



# **Children First Academy Trust**

## **Financial Regulations, Governance and Administration Document**

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# Children First Academy Trust

## Introduction

Children First Academy Trust (the Trust) was created under the provisions of the Academies Act 2010, as amended by the Education Act 2011. Its structure of governance is constituted under the articles of Association. The Trust is an exempt charity by virtue of the Charities Act 2011.

The Funding Agreement between the Department of Education (DFE) and the Trust sets out the terms and conditions on which grant is made. The Trust Board is responsible for ensuring that the conditions of the grant are met. As part of this process, the Trust is required to have in place appropriate arrangements for sound governance, financial management, securing value for money and accounting, and for using the public funds for the purposes for which they were intended by Parliament.

This document sets out the Trust's financial regulations. These financial regulations are subordinate to the Trust's articles of association and to any restrictions contained within the Trust's funding agreement with the DFE and with the Academy Trust Handbook.

Compliance with the financial regulations is compulsory for all individuals connected with or employed by the Trust. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the Trust's disciplinary procedure. Any contravention of procedures must be brought to the attention of the FD and the Accounting Officer. The Chief Executive Officer (CEO) of Children First is the Accounting Officer.

The purpose of these financial regulations is to provide control over the totality of the Trust's resources and provide management with assurances that the resources are being properly applied for the achievement of the Trust's aims and objectives on a sustainable basis including:

- Maintaining financial sustainability
- Safeguarding the assets of the Trust
- Achieving value for money
- Ensuring Trust complies with all relevant legislation
- Fulfilling the responsibility for provision of effective financial controls over the use of public funds
- Ensuring that financial responsibilities are managed efficiently, effectively and economically

As a Multi Academy Trust (MAT), Children First and the constituent academies must collectively comply with the principles of governance and financial control outlined in the Academy Guidance published by the ESFA, the Academy Funding Agreement and the Academies Financial Handbook, as amended from time to time. This document expands on those and provides detailed information on the accounting and other procedures. These financial regulations must be read by all staff involved with financial systems and copies are made available as necessary. It also provides a standardized approach to all finance-related tasks within the wider Trust and the individual academies.

It is the responsibility of Executive Leaders (CEO/Deputy CEO)/Head Teachers/ Head of Schools/FD to ensure that all staff under their management are made aware of the existence and content of the Trust's financial regulations and understand how to operate within them.

All staff are aware of the Academy Trust's Whistleblowing Policy and to whom they should report any concerns regarding malpractice and wrongdoing. Copies of the policy are available on individual school websites and from the school office. Children First will take steps to ensure any suspected financial irregularity will be reported to the DfE.

Children First's Resources, Risk and Audit Committee (RRAC) will be responsible for reviewing the controls and procedures of all the financial systems operating within the Trust. This review utilises an independent internal audit service provider covering an agreed programme of work and self-assessment by the Accounting Officer and DOF.

## **1. ORGANISATION**

Children First Academy Trust is a Multi Academy Trust and, as such, is a company limited by guarantee. It is an exempt charity in that it does not have to be registered with, or be directly regulated by, the Charities Commission.

This policy provides a standard approach to all finance related tasks to all schools within the Trust, listed below, and to the Central office.

- Brettenham Primary
- Eldon Primary
- Fleecefield Primary
- Galliard Primary
- Honilands Primary
- Raynham Primary
- Wilbury Primary

- Central Team

All Academies within Children First are governed by one Trust (the members) and one board of Trustees (sometimes called Directors).

There shall be a maximum of five and a minimum of three Members of the Company, one of whom shall be the Chair of the Trust Board (ex-officio).

The Members shall appoint Trustees, of whom:

- One (1) shall also be a Trustee and the Chair of the Trust Board
- Seven (7) shall be appointed by the Members by majority in respect of their skills, knowledge, and experience.
- Co-opted Trustees shall be appointed as required, in respect of their skills knowledge and experience

The Trustees shall establish a Resources, Risk and Audit Committee (RRAC) of the Board to set internal controls and provide oversight, monitoring and control of the financial situation, plans and budgets of Children First and its constituent individual academies, and oversee the policy framework for H&S, staffing, premises, and equipment in all the schools.

The Trustees will establish separate committees to be known as Local Governing Boards for each Academy numbering between six and nine members including:

- the Headteacher of the School
- at least two elected parents or guardians of a pupil at the school or recently at the School (Parent Governors)
- one employee of the school either a teaching or non-teaching member of staff, elected by employees of the School (Staff Governors)
- No less than two and no more than five members co-opted by the LGB (one of whom could be a staff member)
- Where an LGB lacks specific skills within the board, a trustee with those skills may be co-opted onto the Board for a period of time to provide the necessary support. This shall be reviewed after two years since the intention would be that Trustees are not generally members of the LGB.

The Board shall delegate specific and appropriate powers and responsibilities to Local Governing Boards

## **2. ROLES AND RESPONSIBILITIES**

The Trust has defined responsibilities for each person involved in the administration of Trust finances to avoid the duplication or omission of functions and to provide a framework of

accountability for members, trustees, school governors and staff as detailed in the Trust's Scheme of Delegation.

The Trustees will take full responsibility for the financial affairs and efficient use of resources to maximise outcomes for pupils. The Trustees and its committees will meet regularly enough to discharge the responsibilities.,

The main responsibilities of the MAT are prescribed in the Funding Agreements with the ESFA. The main financial responsibilities include:

- Appointment of a CEO (as Accounting Officer)
- Appointment of the CFO in conjunction with the CEO
- Producing a Scheme of Delegation for the management of the Trust
- Ensuring that grants from the ESFA are used only for the purposes intended
- Approval the annual budget proposed by the CEO
- Balancing its budget from year to year
- Production of an Annual Report and Accounts in accordance with the relevant Company Law, Statement of Recommended Practice, and DFE guidance for presentation to members at the AGM.
- Appointment of auditors
- Compliance with the Academies Financial Handbook, ESFA Academies Guidance issued from time to time and specific ESFA Academy reporting requirements.
- Ensure regularity, propriety, and value for money in relation to the management of public funds. All Trustees shall complete a Declaration of Interest form on appointment and annually at the first board meeting of each academic year. They should also inform the clerk should circumstances change during the year.

Subject to provisions of the Companies Act 2006, the Articles and to any directions given by special resolution, the business of the Company will be managed by the Trustees who may exercise all the powers of the Company.

The Academy Trust has defined the responsibilities of key committees and staff involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees, members of local governing Boards, and staff. The Committees that have responsibilities relating to the Academy finances are as follows:

- Trust Board
- RRAC

The main responsibilities of these Committees are set out in written terms of reference. The following sections summarise the responsibilities of those individuals with key roles in the administration and accountability of the MAT finances.

## 2.1 ROLE OF THE CEO OFFICER (CEO)

The CEO has overall responsibility for the MAT's operational activities and implementation of the MAT's strategy and policies for achieving its objectives, including all financial matters. The CEO is the accounting officer and has a personal responsibility to the Trust Board, Parliament, and the accounting officer of the ESFA for the resources under their control. The essence of the role is:

- Ensuring Propriety and regularity of the public finances for which they are answerable. This covers standards of conduct, behaviour and corporate governance, the latter in conjunction with the Chair of the Board and the Trustees
- Keeping of proper accounts
- Prudent and economical administration
- Avoidance of waste and extravagance
- Ensuring value for money
- Efficient and effective use of all available resources
- Management of opportunities and risks
- Affordability and sustainability – ensuring setting balanced budgets and adhering to set budgets, avoiding unaffordable longer-term commitments, taking a proportionate view and managing sustainable growth.

The essence of the role is a personal responsibility for:

**Regularity** - dealing with all items of income and expenditure in accordance with legislation, the terms of the Trust's funding agreement, this Handbook and compliance with internal Trust procedures. This includes spending public money for the purposes intended by Parliament.

**Propriety** – the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary control. This covers standards of conduct, behaviour, and corporate governance.

