



The Island Learning Trust

Financial Regulations Policy

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Associated documentation	
Academy Trust funding agreement	
Academies Trust Handbook	2025

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Introduction

1. The purpose of this manual is to ensure that the Academy 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 & Skills Funding Agency (ESFA).
2. The Academy Trust must comply with the principles of financial control outlined in the Academies Trust Handbook. This manual expands on that and provides detailed information on the Academy's accounting procedures and system manual should be read by all staff involved with financial systems.
3. This manual 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.

Financial Planning

4. The Academy Trust prepares rolling 3 to 5 year budgets.

The budget cycle

5. The budget cycle is as follows:
 - Autumn term (Sept – Dec)
 - Implementation of current budget plan
 - Monitoring expenditure (continuous-termly)
 - Reconciliation and closure of previous financial year
 - Spring term (Jan – Mar)
 - Monitoring and Reviewing of year's budget
 - Revised Budget where appropriate
 - Pre-planning new financial year
 - Summer term (Apr – Aug)
 - Planning for forthcoming year
 - Preparation and submission of financial budget plan
 - Review of current year's budget

All requirements of the ESFA, in particular relating to carry forward of unspent funds, will be taken into account in preparing and submitting the budget.

Budget

6. The Chief Finance Officer (CFO) is responsible for preparing and obtaining approval for the annual budget. Individual schools' budgets must be set by the CFO and Finance Manager. This will then be approved by the CEO and Finance Audit & Risk Committee with delegated responsibility from the Trust Board.
7. The annual budget will reflect the best estimate of the resources available to the Academy 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.

8. The budgetary planning process will incorporate the following elements:
- forecasts of the likely number of pupils to estimate the amount of General Annual Grant (GAG)
 - latest estimate of other ESFA funding e.g. pupil premium or other specific funds
 - review of other income sources available to the Academy Trust to assess likely level of receipts
 - review of past performance against budgets to promote an understanding of the Academy Trust cost
 - identification of potential efficiency savings
 - review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
 - all carry forward balances
 - any unspent grants from the previous financial year
 - any funds held in Trust
9. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this will be held by the Trust as a contingency or alternatively allocated to areas of need in accordance with the Development Plan.
10. If there is a significant (over 10%) departure from the anticipated budget this will be escalated to the Finance, Audit & Risk Committee as part of the monthly management accounts procedure.
11. The approved budget is then entered onto the finance system at the start of the new financial year.

Other Government Funding

12. In addition to GAG funding from ESFA the Trust may be awarded specific funding for other projects e.g. Condition Improvement Funds, Character Bid funding, Additional Special Educational Needs funding etc. This funding may be from the Department of Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.
13. The CFO/FM is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

Other Grants and specific funding

14. In addition to the GAG funding from the ESFA the Academy/MAT and other government funding, the Academy/MAT may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding, Football Foundation Funding, Charitable Grants etc. All applications for additional external funding must be approved and supported by the Board of Trustees. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.
15. The CFO/FM is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

Funds held in Trust

16. Where funds are held in Trust the CFO is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately as set out in the memorandum and articles.

Virements

17. Substantial virements shall be approved and minuted by the Finance, Audit & Risk Committee and should be within the agreed criteria and financial limits.
18. The CFO/CEO is given delegated power to vire from one budget to another and shall seek approval from the Finance, Audit & Risk Committee and retrospectively where the amount exceeds £50,000.
19. All virements exceeding £50,000 shall require prior approval from the Finance, Audit & Risk Committee.

Revised Budget

20. Monitoring and analysis of the agreed budget should be carried out on a monthly basis by the CEO and CFO and reports forwarded to the Board of Trustees. Where significant variations to the agreed budget are identified or where a number of substantial virements have been approved by the Trust Board and or where significant staff changes have occurred in-year, then a Revised Budget should be prepared by the CFO/FM, approved by the Finance, Audit & Risk Committee & CEO and shared with the Trust Board. This Revised Budget should then form the basis of analysis of all income and expenditure until the financial year end.

Budget Forecast Return

21. The approved budget must be submitted to ESFA by 31 July each year (unless otherwise specified by the ESFA) by the CEO in collaboration with the CFO. The CFO is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

Monitoring and review (including management accounts)

22. Monthly reports are prepared by CFO/FM. The reports include:
 - actual income and expenditure against budget (shown as month to date and cumulatively)
 - rolling 12-month cash flow forecast
 - balance sheet
 - one page summary highlight and explaining variances of at least £5,000
 - key performance indicators (as agreed by the Finance, Audit & Risk Committee)
23. Any potential overspend against the budget must in the first instance be discussed with the CEO.
24. The monthly reports are sent to the CEO and Trust Board. The finance team will look to ensure that management accounts are finalised within 10 working days post-month end. However, there might be some slippage around this timeline at certain points during the year i.e. August and September.

