administered by the Assistant Accountant. Petty cash is used for small amounts required at short notice, the limit for petty cash expenditure is usually £20.

Claims must be supported by receipts or vouchers. The detailed financial procedures prescribe the routines, security, authority and accountability for making petty cash disbursements.

Small cash floats are held in other departments in the College such as, library and reception. For security purposes that floats are kept to a minimum. These floats are used as a means of giving correct change, no payments are made and all surplus monies are banked by the finance department on a regular basis. The member of staff granted a float is personally responsible for its safe keeping and keeping the float locked in a secure place.

8. Assets

8.1 Land, Building, Fixed Plant & Machinery

The purchase, lease or rent of land or buildings or fixed plant can only be undertaken with authority from the Board (as outlined in the capital budget section 2.3) in accordance with the Trust's purchasing and tendering policy, and with reference to DfE requirements where grant funded assets or grant funds are involved.

8.2 Capitalisation Levels

Single items valued at £2,500 or over that are considered to have a life longer than the financial year they were purchased in will be capitalised.

Grouped items (eg a suite of computers) with an individual value of less than £2,500 but with a group value of more than £5,000 may be capitalised where the useful life is deemed to be for 4 years or more.

8.3 Fixed Asset Register

The APF is responsible for maintaining the Trust's register of land, buildings and fixed plant, machinery and equipment. An annual physical verification of assets should be carried out by the Budget Holders.

8.4 Inventories

In addition to the centrally held asset register, Budget Holders are responsible for maintaining inventories for valuable moveable items in their departments.

Inventories must be checked at least annually, and a register maintained to monitor and record temporary and permanent movements of the assets outside of the department.

8.5 Safeguarding Assets

Budget Holders are responsible for the care, custody and security of the buildings, stock, furniture, cash, etc. under their control. They will consult the APF in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
Assets owned by the Trust shall, so far as is practical, be effectively marked to identify them as College/ ICLMS property.

8.6 Personal Use

Assets owned or leased by the College shall not be subject to personal use without proper authorisation.

8.7 Asset Disposal

Disposal of land and buildings must only take place with the authorisation of the Board. DfE consent may also be required if exchequer funds were involved in the acquisition of the asset.

Disposal of equipment and furniture must be in accordance with procedures agreed by the audit committee, as contained in the trust's detailed financial procedures.

8.8 Stocks and Stores

Budget Holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments.

Budget Holders are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of hazardous nature should be subject to appropriate security checks.

8.9 Other assets

Budget Holders are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the Trust, including electronic data.

Finance policies and other documents referenced in this policy

Scheme of Delegation
Academy Trust Handbook – (see extract of freedom and delegations Appendix 2)
Register of Interests
Risk Management Policy
Risk Register
Treasury Management Policy
Fraud Policy
Whistleblowing Policy
Trustees, Governors & Members Policy
Gifts and Hospitality Policy
Reserves Policy

Appendix 1

The Seven Principles of Public Life from the report of The Committee for Standards in Public Life

Selflessness. Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.

Integrity. Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may influence them in the performance of their official duties.

Objectivity. In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability. Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness. Holders of public office should be as open as possible about all their decisions and the actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty. Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership. Holders of public office should promote and support these principles by leadership and example.

Appendix 2- Summary of freedoms and delegations [Extract from The Academy Trust Handbook]

Summary of freedoms and delegations

5.60. This summary is not a substitute for the full handbook. Trusts' delegated authorities are subject to the conditions in section 5.55. Trusts under an NtI will have their delegated authorities revoked under section 6.18.

Type of transaction	Delegation
Novel, contentious and repercussive transactions	DfE agreement required 5.6
Staff severance and compensation	DfE agreement required if £50,000 or more before tax 5.11 and 5.16
Ex gratia payments	DfE agreement required 5.18
Writing-off debts and losses (subject to £250,000 ceiling)	DfE consent required if exceeds 1% of annual income or £45,000 individually; or 2.5% or 5% of annual income cumulatively 5.19 and 5.20
Entering into indemnities (beyond the normal course of business), guarantees or letters of comfort (subject to £250,000 ceiling)	DfE consent required if exceeds 1% of annual income or £45,000 individually; or 2.5% or 5% of annual income cumulatively 5.19 and 5.20
Acquiring freehold land and buildings	DfE agreement required 5.22
Disposing of a freehold on land and buildings	DfE agreement required 5.22
Disposing of heritage assets	DfE agreement required 5.22
Other asset disposals	Trust has full discretion 5.24
Taking up a finance lease not on the DfE approved list	DfE agreement required 5.25
Taking up a leasehold on land and buildings	DfE agreement if lease term 7 years or more 5.25
Taking up any other lease	Trust has full discretion 5.24
Granting a lease on land and buildings	DfE agreement required 5.25
GAG carry forward	No limits if trust eligible 5.29
Pooling by trusts with multiple academies	No limits (except PFI) if trust eligible 5.30
Loan, overdraft	DfE agreement required 5.32
Credit cards (for business use)	Trust has full discretion provided charges not incurred 5.32
Supplies to the trust from related parties	DfE agreement required over £40,000 and over associated limits in 5.41 unless exempt as set out in 5.41

Leasing	Taking up a finance lease	ESFA agreement required [5.26]
	Taking up a leasehold on land and buildings	ESFA agreement if lease term seven years or more [5.26]
	Taking up any other lease	Trust has full discretion [5.25]
	Granting a lease on land and buildings	ESFA agreement required [5.26]
GAG	GAG carry forward	No limits if trust eligible [5.29]
	Pooling by trusts with multiple academies	No limits (except PFI) if trust eligible [5.30]
Borrowing	Loan, overdraft	ESFA agreement required [5.33]
	Credit cards (for business use)	Trust has full discretion provided charges not incurred [5.33]

Related party transactions	Supplies to the trust from related parties	ESFA agreement required over £40,000 and over associated limits in [5.42] unless exempt as set out in [5.42]