**Value for money** – this is about achieving the best possible educational and wider societal outcomes through the economic, efficient, and effective use of all the resources in the Trust's charge, the avoidance of waste and extravagance, and prudent and economical administration. A key objective is to achieve value for money not only for the Academy Trust but for taxpayers more generally.

The MAT is required to produce a statement each year within the annual financial statements explaining how the Trust has secured value for money.

In practice, much of the financial responsibility is delegated to the CFO but the CEO still retains responsibility for:

- Approving new staff appointments within the authorised establishment, except for any senior staff posts which the Trustees have agreed should be approved by them
- Authorising orders and contracts and signing in conjunction with other authorised signatories in accordance with the agreed Scheme of Delegated Financial Authority **(Appendix B)**
- Preparing budget plans in conjunction with the DOF, Trust Finance Manager and Headteachers
- Implementing expenditure in line with the approved Trust Budgets
- Seeking Board approval for purchase orders or contracts in excess of delegated thresholds
- Submitting reports to the Board of Trustees giving details of income, expenditure, and commitments to date
- Ensuring any recommendations resulting from the annual and internal audit processes are implemented.

## 2.2 ROLE OF THE CFO/(DOF)

The DOF works in close collaboration with and reports to the CEO and has direct access to the Trustees.

The main financial responsibilities of the DOF are:

- Oversight of the day-to-day management of financial matters including the establishment and operation of a suitable accounting system for the Multi Academy Trust
- Management of the Trust Finance Manager
- Management of the Trust's financial position at a strategic and operational level within the framework for financial control determined by the members and Trustees
- Preparation of budget plans in conjunction with the CEO, Trust Finance Manager and Headteachers
- The maintenance of effective systems of internal control
- Liaising with auditors to ensure that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust
- The preparation of regular management accounts, including income and expenditure reports, cash flow forecasts, management of banking

reconciliation, management of debtors and creditors and a balance sheet in a format approved by the RRAC as required

- Ensuring forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance
- Liaison with Trust Bankers in relation to the Trust's bank accounts including authority to open/close accounts.

## 2.3 THE ROLE OF TRUST LEADERS/ HEADTEACHERS/ HEADS OF SCHOOL

Executive Leaders/Headteachers/Heads of School are responsible to the Trust Board via the Chief Executive Officer for the financial management for budgets under their management responsibility. They are also responsible for ensuring all policies and procedures are adhered to at their academy and in particular the key financial controls are communicated and managed effectively across their staff. They are also responsible to ensure any auditor recommendations are implemented on request.

The Executive Leader/Headteacher/Head of School is advised by the CFO/DOF in executing any financial duties. Executive Leaders/Headteachers/Heads of School will ensure that the CEO/CFO/DOF is provided with such information as he/she may be required to enable:

- Compilation of the Trust's financial statements
- Implementation of financial planning
- Implementation of audit and financial reviews, projects, and value-for-money reviews

Each Head Teacher will be consulted in the budgeting decisions and will be instrumental in shaping the establishment structure. The DOF will work closely with the Head Teachers in setting the budgets taking into consideration each school's unique circumstances. The Head Teacher is responsible for adhering to the Budget.

The Head Teachers are responsible for authorising all of the procurement made for the school. They are the main budget holders and must sign off on all expenditures.

The Head Teachers must also authorise all recruitments and changes to the contract. The Office Managers work with the head teachers to ensure that all payroll amendments are signed off before they are sent to the payroll provider.

## 2.4 THE ROLE OF THE TRUST CENTRAL FINANCE TEAM

The central finance team oversees the day-to-day financial administration of the Trust, and academies and reports to the CEO, CFO, and Executive Leaders/Headteachers/Heads of School.

The main responsibilities include:

- Overseeing the day-to-day finances
- Ensuring an accurate and up-to-date finance system is maintained and controlled
- Ensuring compliance with the Financial Regulations including the implementation and maintenance of effective financial controls as per the Financial Procedures Policy and Scheme of Financial Delegation
- Support the financial planning processes, preparation of budgets and financial forecasts
- Assist budget holders across the Trust
- Support in ensuring decisions is made on sound financial data
- Produce monthly management information or financial/project/ad hoc reports
- Assisting in external and internal audits
- Training staff on any financial-related systems
- Processing invoices and subsequent payment

## 2.5 THE ROLE OF THE OPERATIONS TEAM

The Operation Team reports to the CEO/Deputy CEO and comprises of the following individuals:

- Operations Manager (Procurement and Contracts)
- Operations Manager (GDPR/H&S and Estates)
- HR Manager

The Operations Manager (Procurement and Contracts) will implement the Tendering policy (Appendix B) and maintain the Register of Contracts. The Operations Manager will ensure that tendering policy and procedures comply with the Procurement Act and implement it to achieve value for money for the Trust. The Operations Manager (Procurement and Contracts) will provide evidence of all procurement via tenders to the Auditors promptly.

The Operations Manager (GDPR, H&S, and Estates), reporting to the CEO, will implement the policies related to Estates (GEMS), Letting policy, H&S policies, and GDPR.

The HR Manager, reporting to the Deputy CEO, will implement the HR policies/procedures, ensure that the School's Single Central Record is always Up-to-date, the Payroll provider receives the Up-to-date information from the School/Central team promptly and evidence related to HR checks are provided to the Auditors promptly.

## 2.6 THE ROLE OF THE SCHOOL OFFICE MANAGERS, BUDGET HOLDERS, REQUISITIONERS

School Office Managers (or equivalent) Office Managers are responsible for following established processes and procedures relating to:

- Requesting goods and services by raising Purchase orders on the systems ensuring that spending is within the agreed budget
- Alerting Head Teachers, if cost centres are over budget so that the Head Teachers can request additional funds in advance of spending.
- Office Managers have specific responsibility with respect to submission of HR related changes to LBE and to review the payroll reports alongside the Head Teachers
- Administration of charge cards ensuring all recurring procurement takes place through the ordering process and only one off/ ad hoc purchases that cannot be paid for by bacs is made using charge cards.
- CFAT is cashless, therefore no cash must be accepted by staff at the Trust, on behalf of the Trust.
- Administration and banking of cash collected for other activities such as funds raising, including receipts/safe storage and security.
- Reporting any issues relating to finance to Headteacher/CEO/CFO/FD/TFM as soon as is practically possible.

## 2.7 THE ROLE OF TRUST GOVERNANCE PROFESSIONAL

The Trust Governance professional (reporting to the CEO) is responsible for ensuring that all members, Trustees, Governors, the Accounting Officer and SLT have submitted the Disclosure of Interest forms. TGP is also responsible for ensuring that the Register of Interest is published on the Trust website as required by the Academies Handbook.

## 2.8 THE ROLE OF All/OTHER STAFF

All members of staff throughout the Trust are required to adhere to the Financial Regulations and have a general responsibility for the security of the Trust's property, for avoiding loss, and for due economy in the use of resources. The role of all staff is:

- To familiarise themselves with this document
- To conduct all financial transactions per this document
- To adhere to all expenditure limits by this document
- To actively seek 'Best Value' on all work, goods, materials, or services procured on behalf of the school or Trust

- To ensure that all relevant documents (delivery notes, invoices, etc.) are promptly checked, input, reconciled, and filed systematically.
- To ensure all related party disclosures are submitted to the Trust.

### **3. DELEGATED AUTHORITY RESERVED TO THE MAT**

The delegated authority over different categories of financial transactions is set out below from the ESFA:

#### **Liabilities and write-offs**

Academy Trusts may write off debts and losses, subject to a maximum of £250,000, including any uncollected fines up to the following delegated limits:

- 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 financial returns for the previous two financial years. This category includes new academies that have not had the opportunity to produce two years of financial statements/accounts
- Cumulatively, 5% of total annual income in any one financial year per category of transaction for any Academy Trusts that have submitted timely, unqualified financial returns for the previous two financial years.

In relation to these limits, the amounts for write-offs are before any successful claims from an insurer and total income is defined as grant income as disclosed in the Trust's last set of audited accounts.

Beyond these limits the Trust must seek and obtain explicit and prior approval of the Secretary of State (through the ESFA) for the transaction.