Independent checking procedures

25. The Board of Trustees have decided to buy-in an internal audit/scrutiny service from McCabe Ford Williams. Twice a year, the provider reports to the Board via the Finance, Audit & Risk Committee on the operation of the systems of control.
26. On an annual basis, a summary report to the Finance, Audit & Risk Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress is prepared and submitted to the ESFA by 31 December.

Review of regularity

27. The CEO (in their role as Accounting Officer) reviews the following documents termly to ensure the Academy Trust is working within the boundaries of regularity and propriety:
- reviews management accounts
 - reviews compliance against the financial scheme of delegation
 - reviews transactions for evidence of connected party transactions
 - value for money practice
 - review of Trustees/governors' minutes
 - review of monthly bank reconciliation
28. The Accounting Officer has delegated the following responsibilities to CFO:
- adherence to tendering policies
 - review of transactions confirming in line with delegated authorities as set out by the Academies Trust Handbook

Annual accounts

29. The Academy Trust must prepare annual audited financial statements for the accounting period to 31 August.
30. The accounts are prepared by the Trust's CFO and reviewed by the external auditors.
31. The accounts are then submitted as follows:
- by 31 December – to ESFA
 - by 31 January – published on our own website
 - by 31 May – to Companies House

Value for money statement

32. As part of the annual accounts the Trust must include at least 3 focussed examples of value for money.
33. The CFO is responsible for collating the examples which are then confirmed by the Finance, Audit & Risk Committee.

Audit arrangements

34. UHY Kent LLP have been appointed as the Trust's external auditors in accordance with the Academies Trust Handbook.
35. The CFO is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

Work undertaken during accounting period

36. The CFO is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:
- reviewing the structure of the trial balance
 - maintaining a fixed asset register
 - monthly depreciation charges
 - maintaining income and expenditure records (including filing of invoices)
 - reviewing aged debtors for any provisions required
 - maintaining a record of governors/Trustees interests, related and connected party transactions
 - control account reconciliations (bank, VAT, wages, debtors, creditors)
 - monitoring & reporting to the CEO and Board of Trustees

Work undertaken for the year end

37. The CFO/FM is responsible for the following tasks to be undertaken at the end of the year (unless already performed during the accounting period) to facilitate a smooth audit process:
- prepayments for expenditure spanning the year end greater than £1,000
 - accruals for expenditure relating to the year end greater than £1,000
 - prepayments or accruals for grant and non-grant income
 - control account reconciliations (bank, VAT, wages, debtors, creditors)
 - close down of the purchase ledgers and aged creditors
 - close down of the Sales ledgers and aged debtors

Accounts Return

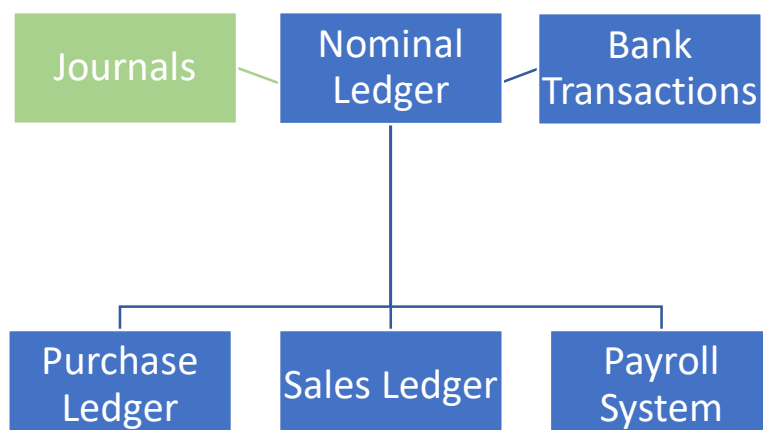
38. The Academy Trust must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the ESFA by approximately mid-January.
39. The accounts return is prepared by the CFO and reviewed by the external auditors.

Document retention

40. Documents are retained for the following amount of time:
- Finance records – current year plus preceding 6 years
 - Supply cover insurance – current year plus preceding 6 years
 - Payroll and travel records – current year plus preceding 6 years
 - Personnel records – 5 years after an employee has left

Accounting system

41. All the financial transactions of the Academy Trust must be recorded into IRIS Financials, the computerised financial information accounting system. This system is operated by the FM and Finance Team and consists of:



Blue denotes an Automatic update
Green denotes a Manual update

System Access

42. Access to the system is password restricted to the Trust's central team who have been authorised by the CEO e.g. external accounting providers.
43. All passwords will remain confidential to the holder. In the event of an emergency, the CEO will make contact with the software/system provider.