#### **Severance Payments**

If the MAT is considering making a staff severance payment above the contractual entitlement, it must consider the following issues:

- Whether such a payment is justified, based on a legal assessment of the chances of the MAT 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 may be lost, there is a justifiable rationale for the settlement

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

Special severance payments should not be 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 case of poor performance, an acceptable comparison would be the time and cost of taking someone through performance management and improvement procedures.

If the MAT is considering making a compensation payment it must consider whether the proposed payment is based on a careful appraisal of the facts, including legal advice and whether value for money will be achieved. It is also good practice as a matter of course to consider whether particular cases reveal concerns about the soundness of the control systems; and whether they have been respected as expected. It is also important to take any necessary steps to correct identified control and procedural failings.

Where the MAT is considering making a special staff severance payment or compensation payment of £50,000 (gross before deductions) or more above contractual entitlement, prior approval will need to be sought from HM Treasury, via the ESFA, before any such payment can be made. The Trust in this situation should speak to their ESFA contact at the earliest opportunity to discuss.

For the avoidance of doubt, the following examples illustrate where HMT approval would be required:

- Statutory/contractual payment of £30k + enhancement of £30k = HMT approval not required
- Statutory/contractual payment of £60k + enhancement of £30k = HMT approval not required
- Statutory/contractual payment of £30k + enhancement of £50k = HMT approval required for the £50k enhancement only.

The authority within the MAT for making severance payments is specified within the Scheme of Delegation.

### **Asset sales, leases, and tenancy agreements**

There are two types of leases, as defined under relevant financial reporting standards. There are finance leases (which are a form of borrowing) and there are operating leases (which do not involve borrowing). Trusts that are in any doubt as to whether any particular

lease does or does not involve an element of borrowing should resolve the issue by contacting their professional financial adviser and/or external auditor.

Academy Trusts must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following leasing transactions:

- Taking up a finance lease on any class of asset for any duration from another party, as this would represent borrowing
- Taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of seven years or more
- Granting a leasehold or tenancy agreement on land or buildings to another party for any duration.

Academy Trusts may take out and grant other types of leases (i.e., other than finance leases, leaseholds and tenancy agreements as described above), without the Secretary of State's approval. For the avoidance of doubt this means that operating leases on assets that are not land and buildings do not require the Secretary of State's approval. Such leases must be approved by the RRAC, and all leases should be disclosed in the Trusts' annual accounts in accordance with the Academies Accounts Direction.

If an Academy Trust does wish to enter into a lease that requires the Secretary of State's consent, then the Trust will need to contact the ESFA in the first instance. Trusts must ensure that any lease arrangement maintains the principles of regularity, propriety, and value for money, whether the approval of the Secretary of State is required.

The authority within the MAT for entering into all lease transactions is specified within the Scheme of Delegation.

## **4. REGISTER OF INTERESTS**

It is the responsibility of the Trustees, under the requirements of the Companies Act 2006 and the ESFA regulations to ensure they declare their business and other interests. All Members, Trustees, Governors or Staff who can influence financial decisions or spending powers will be required to make a declaration of business interests on appointment and at the commencement of each academic year, or when such interest arises.

The Trust maintains a register of interests for all Members, Trustees, Governors, and senior members of staff which is available on the Trust's website. This is updated annually. The register is open to public inspections and should include all business interests such as Trusteeships, shareholdings, or other appointments of influence within a business or organisation which may have dealings with the Trust.

Academy trusts must be even-handed in their relationships with related parties by ensuring that:

- trustees comply with their statutory duties as company directors to avoid conflicts of interest, not accept benefits from third parties, and declare interest in proposed transactions or arrangements
- all members, trustees, local governors of academies and senior employees complete the register of interests annually
- no member, trustee, local governor, employee or related individual or organisation uses their connection to the trust for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the trust
- there are no payments to trustees by the trust unless permitted by the articles, or by authority from the Charity Commission, and comply with any relevant agreement with the Secretary of State. Trusts will need to consider these obligations where payments are made to other business entities who employ the trustee, are owned by the trustee, or in which the trustee holds a controlling interest
- the Charity Commission's approval is obtained where the trust believes a significant advantage exists in paying a trustee for acting as a trustee
- payments provided to the connected persons or parties satisfy the 'at cost' requirements

The disclosures should also include the business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a member, director, governor, or a member of staff by that person. Relationships with connected parties will require high standards of accountability and transparency. Disclosure requirements extend to positions of control in other Trusts and charities. (RELATED PARTY INTEREST FORM)

All relevant business and pecuniary interests of members, Trustees, LGBs within Children First and senior employees must be published on the Academy Trust's website and individual School and Academy websites.

The existence of a Register of Business Interests does not, of course, detract from the duties of members, Trustees, members of LGBs and staff to declare interests whenever they are relevant to matters being discussed by the Trustee Board or any committee. Where an interest has been declared, members, Trustees, members of LGBs and staff should withdraw from that part of any committee or other meeting.

The Trust must keep sufficient records, and make sufficient disclosures in their annual accounts, to show that transactions with these parties, and all other related parties, have

been conducted in accordance with the high standards of accountability and transparency required within the public sector.

## **5. PROCESS FOR INDEPENDENT CHECKING**

The Trust Board has established RRAC, (Resources, Risk and Audit Committee) committee, who meet once a term, or more frequently if necessary and are responsible for monitoring of all financial and operational matters of the Trust and making recommendations to the board on matters related to financial health, audit and risk.

The Trust Board:

- has defined its terms of reference
- has prescribed the extent of its delegated authority within the terms of these procedures
- ensures they receive minutes of the committee's meetings

The Trust Board has delegated responsibility to the RRAC, for ensuring independent checking of financial controls, procedures, systems, transactions, and risks. The Committee will review the risks to internal financial control at the Trust and agree an annual programme of work that will address these risks, inform the statement of internal control and so far, as is possible, provide assurance to the external auditors.

This programme will be managed through employing an internal audit service. The has appointed an external audit company to provide 'internal audit service' to ensure that the trust's financial planning process is robust. The trust must ensure that the service provided adheres to the principles stated in the academies trust handbook.

### **Review of Regularity –**

The Chair of RRAC and the CEO, in their role as accounting officer will review the following documents every month to ensure the trust is working within the boundaries of regularity and propriety:

- Management accounts, balance sheet and cash flow
- Compliance against the scheme of delegation
- Register of Interest and transactions for evidence of related parties
- Value for money practice.
- Adherence to tendering practice and legislation

## 5.1 INVESTIGATION OF FRAUD AND IRREGULARITY

The personal responsibilities of the Accounting Officer extend to the prevention of loss through fraud and irregularity. However, in addition to the Accounting Officer's responsibilities, the members of a MAT are also responsible for preventing such losses of public funds, and this means that members, Trustees and members of LGBs must be aware of the risk of fraud and irregularity to occur within their organisations and they must, as far as possible, address this risk in their internal control and assurance arrangements by putting in place proportionate controls. The MAT is also responsible for ensuring appropriate action is taken where fraud and irregularity is suspected or identified. The Fraud Policy in Appendix C outlines the procedures to be adopted in such an event.

All instances of fraud or theft committed against the Trust, whether by employees or members of LGBs or third parties, above £5,000 individually or £5,000 cumulatively in any financial year, must be reported by the Trust to the ESFA. Any unusual or systematic fraud, regardless of value, must also be reported.

The ESFA 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.

## 5.2 APPOINTMENT OF EXTERNAL AUDITORS

The Trust is required to prepare annual financial statements and to submit them for an annual audit. This means that appropriately qualified external auditors need to be appointed. The appointment should be for a one-year period renewable at the discretion of the Trust.

The auditors are required to give an opinion on whether:

- The financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the ESFA
- Proper accounting records have been kept by the Academy throughout the financial year
- Grants made to Children First have been applied for the purposes intended.

DOF is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion. The Trust must prepare the Annual Accounts Return for the accounting period to 31<sup>st</sup> August, which is submitted to the ESFA

by the given deadline. The Trust should arrange for ongoing monitoring of the performance of the auditors.

## **6. ACCOUNTING SYSTEM**

All the financial transactions of the MAT must be recorded on the Access accounting system operated by the Trust Finance Manager, the Central Finance Team and the School Office Managers across the Trust and overseen by the Director of Finance. In addition, each Academy will have an appropriate system in place (ParentPay) to record trips, wrap around care and cashless catering.

Financial records are required to be kept for at least six years. This is a requirement laid down by Her Majesty's Revenue and Customs (HMRC).

### **6.1 SYSTEM ACCESS**

The Access accounting system, and the Access budget system are protected by access permissions for authorised staff. Access permissions should be strictly controlled, and individual logins and passwords must not be compromised or shared. Access to financial and budgeting systems should be restricted, and the Director of Finance and the Trust Finance Manager are responsible for determining the access levels for all members of staff using the system.

All leavers with previous access to the Access systems must have their permissions formally removed promptly on them leaving the Trust.

### **6.2 BACK-UP PROCEDURES**

The Trust uses the Access Financial and Budgeting software, a cloud-based system. Access is responsible for ensuring that there is effective back up procedures for the system. The Trust Finance Team also use the Microsoft Email for storing and processing of incoming emails and documents. The central finance team is responsible for downloading and storing this information on Trust servers securely.

The Trust Operations Management Team is responsible for ensuring that there is effective back up procedures for all the computer systems within the Trust. These will be monitored by the Trust's IT Support provider. Recommendations for backup procedures should be regularly checked with the Trust IT support provider.

The Trust Operations Manager should also prepare a Business Continuity Plan in the event of loss of accounting facilities or financial data. This should link in with the annual

assessment made by Trustees of the major risks to which the Trust is exposed and the systems and controls that have been put in place to mitigate those risks.

### 6.3 TRANSACTION PROCESSING

All transactions input to the Access accounting system must be authorised in accordance with the procedures specified in this document. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the document. All journal entries must be documented in Access and copies attached and retained. All bank transactions for the Trust will be input by the Central Finance Team and will be checked at the point of reconciliation by the Trust Finance Manager and the reconciliation signed off by the DOF.

Detailed information on the operation of the Access systems can be found in their respective user manuals.

### 6.4 TRANSACTIONS REPORTS

The Trust Director of Finance and the Finance Manager will review system reports to ensure that only regular transactions are posted to the accounting system.

The reports obtained and reviewed will include:

- Monthly management accounts summarising expenditure and income against budget (DOF).
- Monthly payroll reports (FM)
- VAT returns/ VAT Control Account (FM)
- Bacs Audit trail reports (FM)
- Sales ledger Control Account/ Age Debtors (FM/SFO)
- Bank Reconciliations (FM/SFO)
- Purchase ledger Control Account/Age Creditors (FM/SFO)
- Outstanding orders (FM/SFO)

### 6.5 RECONCILIATIONS

The DOF is responsible for ensuring the following reconciliations are performed at the Trust level each month by the Trust Finance Manager, and that any reconciling or balancing amounts are cleared. The Trust Finance Team follows an internal Monthly Check List where tasks are assigned and the responsibility and timeframe for reviewing the documents are included.

- Payroll – the Finance Manager/HR Manager will receive monthly payroll reports from the payroll provider. The HR Manager will distribute the payroll reports to individual academies who will check that transaction for supply staff, casual staff, and overtime have been made correctly against the authorised claim forms submitted. The Finance Manager will cover for the absence of the HR Manager and distribute the reports to the individual academies. HR Manager will update the Access Budgeting system with contractual changes. The Finance Manager will run the payroll journals and Access Reconciliation reports to ensure that payments were made as per contracts. The reconciliation report will be reviewed and analysed by the DOF who will report on the variances in the Management Accounts.
- Procurement Cards - monthly statements will be received by the Trust Finance Manager. All duly authorised transactions and receipts are submitted by cardholders and reconciled monthly to the statement by the Senior Finance Officer and then signed off by the Trust Finance Manager
- Balance sheet reconciliations will be carried out monthly by the Finance Manager and reviewed by DOF
- VAT - the monthly VAT return will be created and checked by the Trust Finance Manager. It is their responsibility to reconcile the VAT and check the transactions included against vatable transactions in the sales, purchase, and nominal ledgers before creating and submitting the VAT return, directly to HMRC via Access Digital Tax
- Bank balance per the nominal ledger to the bank statement - The reconciliation procedures must ensure that the bank account is reconciled to the cash book. Reconciliations are prepared by the Senior Finance Officer and are subject to a monthly review by the Trust Finance Manager and the DOF. All adjustments arising are dealt with promptly.

Any unusual or long outstanding unreconciled items must be brought to the attention of the Trust Finance Manager and the DOF. The DOF will review and sign all such reconciliations as evidence of the review.

## **7. FINANCIAL PLANNING**

A medium-term financial plan is to be prepared as part of the strategic planning process. The Trust's Annual Business and Strategic Development Plan (B&SDP) which will include the 3-year strategy for the Trust, indicates how the MAT's educational and other objectives are going to be achieved within the expected level of resources over the following three years.

The SBDP provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the MAT and the planned use of those resources for the following year.

The strategic planning process and the budgetary process are described in more detail below.

## 7.1 THE STRATEGIC BUSINESS AND STRATEGIC DEVELOPMENT PLAN (SBDP)

The SBDP is concerned with the future aims and objectives of the MAT and how they are to be achieved; that includes matching the MATs objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the “big picture” within which more detailed plans may be integrated.

The form and content of the SBDP are matters for the Board to decide but due regard should be given to the matters included within the guidance to academies and any annual guidance issued by the DfE.

Each year the CEO will propose a planning cycle and timetable which allows for a review of past activities, aims and objectives.

The timetable will specify the deadlines for the completion of each of the key stages of the plan. Lead responsibility for the completion of each of the stages will be assigned by the CEO.

The completed SBDP will include detailed objectives for the coming academic year and will outline objectives for the following two years as well. The plan will also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured. The SBDP will also link to and contain summaries of individual academy improvement plans.

## 7.2 ANNUAL BUDGETS

Annual budgets will reflect the best estimate of the resources available to the Trust and each constituent Academy for the forthcoming year and how those resources are to be utilised. There should be a clear link between the B&SDP objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- The General Annual Grant confirmed by the ESFA for the forthcoming academic year and based on the previous autumn pupil count.
- Where appropriate the Early Years funding estimated by the Local Authority for the forthcoming academic year based on previous termly counts of registered take up and any changes to nursery sizes
- The High Needs (SEN) top-up funding from the Local Authority for the forthcoming academic year based on current pupil assessments and any leavers / starters
- Review of other income sources
- Review of current staffing establishment considering pupil / curriculum changes, salary increases / inflation / contribution rates
- Review of the school contracts register and any non-contract spending to gain an understanding of non-staffing costs
- Review of the Asset Management Plan and planned and potential unplanned spend
- Identification of potential efficiency savings
- Review of the main expenditure headings considering the strategic plan objectives and the expected variations in cost, e.g., pay increases, inflation, staffing changes and other anticipated changes
- Review of the top slice charge
- Benchmarking Analysis
- The objective of achieving a surplus that enables the Trust to maintain reserves at 5% of Total Income.

Individual Academy plans and budgets will need to be revised until approved by the Trust Board in aggregate. A 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. The Trust aims to use the Integrated Curriculum Financial Planning tool to maximise the outcome per pupil with the given funding.

The Risk Register along with the Asset Management Plan will play a key role in determining the projects that will be prioritised.

The Trust may set an in-year deficit budget for a School or Central office, after having due regard to the Trust Board policy on levels of reserve balances required to manage future risks and investment opportunities. Approval of a cumulative deficit budget would only be agreed in exceptional circumstances which could not be avoided or managed without a detrimental impact on the educational performance of the school and would include a

repayment plan over no more than three years. Where the Trust projects to accumulate Reserves over 5% of Total Income, the budgets will include a clear plan of spending priorities for the surplus.