Back-up Procedures

44. The CFO is responsible for ensuring that there are effective back up procedures for the system. Data is backed up on a remote server. Back-up copies are taken on at least a daily basis.
45. In the event of a disaster, the accounting facilities will be available remotely as they are cloud based.

Transaction processing

46. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual and Financial Scheme of Delegation.
47. All journal entries are put on the system with relevant back-up and will only be entered by the Trust's central team.
48. Bank transactions are inputted by the Trust's central team (via an upload of the bank statement) and reviewed by CEO.

Reconciliations

49. The CFO 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
 - VAT control account
 - bank balance per the nominal ledger to the bank statement
50. The CFO/CEO sign all reconciliations as evidence of review.
51. Any unusual or long outstanding reconciling items are brought to the attention of CFO and dealt with according to the bad debt limits in this manual (121).

Cash Management

Bank Accounts

52. The following procedures must be followed when opening a bank account and operating it:
- the Trust is responsible for selecting the banking institution and negotiating the terms and conditions
 - the Trust must authorise the opening of all bank accounts
 - the Trust will ensure that in the event of changes to key personnel, signatories will be changed immediately and the bank notified. Any on-line access to banking and charge cards will also be removed
 - terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement minuted
 - the Trust must inform the bank, in writing, that their accounts must not become overdrawn the Trust must ensure there are sufficient funds to cover large payments

Deposits

53. A deposit must be entered after instruction from the CFO to the FM with the following details:
- the amount of the deposit
 - the bank and account details as per the Insignis platform
54. The FM is responsible for updating the accounting system (within 2 working days) for deposits placed.

Payments and withdrawals

55. All cheques and other instruments authorising withdrawal from Academy bank accounts must bear the signatures of two of the following authorised signatories:
- CEO
 - Chair of Trustees
 - CFO
 - Finance Manager
56. This provision applies to all accounts, public or private, operated by or on behalf of the local governing body of the Academy including funds held in Trust. Two authorised signatories must sign all cheques.
57. The FM is responsible for updating the accounting system (within 2 working days) for payments and withdrawals.

Administration

58. The FM ensures 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 FM
 - reconciliations are subject to an independent monthly review carried out by the CEO or in his/her absence the CFO
 - adjustments arising are dealt with promptly

E-procurement & Payments

59. School/Trust credit cards are used only when it is not practical to use the purchase order/BACS system. It is used mostly for internet purchases.
60. The cardholders retain their cards in a secure manner.
61. Occasionally the credit card is used to purchase small items and cannot be used to access cash. Monthly credit cards transactions are signed off by the CFO.
62. When the credit card bill arrives there will be, where possible, a signed order form relating to each entry on the statement, a VAT invoice (where applicable) is required for all purchases and it is sometimes necessary to chase suppliers for this. A journal is keyed for each entry on the statement.
63. The credit card bill, along with all the relevant order forms are then given to the FM who will check the statement. The CFO will then check all transactions and authorise them. These are then filed electronically on the accounting system.

BACS Payments

64. On receipt of an invoice:
- an official purchase order has been raised for the purchase
 - the delivery note has been checked
 - the delivery is of correct quantity, quality and price
 - it has not been previously paid
 - funds are available in the relevant budget
 - VAT chargeability on qualifying expenditure is shown
65. The payment is then prepared and the BACS payment then checked to ensure that the bank and sort codes have been correctly entered.
66. The Finance Assistant will prepare the proposed BACS run for review by the FM. Both will sign and date the BACS report generated by the finance system to indicate their preparation and review. The BACS run will then be uploaded to the online banking system for approval by the CFO by the FM. In instances where the Finance Assistant is not available, the FM will prepare, CFO review and the CEO authorise the BACS run for online banking system completion.
67. Normally, BACS payments are processed within a month of receipt, although every effort is made to ensure the school benefits from early payment discounts.
68. The CFO/FM ensures that evidence is kept of the employment status test criteria applied, when dealing with payments to individuals. Where an individual has been assessed as self-employed, the FM should request that the individual states his self-employment reference number on any invoice issued to the school.

Investments

- 69. Investments are made in accordance with written procedures approved by the Trust (see Investment Policy).
- 70. All investments are recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

Reserves

- 71. Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year.
- 72. The CEO as Accounting Officer must inform ESFA within 14 days if an overall deficit is anticipated.
- 73. If the Academy Trust is anticipating an overall deficit at the end of any financial year, Finance, Audit & Risk Committee and CFO have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The CFO, CEO and the Finance, Audit & Risk Committee must ensure that a recovery plan is submitted and approved by the ESFA.
- 74. The Academy Trust undertakes to ensure that an appropriate level of free reserves, equivalent to one month's salary bill, is kept. In line with the Trust's One Trust Policy, the Trust holds £20,000 for each school in the Trust should it depart the Trust.

Capital Reserves

- 75. Any overall surpluses at the end of the year are carried over to the following year.
- 76. It is the responsibility of the CFO to keep accurate records of the capital funds, especially where grants have been received for capital projects.

Endowments

- 77. The CFO is responsible for accounting for the transactions within the endowment fund.
- 78. Any transactions are in line with the memorandum and articles if applicable.

Designated Funds

- 79. The CFO is responsible for accounting for the transactions within the designated fund.
- 80. Any proposed funds for designation must be shared and approved by the Finance, Audit and Risk Committee.

Payroll

Staff Appointments

- 81. The CEO will have approved a staffing establishment for each individual school. Changes can be made to this establishment as per the Financial Scheme of Delegation.

82. The Headteacher/Head of School has authority to appoint staff within the authorised establishment (subject to budgetary approval from the CFO) except for those appointments which must follow consultation with the governors/Trustees. The HR manager maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified to the Trust's HR payroll providers immediately and entered onto Arbor.
83. The HR manager is responsible for obtaining the relevant DBS checks and ensuring these are retained on file.

Payroll Administration

84. Payroll is administered through the Academy Trust's chosen payroll provider.
85. All staff are paid monthly through the payroll provider. A master file is created for each employee which records:
- salary
 - bank account details
 - taxation status
 - personal details
 - any deductions or allowances payable
 - other legal and relevant details
86. New master files can only be created by the HR manager with the express approval of the CFO. Any master file amendments (e.g. contractual variations) made by HR manager is saved and must be authorised by CFO.
87. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. Each timesheet is signed by the Head of School. In turn this is entered onto the payroll provider's system by the HR manager.

Payments

88. Before payments are dispatched a pre-payroll report of all data should be obtained, including an exceptions report from the payroll provider and this should be checked against source documentation by the HR manager. Payments are made automatically by the payroll provider and are checked by the FM.
89. All salary payments are made by BACS
90. The FM upload the salaries and a reconciliation between the current month's and the budgeted month's gross salary payments showing adjustments made for new appointments, resignations, pay increases are shown as variances. This reconciliation is reviewed and signed the Finance Manager and counter-signed by one of CEO/ CFO.
91. The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay print and all payments are made by the payroll provider by the due date.
92. 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 CFO 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.
93. Annually, the HRM checks each member of staff that the gross pay per the payroll system agrees to Arbor.

Salary advances

94. The Trust does not award salary advances.

Overtime and expenses

95. Overtime is recorded by the individual and submitted by end of the month to the Head of School for checking and authorisation. The HRM completes and submits the master claim form and originals are stored in the Trust's central office and intranet.
96. Claim forms must not be submitted prior to work having been undertaken.
97. No payments for work undertaken will be made other than via the payroll system.
98. Mileage claims are recorded by the individual and submitted by no later than the end of the respective term to the Head of School for checking and authorisation. The HRM completes and submits the claim form. The master claim form is stored in the Trust's central office and intranet. Claim forms must not be submitted prior to travel having been undertaken.

Severance payments

99. The Academy Trust is able to self-approve the non-contractual/non-statutory element of severance payments up to £50,000 (gross, before income tax or other deductions).
100. Where the non-contractual element is on or over £50,000 prior approval from ESFA must be sought.
101. Where an exit package which includes a severance payment is at, or above, £100,000 and/or the employee earns over £150,000 prior approval from ESFA must be sought.
102. The Accounting Officer must sign off and review each business case.

Ex-gratia payments

103. Any ex-gratia payments must be submitted to ESFA for prior approval.

Income

ESFA grants

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

Other grants

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

Trips

106. A lead member of staff must be appointed for each trip to take responsibility for the sums due. They 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 Trust's Finance Department and uploaded alongside the Purchase

Order on IRIS Financials. The school office and the Trust's Finance Department are responsible for recording and collecting all payments for trips.

107. The Trust's Finance Department should maintain an up to date record for each student showing the amount paid and the amount outstanding.
108. Trips should be run at cost price, although allowance can be made for additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents. If the school decides to subsidise the school trip the amount of subsidy must be approved by the Head of School in advance of the booking being made.

Catering

Cash payments

109. Cash payments must be reconciled on a daily basis by a named person and signed as evidence of reconciliation. The school meal numbers are recorded via Management Information System. The cash is kept in the safe prior to banking/collection. The FM must reconcile the banking sheet to actual receipts banked on a weekly basis.

Electronic cash collection

110. The weekly bank credits are reconciled to the Management Information System in the first instance. They are then posted onto IRIS Financials.

Lettings

111. The FM is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation. Payments must be made upon receipt of invoice.
112. Details of organisations using the sports facilities will be held by the FM who will establish a sales ledger account and produce a sales invoice from the IRIS Financials system.
113. Copies of the organisations up to date relevant Public Liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept with the Letting Agreements and are reviewed at least annually.