The Reserves Policy details the approach the MAT takes toward Trust surpluses (**Appendix G**).

It will be the responsibility of the RRAC to recommend for approval to the full board an annual budget for the MAT and constituent academies. Such approval should be clearly minuted in sufficient time to allow prompt submission of aggregated plans to the ESFA and should be accompanied by a statement of assumptions and explanations behind the plan so that if circumstances change, it is easier for all concerned to take remedial action.

The DOF, in conjunction with the CEO, is responsible for preparing and obtaining approval for the MAT annual budget, which aggregates all the budgets within the Trust. The budget must be approved by the Board and consideration for approval will follow a recommendation from the RRAC.

The approved aggregated budget must be submitted to the Education Funding Agency (ESFA) by the date specified by the ESFA and the DOF is responsible for establishing a timetable that allows sufficient time for the approval process and ensures that the submission date is met.

Budgets should be seen as a working document, which may need revising during the year as circumstances change to produce outturn forecasts. Formal budget and outturn forecast reviews will be undertaken in March annually.

### 7.3 MONITORING AND REVIEW

Budget monitoring reports are produced by CFO/DOF and reviewed by the CEO/ Chair of RRAC before being shared with the Trustees.

The reports include:

- Consolidated Trust Income and Expenditure against approved budget along with variance analysis.
- Income and Expenditure for each entity against the approved budget along with variance analysis
- Cash Flow Statement and Rolling Cash Flow Forecast
- Balance Sheet
- Reserves Position
- Capital Balance (Funding/Spending)

Detailed Reforecast will be prepared in the Spring term before the start of the Budgeting process for the following year. Any potential overspending of the budget must, in the first instance, be highlighted by the CFO/DOF to the Headteachers, CEO and Chair of RRAC. If the re-forecasting process highlights negative variances, corrective measures will be taken by the leadership team at the relevant schools and the Trust as a whole. Any significant changes to the annual budget require Board approval.

## **8. PAYROLL**

The main elements of the payroll system are:

- Staff appointments
- Payroll administration
- Payroll Payments.

### **8.1 STAFF APPOINTMENTS**

The Trust Board has approved a personnel establishment for each school within the MAT as part of the budgeting process.

In accordance with the Trust's Scheme of Delegation, The Executive Leaders and Headteachers are responsible for staffing establishment changes under their management and ensuring that they are made within the constraints of current and future resources available. The Headteacher at each school will get new appointments approved by the Deputy CEO before starting the process of recruitment. The DOF will advise the Headteachers on capacity through the monthly Management Accounts and period reforecasting of establishment cost.

Each Academy maintains their own HR files (including contracts of employment) for all members of staff in the Academy. All personnel changes must be approved by the Headteacher and notified to the Trust HR Manager and London Borough of Enfield (LBE) payroll department immediately, who process the pension and payroll administration under an agreed Service Level Agreement (SLA).

The CEO is responsible for ensuring that the Trust's pay policy is implemented and adhered to and is responsible for ensuring that the statutory obligations around the safer recruitment policy and procedures are administered.

The Headteacher of each Academy will be responsible for ensuring the maintenance of accurate records of all staff employed at the school in a single central record. The

Headteacher will also be responsible for monitoring that the single central record is accurate, fully up to date and complies with all legal requirements.

Personnel information whether on manual files or in a computer system is held under the guidance of the CEO with access strictly limited to authorised officials only and separately on the Trust and schools MIS computer system, for which relevant registration under the 1998 Data Protection Act is held.

## 8.2 PAYROLL ADMINISTRATION

The Trust payroll is currently administered by the London Borough of Enfield. Amendments to payroll data, e.g., appointments, resignations, pay changes and overtime, are processed by LBE.

Payroll production requires the schools to comply with necessary deadlines.

The LBE receives the changes to payroll (Vide pays) from nominated staff at Schools. The change for the Central team is sent to LBE by the HR Manager. Upon receipt of all the changes, the LBE processes the payroll and provides the Trust Central Team (HR Manager, Finance Manager and Director of Finance) with the draft payroll reports for the month. These reports are sent to the school Head Teachers and Office Managers by the HR Manager for checking (against the original Vide pays). The Office Managers check the payroll reports which are then authorised by the Head Teachers. The Office Managers email to the HR Manager/DOF the confirmation (with required evidence) in accordance with the timetable for approval each month. The payroll for the Central Team is approved by the CEO. Upon receipt of all the confirmation from HTs, CEO authorises the payroll, evidence of which is provided to LBE. LBE processes the payment upon receipt of authorisation from CEO.

The Headteachers are responsible for checking the produced payroll for any contract changes as well as overtime and additional hours and absence adjustments. The Trust Finance Manager spot checks samples of supply teacher, overtime, casual and expenses each month to ensure that the payroll system is operating correctly.

## 8.3 PAYROLL PAYMENTS

All staff are paid monthly by bank credit transfer to their bank accounts on the 28<sup>th</sup> day of the month or the nearest working day.

The LBE payroll system automatically calculates the deductions due from payroll to comply with legislation. The major deductions are for tax, national insurance contributions and pensions. The amounts paid are summarised in the payroll reports.

The monthly payroll data is authorised by the Headteachers in each individual school and by CEO for CFAT central. They are approved by the CEO before being submitted to the payroll provider for processing. The DOF will authorise the payroll/ pensions and NI payments once notification is sent through by LBE in their capacity as the delegated payroll provider. The CEO will review the monthly payment and ratify the amount.

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

- An assessment must be made as to whether the individual is providing a contract of service (i.e., employed) or a contract for services (i.e., self-employed)
- If considered to be a contract of service, the individual shall be set up as an employee of the school before receiving payment through the payroll
- Where an individual seeks payment from the school for a contract for services, this must be in the form of an invoice.

Careful attention should be paid to repetitive payments to individuals.

Agreed travel claims and expenses may be processed and paid directly by the Trust, via the payroll process. The Trust may determine rates of reimbursement in relation to travel and subsistence but if they exceed the HMRC Approved Rate they will render the claimant liable to income tax and N.I. on the excess amount. The Trust therefore will maintain its rate of reimbursement at or below the current HMRC Approved Rates. Details are laid out in the Travel and Subsistence Policy (**Appendix F**).

## 9. PROCUREMENT

The Trust must demonstrate the proper and effective use of public funds. The main requirements are:

- **Probity:** it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust and constituent academies
- **Accountability:** The Trust is publicly accountable for its expenditure and the conduct of its affairs
- **Fairness:** that all those dealt with by the Trust are dealt with on a fair and equitable basis.

- **Value for Money:** the achievement of value for money underpins the appropriate use of public funds

This means that the Trust needs to procure the goods/services of the correct quality in the correct quantity at the right time and at the best price possible.

The Trustees will ensure that the Trust considers economy, quality, financial risk and efficiency when planning for the purchase of supplies, goods equipment and services.

The Accounting Officer will have overall responsibility for all purchase orders and service contracts but may delegate some responsibilities to other individuals within the Scheme of Delegation.

All staff must adhere to the Trusts Procurement and Tendering Policy.

Novel and contentious and/or repercussive transitions must be referred to ESFA (via CFO/DOF) for explicit prior authorisation

## 9.1 CREATING NEW SUPPLIERS

Orders can only be made through authorised suppliers. All requests for new suppliers must be sent to the Senior Trust Finance Officer and/or Trust Finance Manager with a completed supplier request form. Any form not completed in full will be returned for missing information to be included.

The Central Finance Team will collect all additional information and verify company details, which will include:

- Supplier's bank details and email address for remittances (to be filled by Supplier)
- VAT registration
- Company House/ Charity registration
- IR35 Status
- Related party disclosure

The Finance Team will set up the supplier within 3-5 working days of receipt of all information and completed form.

Changes to Supplier Details: Any changes to supplier bank details will need to be approved by the Senior Trust Finance Officer and Trust Finance Manager who will confirm that the changes are evidenced. The finance team will confirm any changes to suppliers with a call with the supplier in question in addition to written confirmation.