Sundry income

114. Income from other sources (for example educational consultancy) is priced in consultation with CFO. The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay. The CFO approves all credit agreements.

Gift aid

115. To ensure the Academy Trust, in its position as an exempt charity, receives all the monies it is entitled to is the responsibility of the CFO:
 - reconciles income against records to confirm expected amounts have been received from the donor
 - ensures the tax reclaimable from HMRC has been obtained and any relevant business use deductions have been made.

Bad debts

116. The Academy Trust chases all monies due, and those that have not been paid within 30 days of an invoice being issued, by telephone or letter.

117. If the debt remains unrecoverable after 6 months, or it becomes clear that the debt will not be repaid, the FM submits a report to CFO for approval or write off.
118. The following write off limits apply:
- Up to £250 – CFO
 - £251 to £750 – CEO
 - Over £750 – Trust Board and refer to debt collecting agency

Purchasing

119. The Academy Trust must achieve value for money on all purchases. A large proportion of our purchases are paid for with public funds and we 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 Academy
 - Accountability, the Academy is publicly accountable for its expenditure and the conduct of its affairs
 - Fairness, that all those dealt with by the Academy are dealt with on a fair and equitable basis

Routine Purchasing

120. 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. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget will be supplied to each budget holder. Budget holders will be able to monitor data relating to their own budget areas on a monthly basis via reports from the on line financial information system.
121. Routine purchases can be ordered by budget holders in line with the Financial Scheme of Delegation. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Trust Finance Team. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with Trust Finance Team. Copies of all quotes must be attached to the requisition raised in PS Purchasing.
122. All new suppliers will be subject to the completion of a New Supplier Form and necessary checks. This is to be undertaken by the Finance Assistant and signed off by the Finance Manager.

E-procurement

123. See Pg 11 (59-63)

Orders

124. All purchase order requisitions must be raised on PS Purchasing, stocks of which are held by the Trust's Finance Department. Orders will have been approved by the budget holder (who will check to ensure adequate budgetary provision exists) in PS Purchasing which is then sent through the system to the Trust's Finance Department.
125. There may be exceptional circumstances where purchase orders will not need to be raised. For example:
- Utility bills: gas, electric, water and waste
 - Short-term agency staff
 - Emergency repairs, national non-domestic rates, rents and any payments on Direct Debit.

126. The FM approves the purchase order requisition in IRIS Financials which allocates a purchase order number and commits expenditure. Orders will be emailed to the supplier from PS Purchasing (where possible).
127. On receipt a member of school staff 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 and the Finance Team informed.
128. If any goods are rejected or returned to the supplier because they are not as ordered or are of substandard quality, the Finance Team should be notified. The Finance Team will keep a central record of all goods returned to suppliers.
129. All invoices should be sent to the Finance Team from the supplier or School Office. Invoice receipt will be recorded by the Finance Team into the IRIS Financials purchase ledger module. The Finance Team will upload invoices into IRIS Financials.
130. The staff member must make a detailed check against the order and the GRN and these documents must be sent to the Trust's Finance Department where they can be attached to the invoice.
131. At the end of each month the Finance Team will produce a list of outstanding invoices from the purchase ledger and this list together with supporting documentation will be reviewed by the FM or CFO.
132. BACS payments are inputted by the FM and authorised on-line by two signatories in accordance with the banking procedures.

Orders over £10,000 but less than £40,000

133. A minimum of three written quotations should be obtained for all orders between £10,000 and less than £40,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by CFO/FM 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 and made in accordance with value for money principles. Up to £10,000 can be authorised in line with the Financial Scheme of Delegation.

Orders over £40,000 and up to the relevant Procurement Act 2023 (Pact23) threshold

134. All goods/services ordered with a value over £40,000 and up to PAct23 or for a series of contracts which in total exceed £40,000 must go through a mini tendering process (see Financial Scheme of Delegation). Orders up to PAct23 must be authorised by CEO and CFO. Any orders over PAct23 must be approved by the CEO and the Finance, Audit & Risk Committee/Trust Board.

Procurement Act 2023

135. Purchases over **£179,086** are to be dealt with in accordance with PAct23.

Trading with related/connected parties

136. Trading with related/connected parties must be in line with the Academies Trust Handbook.

Goods and services for private use

137. No goods are ordered or services provided to include any elements of private use by trustees and staff.

Forms of Tenders

138. The statutory procurement process must be followed for purchases with a value exceeding the PAct threshold (see Appendix II – Procurement Act 2023 - thresholds). Different rules apply depending on what is being purchased. The Trust may follow one of 3 tender procedures and the decision as to which to follow must be taken by CFO

(A) Competitive Awards (Open or Flexible):

- **Open Tender:** This is a single-stage procedure where all potential suppliers are invited to tender. This is the Trust's preferred method of tendering, as it is most conducive to competition and the propriety of public funds. The budget holder must discuss and agree with CFO how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical.
- **Flexible Tender:** This is a staged procedure and the Trust may choose to use it where there is a need to limit the number of bidding suppliers.

(B) Direct Award:

This procedure will only be used if the Trust is permitted to under the PAct23.

(C) Award under the framework:

The Trust may consider awarding a contract in accordance with a framework following a competitive selection process.

(D) Light touch regime

Where the type of contract permits, the Trust will consider conducting a light touch tender procedure.

Preparation for Tender

139. Before conducting any tender procedure, full consideration should be given to:

- objective of project
- procurement objectives: value for money, maximising public benefit, transparency, and acting with integrity
- overall requirements
- where an assessment criteria is used, indicate their relative importance
- technical skills required
- after sales service requirements
- type of tender procedure
- form of contract
- whether the Trust should issue a planned procurement notice
- whether the Trust should carry out preliminary market engagement
- whether the contract could be supplied under more than one contract and whether contracts should be awarded by reference to lots.

140. 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.

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

Invitation to Tender

142. 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.

143. An invitation to tender should include the following:

- introduction/background to the project
- scope and objectives of the project
- technical requirements
- implementation of the project
- terms and conditions of tender
- form of response
- dates for decision and work to be delivered

Tender Acceptance Procedures

144. The invitation to tender should state the date and time by which the completed tender document is received by the Academy Trust. Tenders are submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline are not accepted.

Tender Opening Procedures

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

- For contracts over PAct23 threshold - Trust Board

146. A separate record details the names of the firms submitting tenders and the amount tendered. The record is signed by both people present at the tender opening.

Tendering Procedures and evaluation

147. 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.

148. 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.

149. Full records should be kept of all criteria used for evaluation and for contracts above £40,000 a report should be prepared for the Finance, Audit & Risk committee highlighting the relevant issues and recommending a decision.

150. The accepted tender should be the one that is economically most advantageous to the Trust. All parties are then informed of the decision. Consideration should be given to the following:

- Financial aspects:
 - Consider whether a lower price equates to a reduced service or lower quality
 - Is the tender price the total price, or are there any hidden or extra costs?
- 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/contracts and references from past customers
- Other considerations:
 - Pre-sales demonstrations
 - After sales service
 - Financial status of supplier

All parties should be informed of the decision.

Insurance

151. The Academy Trust reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for Academy Trust property when off the premises.
152. We have opted in to the Department for Education's Risk Protection Arrangements.

Staff/Governors/Trustees Expenses

153. All staff/local governors/Trustees of this Academy Trust are entitled to claim the actual costs, which they incur as follows:
- childcare or baby-sitting allowances (excluding payments to a current/former spouse or partner)
 - cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner)
 - the extra costs they incur in performing their duties either because they have special needs or because English is not their first language
 - the cost of travel relating only to travel to meetings/training courses at a rate of 45 pence per mile (or the current approved HMRC rate) which does not exceed the specified rates for school personnel
 - travel and subsistence costs, payable at the current rates specified by the HMRC Employment Income Manual ([EIM30240](#)), associated with attending national meetings or training events, unless these costs can be claimed from any other source
 - telephone charges, photocopying, stationery, postage etc.
 - any other justifiable allowances
154. The Trust Board and Local Governing Body acknowledges that:
- Local Governors/Trustees are not be paid attendance allowance
 - Local Governors/Trustees are not reimbursed for loss of earnings
155. Governors/Trustees may claim reimbursement but only where approval has been given in writing before the expenses have been incurred. Approval may be given by one of the people in Group A below plus one from Group B:
- Group A
 - i Chair of Governors/Trustees – for all Governors/Trustees (except the Chair)
 - ii Vice-Chair of Governors/Trustees and Chairs of Committees (for the Chair of Governors/Trustees only)
 - Group B
 - i CEO or CFO
156. Staff may claim reimbursement but only where approval has been given in writing before the expenses have been incurred. Approval may be given by the Head of School. Where claims are made by the Head of School, approval may be given either by Chair of Governors or the CEO/CFO.
157. Staff/Governors/Trustees wishing to make claims under these arrangements, must complete a claims form from Finance Team together with the relevant receipts. The form must be submitted to the Finance Team within two weeks of the date when the cost were incurred, when they will be submitted to the CFO for final approval.

158. Claims will be subject to independent audit and may be investigated by the CEO or CFO if they appear excessive or inconsistent.
159. Claims, once approved, will be paid via BACS only.

Gifts

160. Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £35 are reported to the CEO in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses (see Gifts and Hospitality Policy for further details).
161. Gifts that have been reported are entered onto the gifts and hospitality register.