The Finance Manager will maintain a record of all changes to supplier for monthly review and approval by the Director of Finance.

## 9.2 PURCHASE ORDERS

While the orders are processed centrally, the procurement process is initiated at the school level. The budget holders (nominated school staff) can raise requisitions, online, against the allocated (approved annual budget), selecting goods/services they wish to procure and the suppliers they wish to procure it from. All requisitions raised at Schools are approved by School Head Teachers as per the Scheme of Delegation.

The requisitions are checked by the Central Finance Team before they are converted into orders and sent out to the suppliers. Where the requisitions are above the Head Teachers approval threshold, a second authorisation will be required as per the Scheme of Delegation. This is in addition to the approval of the Head Teacher. The order once approved by the second approver will then be sent out to the suppliers.

The requisitions for the Central CFAT team will be approved by the Trust Finance Manager/nominated budget holders in the first instance as per the Scheme of Delegation. A second approval will be required for purchases above the threshold of TFM/BH value as per the Scheme of Delegation.

- Before making any commitments with suppliers, the Budget holders will ensure that an adequate budget is in place.
- All orders for goods and services must be confirmed using an Access purchase order, unless exceptional circumstances dictate otherwise. It is the responsibility of the Headteacher or their delegate, to be satisfied that the work, goods, materials, or services are appropriate and necessary, that there are adequate funds in the budget for that purpose, and that sufficient quotations/tenders have been obtained
- Orders must not be entered into verbally or by any means unless a system generated purchase order is in place first.
- Orders should always refer to the Trust's Terms and Conditions of Order (**Appendix I**) and protect the Trust against terms and conditions imposed by suppliers in the absence of quoted terms and conditions
- Some goods or service do not require an order. An example of this is utilities, exam fees
- Orders should only be approved in accordance with the authorised limits within the Scheme of Delegation listed in **Appendix B** of this document
- All orders must state clearly the location for delivery of goods/services along with the name of the contact person and the date when goods/services are required. The Requisitioners are required to mark the goods/services as received once they have received the goods and services. In the case of invoices without orders, the

Requisitioners will need to email the proof of goods/services received to the finance team to enable the finance team to process the invoices for payment. All discrepancies must be discussed with the supplier of the goods and services without delay.

- Reasonable steps have been taken to achieve 'Best Value'. Best value could be achieved by:
  - Choosing Supplier from list of approved suppliers maintained by Central Finance team
  - Bulk purchasing of common consumables
  - Negotiating discounts
  - Taking advantage of sale seasons
  - Obtaining alternative quotations wherever possible
  - Purchasing across individual academies to benefit from economies of scale
  - Planning and ordering ahead of time

If any goods are rejected or returned to the supplier because they are not as ordered or are of substandard quality, the Central Finance Team should be notified immediately and provided with all evidence of return so that a refund can be claimed

Invoices received at the school need to be forwarded to Central Finance Team for processing.

### 9.3 INVOICE PROCESSING

All invoices should be sent to the Trust finance team ([finance@childrenfirsttrust.co.uk](mailto:finance@childrenfirsttrust.co.uk)) for processing. The Team will perform a series of checks including:

- Correctly addressed to the Trust or one of the schools within the Trust
- Unique invoice number
- Invoice arithmetically correct
- Goods/services ordered, matched to a PO
- Prices correct and match the Order. In case there is a difference (>£20), an invoice will be treated as an Invoice without order and will require the Head Teacher's approval.
- Bacs details match those on Access
- Nominal Account codes match those on Access
- Not already paid. If it is necessary to request a duplicate invoice (if the original is lost), then this duplicate shall be endorsed 'not previously passed for payment'. The endorsement should be certified by the signature of a Trust Senior Finance Officer/ Trust Finance Manager

- Goods/services received - Invoices will be paid on confirmation of receipt of goods/services. The goods/services receipt will be confirmed on Access by Requisitioners.
- Where delivery notes are not produced, then the receipt of goods and services should be evidenced in another way. All discrepancies should be discussed with the supplier of the goods and services without delay.
- If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Central Finance Team should be notified.
- Valuable items that are portable and desirable should be security marked and added to the asset inventory immediately and stored appropriately.
- VAT number if registered

Payment to suppliers shall not be made until all of the above actions have been undertaken. In the event of any queries arising the invoice will be placed in a query folder until resolved. The Trust Senior Finance Officer will certify that the invoice is authorised for payment. The Trust Senior Finance Officer will run the bacs payment run (electronically) to be reviewed by the Trust Finance Manager and/or the Director of Finance. The payment will be authorised as per the Scheme of Delegation.

The Trust's central finance team is responsible for paying invoices in a timely manner. The team run two payments runs a week. Only emergency purchases or urgent payments can be made outside the standard payment terms. This is at the discretion of the CFO/DOF.

Payments made by the Trust:

All invoices are approved as per the scheme of delegation. Payments are then processed by the central team and a BACS run is initiated by the Senior Finance Officer. This is then reviewed by the Trust Finance Manager and DOF.

The final stage of payment processing involves the CEO reviewing the BACS report and signing the payment off on BACS portal. The Trust Finance Manager/DOF can approve the payment on behalf of the CEO where the CEO has confirmed the payment by email.

#### 9.4 SUPPLIER STATEMENTS

Supplier statements received by the Trust's central finance team are checked against the supplier ledger and missing invoices are requested. Statements need to be checked monthly, signed, and dated. After reviewing, they must be scanned and stored for access. If an invoice number and amount cannot be matched, or any other discrepancies identified, the supplier should be contacted to provide a copy invoice or resolution. Statements received in August prior to year end are saved electronically along with the reconciliation, in the Year end audit file.

The Trust Finance Assistants will undertake a monthly review of the aged creditors list and notify the Trust Senior Finance Officer and The Trust Finance Manager of any issues identified. The Trust Senior Finance Officer will run the Payment and Practices Disclosure and review it with The Trust Finance Manager for reasons for the delay in invoice payments and ensure that finance processes work effectively to allow prompt payment to suppliers. The report will be published bi-annually on the website.

## 9.5 BUSINESS CHARGE CARDS

The Trust has issued all Executive Leaders/Headteachers with a Lloyds Charge Card (**Appendix C**). Business charge cards are held by named cardholders in each Academy. Each cardholder is personally responsible for the safe custody of their card. The card should be always held securely, and any loss of cards should be reported immediately to the bank. Both the cardholder and the Headteacher are jointly liable for the integrity of all transactions and proper and controlled use of the procurement card.

- These cards are not considered to infringe the borrowing restrictions imposed on schools/the Trust as the balance is cleared in full at the end of each month.
- Any additional cards required by a school must be requested for through the CFO/FOF and CEO.
- Each employee issued with a card must sign to confirm that they have read and understand the Trust's Credit Card Policy and Procedures. A copy of all signed confirmations will be retained by the trust.
- All card purchases must be authorised in advance through a signed requisition by the budget holder and card owner including those made over the internet.
- Purchase receipts will be returned from the card users to the office manager (or equivalent) as soon as is practicably possible. The office manager (or equivalent) is responsible for ensuring that all receipts are collected and recorded on the monthly log and submitted to the Trust's central finance team.
- The monthly statement will be matched to the monthly log by the central finance team, statements and receipts will be scanned and attached onto the Trust's financial system.

All receipts must be authorised by the Headteacher and submitted to the Central Finance Team for processing and reconciliation to the monthly statement.

The Trust Finance Manager or Senior Finance Officer will check each constituent Academy's forms and monthly reconciliation to ensure that the business charge card system is operating correctly. Where the CEO holds a procurement card it must be reconciled and passed to the Chair of the RRAC for signature.

## 10. RECEIVING INCOME

The main sources of income for the school are the grants from the Education Funding Agency (ESFA). The receipt of these sums is monitored directly by the Central Finance Team/Trust Finance Manager and overseen by the Director of Finance.