Energy Management

162. The Estates Manager and Estates Team are responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be checked before authorising any invoices from the utilities providers. Any discrepancies or unusual reading should be raised with the Estates Manager immediately.
163. The Estates Manager ensures that each school's heating system is operated and run as efficiently as possible.
164. The CFO ensures that the school is purchasing energy at the most competitive prices available and, where all else is equal, a green alternative should be sought.
165. All staff have the responsibility to work in an energy efficient manner at all times (e.g. turning off computers, lights and heating when not required).

Fraud

166. The Trust does not tolerate fraud. Where instances of fraud are found the CFO or Accounting Officer will notify the ESFA. (see Anti-Fraud & Corruption Policy)

Whistleblowing

167. See Whistleblowing Policy available on our website, on staff room displays and in the staff induction pack

Leasing

168. No finance or Third Party leases will be entered into unless allowed under the Academies Trust Handbook.

Pooling of GAG

169. See the One Trust Policy, available on our website.

VAT

VAT 126 form

170. The FM is responsible for submitting the VAT 126 form monthly.

Assets

Fixed Assets

171. All items purchased with an individual value over the Academy's capitalisation limit of £5,000 must be entered on the manual fixed asset register with the following details:

- asset description
- date of acquisition
- asset cost
- source of funding (% of original cost funded from grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value

Asset Register

172. Smaller items with a value of £150 or more are recorded on each schools' asset register (for insurance purposes), this helps:

- ensure that staff take responsibility for the safe custody of assets
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- to manage the effective utilisation of assets and to plan for their replacement
- help the external auditors to draw conclusions on the annual accounts
- support insurance claims in the event of fire, theft, vandalism or other disasters

173. Examples of items to include on the asset register include:

- ICT hardware and software (this list can be combined and used to identify software licences to ensure the school is complying with legislation)
- Reprographic equipment – photocopiers, comb binders, laminators
- Office equipment – fax machines, shredders, switchboard
- Furniture
- Mini buses
- AVA equipment – TVs, video/DVD players, OHPs, cameras, speakers
- Cleaning equipment – vacuum cleaners, polishers
- Catering equipment – ovens, fridges, dishwashers, food processors
- Technology equipment – sewing machines, craft machinery
- Premises equipment – lawn mowers, power tools, generators
- Other equipment – musical instruments, PE equipment

Security of assets

174. All the items in the register are permanently and visibly marked as the Academy Trust's property.

175. Equipment is, where possible, stored securely when not in use.

Disposals or write offs

176. Disposals, where applicable, are in line with the Academies Trust Handbook.

177. Items which are to be disposed of by sale or destruction must be authorised for disposal by Head of School and, where significant, should be sold following competitive tender. The Academy Trust must seek the approval of the ESFA in writing if it proposes to dispose of an asset involving a freehold land or building.
178. Items for write off or disposal should be listed on the write off/disposal authorisation form, detailing model and serial number, a brief description of the item, and the reason for the write off or disposal. The form should be signed and dated by the member of staff requesting the write off or disposal and then passed to the Head of School for authorisation. The Head of School, if satisfied, should then write on the method of write off or disposal e.g. scrapped, sold, donated etc). When authorised, the form should be provided to both the Finance Team and the Office Manager. The Trust will then update the asset register accordingly and, if required, the fixed asset register.

Loan of Assets

179. Items of Academy Trust property must not be removed from Academy Trust premises without the authority of the Head of School. A record of the loan must be recorded in a loan book and booked back in the school when it is returned.
180. 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 Academy Trust's auditors.

Appendix I – Financial Scheme of Delegation

DELEGATED DUTY	VALUE	DELEGATED AUTHORITY	PROCUREMENT METHOD
Requisitions for orders/invoice approval and contract approval or renewals (Revenue)	Up to £10,000	Head teacher or delegated Budget Holder or Chief Finance Officer (CFO), Finance Officer (FO) in CFO absence Finance Manager up to £5k HR Manager up to £5k Estates Manager up to £5k Director of Safeguarding up to £1k Trust SENCO up to £1k	Value for money test
	£10,001 to £40,000	Budget Holder and or CFO and CEO	Minimum of three quotes
	£40,001 to £179,086	CEO and CFO	Mini tendering process
	Over OJEU limit £179,087	CEO and Finance Committee	Formal tendering process
	Over OJEU limit, including Supply, Services and Design Contracts	CEO and Board <i>The Finance Committee shall recommend approval to the Board</i>	OJEU Formal Tendering process
Requisitions for orders/invoice approval and contract approval or renewals (Capital)	Up to £10,000	Executive Team budget holder and CFO	Value for money test
	£10,001 to £25,000	Executive Team member and CEO and CFO	Minimum of three quotes
	£25,001 to £213,447	CEO and CFO and Funding Approval required	Formal tendering process
	Over OJEU limit £213,477	CEO, CFO and Finance Committee and Funding Approval required <i>The Finance Committee shall recommend approval to the Board</i>	OJEU Formal tendering process
Over OJEU limit, Supply, Services and Major Design Works Contracts	Up to £5,366,937	CEO and Board and Funding Approval <i>The Finance Committee shall recommend approval to the Board</i>	OJEU Formal Tendering process
Payments Run's	Any	Authorised (2 of): CEO, Chair of Trustees, Finance Manager and CFO. Input to Bank System. Trust Finance Team (after above authorisation)	
Journals	Within the I/E	Finance Staff – Approved by Finance Officer and/or CFO	
	Between income statement & balance sheet	Finance Staff – Approved by Finance Officer and/or CFO	
Procurement Card	Monthly spend limit of £5,000, and £1,000 transaction limit	Finance Officer and/or CFO	

DELEGATED DUTY	VALUE	DELEGATED AUTHORITY	PROCUREMENT METHOD
Severance Payments	Equal to or below contractual notice	Executive Member, CEO and HR Manager	
	Above contractual notice	Executive member, CEO and CFO	
	>£50K	Trust Board and ESFA Approval	
ESFA Returns	Any	Financial Controller, CFO and CEO	
Virement with budget provision between budget heads	Up to £10,000	Head Teacher, Executive member and/or CFO or CEO	
Virement with budget provision between budget heads Disposal of assets (excluding the disposal of a freehold on land and buildings)	£10,001 to £50,000	CFO and CEO	
Virement with budget provision between budget heads Disposal of assets (excluding the disposal of a freehold on land and buildings)	Over £50,000	Finance Committee/Trust Board	
Disposal of assets (excluding the disposal of a freehold on land and buildings) Write-off of bad debts	Up to £1,000	CFO	ESFA approval required for disposal of heritage assets regardless of the value
Disposal of assets (excluding the disposal of a freehold on land and buildings) Write-off of bad debts	£1,001 to £5,000	CFO and CEO	ESFA approval required for disposal of heritage assets regardless of the value
Disposal of assets (excluding the disposal of a freehold on land and buildings) Write-off of bad debts	Over £5,000	CEO and Finance Committee/Trust Board	ESFA approval required for disposal of heritage assets regardless of the value
Purchase or sale of any freehold property	£1,001 - £45,000	CFO and Finance Committee/Board	
Write-off of bad debts	over £45,000 or 1% of annual income	ESFA approval required	
Purchase or sale of any freehold property	Any	ESFA approval required	
Granting or take up of any leasehold or tenancy agreement	Any	CFO and CEO and Finance Committee/Trust Board	ESFA approval required for over three years
Raising invoices to collect income	Any	Finance Teams, Financial Controller and CFO	
Staff appointments – in year & in addition to staffing establishment set for budget purposes	Any	CEO or CFO	

Appendix II – Procurement Act 2023 - thresholds

The main core of the regulations applies to procurements over the thresholds prescribed in Schedule 1 of the Procurement Act (updated annually):

<i>Type of Contract</i>	<i>Sub-Central Government Threshold Amount (inc VAT)</i>	<i>Sub-Central Government Threshold Amount (exc VAT)</i>
<i>Works Contract</i>	<i>£5,372,609</i>	<i>£4,477,174</i>
<i>Goods and Services</i>	<i>£214,904</i>	<i>£179,086</i>
<i>Light Touch</i>	<i>£663,540</i>	<i>£552,950</i>
<i>Concession</i>	<i>£5,372,609</i>	<i>£4,477,174</i>

Note that schools are exempted from below-threshold procurement requirements in the Procurement Act, and therefore only above-threshold requirements are detailed here. However, where possible it is best practice to follow the fundamental principles of the Act in all procurement activity.

Light Touch

The light touch regime provides a more flexible approach to tendering and timescales under the Procurement Act 2023 for a specific range of services, including:

- Health, social and related services
- Administrative social, educational, healthcare and cultural services
- Hotel and restaurant services (including catering)
- Legal services
- Investigation and security services
- Postal services
- Other community, social and personal services including services furnished by trade unions, political organisations, youth associations and other membership organisations services

A full list of Light Touch CPV Codes can be found at Schedule 3 of the Procurement Regulations 2024. Where you feel a procurement may fall under the Light Touch you may want to define the checks required and perhaps seek support to ensure compliance with the flexibilities provided.

Concessions

A contract for the supply, for pecuniary interest, of works or services to a contracting authority where

- (a) at least part of the consideration for that supply is a right for the supplier to exploit the works or services, and
- (b) under the contract the supplier is exposed to a real operating risk.

This is unlikely to apply for schools in most circumstances, and it is advisable to seek professional advice for any concession contracts.