The schools also obtain income from:

- Pupils / Students – breakfast / after school clubs, milk, catering, trips, music tuition
- Public – lettings, use of facility, fund raising events
- Institutions – Universities/other institutions for student teachers, External peer review and support services

Premises hire charges are determined by the **Lettings Policy** unless exceptional circumstances require otherwise. In such exceptional circumstances, charges are determined at the discretion of the Headteacher, the CEO or the DOF.

Bookings for lettings are managed by external letting agencies and overseen by the Trust Operations Manager (GDPR/Estates/H&S) and Central Finance Team. The Site Manager will work with Operations Manager (GDPR/Estates/H&S) to implement the Lettings Policy and ensure that all correct procedures are followed by the Lettings Agency. The Central Finance Team will ensure all income is received appropriately and reconcile payments via the Access system.

All monies must be banked, in their entirety, in the Trust bank account. The Central Finance Team is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the Trust Finance Manager.

All outstanding invoices should be reviewed each month by the Central Finance Officers and then reported to the Trust Finance Manager and DOF. Monies outstanding should be pursued to ensure that the Trust receives all monies due.

### 10.1. CHARGING AND REMISSION

The schools will adhere to the Charging and Remissions policy in **Appendix J**.

The Trust Board has overall responsibility for approving and implementing the Charging and Remissions Policy. Monitoring the implementation of the policy is delegated to the Head Teachers at the Schools. HTs will nominate staff who will be in charge of implementing this policy. The nominated staff will comply with the policy and collect monies approved by HTs

and provide to CFAT Central Finance Team all documentation and details regarding any money collected under this policy.

policy will be reviewed by RRAC annually and recommended to the Trust Board for approval and implementation.

## 10.2. DEBT RECOVERY AND THE WRITE OFF OF BAD DEBTS

Wherever possible, income due will be collected before or at the time of relevant sale or service provided.

If this is not possible, a debtor's account (invoice) will be issued.

All debts will be recorded, and non-payment will be followed up by issuing reminders as follow:

- 1st reminder - 30 days from date of account or in the case of lettings before the first letting commences.
- 2nd reminder - 60 days from date of account
- Final reminder - 75 days from date of the account, the final reminder will threaten legal action if the account is not settled within 14 days.

If there is no response to the reminder letter the debtor will be invited to meet an appropriate member of staff to discuss how the debt will be settled. Failure to respond to this letter and failure to attend this meeting will result in the trust passing the debt to an external debt collection agency.

The decision to take legal action will be authorised by the DOF, CEO, and RRAC and will take into consideration the reputation risk for the Trust, the cost of recovery, the possibility of recovery, and the hardship that might be caused to the customer.

### Bad Debt write-off

Where a debt remains unpaid for 12 months or more, all attempts of recovery have been exhausted, further recovery actions become uneconomical, and the individual amount is for less than or equal to £500 (£5,000 cumulative debts over a 12-month period) it will be written off by the CFO/DOF as part of the year-end processes. For individual amounts over £500 (£5,000 cumulative debts over a 12-month period) approval is also required by the Chief Executive Officer in consultation with the CFO.

## 11. BANK ACCOUNT

The Trust has one bank account and implements the following controls:

- The Bank mandate is kept up to date for the Trust's bank accounts and will include at least 2 signatories, including the Chair of RRAC, the CEO, and the School Head Teachers.
- All bacs payment runs will be authorised by at least 2 bacs signatories, one of whom must be the CEO.
- No member of staff is permitted to authorise bank payments to themselves, or to someone closely connected to themselves, or to any organisation in whom/which they have a pecuniary interest.
- At least 2 authorisers will be required to set up Direct Debits or standing orders.

The CEO and CFO/DOF will regularly review the bank mandates and ensure that:

- authorised users of the bank accounts are regularly reviewed together with their permissions
- staff leaving the Trust have their permissions reviewed upon resignation and removed upon leaving employment.

Arrangements made with the bank must include:

- A statement to be provided at least once a month.
- To disallow any overdraft

On receipt of the bank statement, the Central Finance Team (SFO) will reconcile the bank balance to the balance held in the Access system.

## 12. PETTY CASH ACCOUNTS

The Trust has removed the use of petty cash from schools as alternative methods of payment and reimbursement of small-scale expenses has been introduced (charge card, staff expenses via payroll etc.)

For fundraising activities, Schools will be provided Cash Receipt books and Card readers. Head Teachers and Office Managers will be required to ensure that the purpose of fundraising is as agreed with the CEO and is clearly communicated across the school, and any funds raised are promptly banked. The Finance Team will be informed by the Head Teacher/ Office Manager of the purpose of fundraising, along with evidence of funds raised and banked for accurate record keeping.

## **13. SECURITY, INVENTORIES, STOCKS AND DISPOSAL OF ASSETS**

Each Headteacher and School Senior Leader is responsible for always maintaining proper security for all buildings, stocks, stores, furniture, equipment, etc. within constituent academies.

### **13.1 SECURITY**

Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

The safes must be kept locked, and the key removed. Keys to safes and cash boxes must be kept in a key safe or carried on by the person of the nominated key holder. The loss of such keys should be reported to the DOF immediately.

Schools should encourage payment via parent pay wherever possible and must take every step possible to avoid accepting cash. Any cash held at the premises shall be secured in a locked safe, where provided, or in a locked secure cabinet. The insurance limit for cash (and cheques) held in a safe is £5,000 (through RPA). Schools MUST bank cash before such sums are accumulated in cash and cheques at least every half term. Cheques must be banked on receipt.

Losses due to theft of stocks or cash shall be promptly reported to the Police, Headteacher, DOF, and the CEO.

The Trust Operations Management Team must take steps to ensure that there is effective back up procedures for all computer systems across the MAT that are monitored by the Trust IT Support contractor. Recommendations for backup procedures should be regularly checked with the IT support provider.

Arrangements should be made to ensure that only authorised staff have access to the computer hardware and software used for school management. Passwords must not be

disclosed or shared and should be changed regularly. Access rights of any staff leaving the school must be promptly revoked.

The Trust Data Protection Officer, commissioned by the annual SLA, shall register with the Information Commissioner and comply with all regulations relating to the Data Protection Act 1998 on behalf of the MAT.

## 13.2 INVENTORIES

An asset inventory should also be maintained in which shall be recorded an adequate description of all land, buildings, moveable plant and machinery, vehicles, furniture, fittings and equipment belonging to the academies, where the current valuation (for property) or the acquisition cost (for other assets) is greater than the de-minimis level of £500. The Trust Operations Team is responsible for ensuring the integrity of asset inventories, working with the Trust Finance team and the school Office Managers/school staff as necessary.

The asset inventory should include the following information where available:

- Asset description
- Asset number
- Serial number
- Date of acquisition
- Asset cost
- Location
- Name of member of staff responsible for the asset.

The asset inventory 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
- The external auditors draw conclusions on the annual accounts and the Trust's financial system
- Support insurance claims in the event of fire, theft, vandalism, or other disasters.

All the items in the asset inventory should be permanently and visibly marked as the school's property and there should be a regular (at least annual) count by the Trust Central Team (Trust Finance Manager and Trust Operations Manager). Discrepancies between the physical count and the amount recorded in the inventory should be investigated promptly and, where significant, reported to the DOF and the CEO. Inventories of Trust property should be kept up to date and reviewed regularly. Where

items are used by the MAT or constituent Academy, but do not belong to it, this should be noted.

- The immediate responsibility for the safeguarding of equipment lies with the end user departments. In support of this, the Trust and Schools provide security measures, including Site Manager cover, burglar alarm systems, inventories, security marking, maintenance, and support agreements where appropriate, and insurance cover.
- Items used by the academy but owned by others are included, with a note of ownership. Leased items are identified as such with the termination date of the lease.

#### Fixed Asset Register:

The trust includes details of all assets with a cost greater than £500 value, in the Fixed Asset Register. The register records:

- source of funding
- expected useful economic life
- depreciation
- current net book value
- asset description, date of acquisition, asset cost, location.

The Trust Finance Manager is responsible for updating the Register monthly after confirming with the schools the capital spending for the period.

The fixed asset register is reviewed annually to ensure depreciation calculations are correct.

Non-current assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset. The depreciation will be calculated on an annual basis for the preparation of the year-end accounts.

Groups of assets will use the same method of depreciation. There may, very occasionally, be an asset that does not completely fit into one of the categories below and the DOF will discuss these items on an individual basis.

The Trust has determined appropriate depreciation rates, based on the assessment of the useful economic life, and expected residual value when the assets are acquired. Depreciation will be charged annually using the following straight-line percentages:

- Leasehold Land: 0.8%
- Leasehold Buildings: 2%
- Furniture and Equipment: 20%
- Computer Equipment and Software: 33.3%
- Motor Vehicles: 20%

### 13.3 ACQUISITIONS AND DISPOSAL OF ASSETS

The Trust must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following transactions:

- Acquiring a freehold on land or buildings
- Disposing of a freehold on land or buildings
- Disposing of heritage assets beyond any limits set out in the Trust's funding agreement in respect of the disposal of assets generally
- Granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

Schools may dispose of any other fixed asset (i.e., other than land, buildings and heritage assets as described above) without the approval of the Secretary of State. Any disposal must maintain the principles of regularity, propriety, and value for money. This may involve public sale where the assets have a residual value.

Some property transactions may be novel or contentious and so require the consent of the Secretary of State on that basis. Novel payments or other transactions are those in which the school or the MAT has no experience or are outside the range of normal business activity for the Trust. Contentious transactions are those that might give rise to criticism of the Trust by the public or the media. It is difficult to be specific about what might constitute novel or contentious payments; it is for Trusts to use their judgement about when they should seek the prior advice of the ESFA. Public money must always be spent prudently and in ways that command broad public support.

Items that are to be disposed of by sale or destruction must be authorised for disposal by the Headteacher/DOF/CEO/RRAC and, where significant, should be sold following due process:

- Taking reasonable steps to advertise the disposal
- Inviting bids for the asset (sealed bids are preferable)
- Negotiating with potential purchasers.

The MAT may agree to give assets bought for a proper purpose, but which are no longer needed for the conduct of its business, to a charity, up to a maximum value of £500 per single donation. The residual value of assets is determined by the greater of the written-down value or market value.

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

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

### 13.4 LOAN OF EQUIPMENT

Items of Trust property must not be removed from any Trust premises without the authority of the DOF/Headteacher. A record of the loan must be kept by the Trust Finance Manager and Trust Operations Manager (GDPR/Estates/H&S) for non IT assets, and the Trust Finance Manager and the Trust IT Manager for IT assets, along with date when asset is returned.

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

## 14. INSURANCE ARRANGEMENTS

The Trust will take out such insurance as it sees fit and/or as it is advised, and to comply with statutory requirements. This Trust has chosen to be part of the RPA scheme. The Trust will obtain the following insurance cover as a minimum:

- Buildings and Contents
- Business Continuity
- Employers and Public Liability
- Fraud
- Cybersecurity

All risks will be reviewed annually to ensure that the cover is adequate.

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

People renting the Trust's premises and using facilities should either be covered by the school's insurance at an additional cost or must produce valid public liability insurance with indemnity up to £5,000,000.

Staff must ensure all valuables are kept under lock and key when not being used in a supervised manner. In the event of a claim, the first £250 will receive no insurance payout.

Please refer to **Appendix J** for a breakdown of RPA Insurance cover.

## **15. MISCELLANEOUS ISSUES**

### **15.1 REGISTER OF PECUNIARY (OR BUSINESS) INTERESTS**

The Children First Trust, its Members and Trustees and the LGBs, shall maintain a 'Register of Pecuniary Interests' that lists the personal interests, financial or otherwise, that could be deemed a potential conflict of interest for any Member of LGB, Headteacher or any other member of staff. All Members of LGBs and members of staff shall declare in writing if they have a pecuniary interest in a personal capacity in any contract with the school and should inform the clerk promptly should this change in any way.

The Trust Clerk shall keep the Register up to date as new members of LGBs or the Trust Board join and ensure that all Governors/Trustees undertake an annual review. A Pecuniary Interest form should contain the following information:

- The name of the relevant member of staff
- The company or organisation the member of staff has an interest in
- What the interest is

Those Members of LGBs or staff not holding any pecuniary interests must submit a nil return.

Any relevant business and pecuniary interests, especially connected parties, of Trustees and members must be published on the Academy website. The Register of Interests includes Trusteeships and Trusteeships held by Board members in other organizations.

### **15.2 GIFTS**

To protect all individuals associated with the trust and the reputation of the trust from accusations of bribery or corruption, all staff and trustees must take extreme care that none of their dealings, directly or indirectly, could be deemed as a reward or benefit, in line with the Prevention of Fraud and Bribery Act 2010. This Act makes it a criminal offence to:

- offer, promise or give a bribe

- request, agree to or accept a bribe
- fail to prevent bribery by those acting on its behalf ('associated persons') to obtain or retain business or a business advantage for the organisation. Under this Act, a bribe is 'a financial or other advantage' offered, promised or given to induce a person to perform a relevant function or activity improperly, or reward them for doing so.

The trust and its constituent academies will hold a gifts and hospitality register. All gifts/hospitality over the value of £30 must be recorded in the relevant gifts and hospitality register.

## Definitions

- A gift is any item or service, award, prize, or any other benefit that is received free of charge; or personally offered at a discounted rate; or on terms not available to the general public; or which might be seen to compromise the personal judgment or integrity of the recipient.
- Hospitality is the offer of food, drink, accommodation, or entertainment or the opportunity to attend any cultural or sporting event not available to the general public.

## Dealing with gifts and hospitality

It is the expectation for staff and trustees to exercise the utmost discretion in giving and accepting gifts and hospitality when in trust business. Particular care should be taken in respect of offers of gifts from a person or organisation that has, or is hoping to have, a contract with the trust. In any case of doubt, advice must be sought from the relevant finance manager or DOF.

Staff and trustees must not accept gifts, hospitality, or benefits of any kind from a third party where it might be perceived that their integrity is being compromised, or that the trust might be placed under an obligation.

Gifts of low intrinsic value such as promotional calendars or diaries, or small tokens of gratitude, can be accepted. If there is any doubt as to whether the acceptance of such an item is appropriate, individuals should decline the gift or refer the matter to the relevant finance manager or DOF.

It is common for appreciative parents and students to register their thanks for the work of staff in the form of a small personal gift. If these are valued at less than £30 these are perfectly acceptable without reference to senior members of staff. These will not need to

be recorded in the register. Where gifts valued over £30 are accepted, these should be referred to the Trust Finance Manager or DOF and recorded in the register.

Hospitality such as working lunches, coffees, etc. are perfectly acceptable where it is appropriate to offer or receive these in support of good relationships with visiting staff or business colleagues. Modest hospitality, provided it is reasonable in the circumstances, should be similar to the scale of hospitality that the trust as an employer would be likely to offer. These would not be added to the register. Hospitality received above this level should be recorded in the register.

If a member of staff or trustee is offered a gift or hospitality whilst involved in the procurement of goods and services, tenders for work or when liaising with anyone conducting business with the trust (other than light refreshments) it is their responsibility to discuss this with the trust DOF/CEO immediately.

Examples of gifts or hospitality that should not be accepted are:

- a) cash or monetary gifts
- b) gifts or hospitality offers to a close family member
- c) gifts or hospitality from a potential supplier or tenderer in the immediate period before tenders are invited or during the tender process
- d) attendance at sporting and cultural events at the invitation of suppliers, potential suppliers or consultants. Where it is considered that there is a benefit to the trust in a member of staff or trustee attending a sponsored event, the attendance must be formally approved and registered by the trust DOF.

## Giving gifts and hospitality

The trust will not normally give gifts to other individuals or organisations. If gifts are given, staff must ensure that the decision is fully documented in the relevant gifts and hospitality register and that it has regard to the propriety and regularity of the use of public funds. This does not apply to the award of gifts, prizes etc. related to the achievement of students – e.g. attainment or merit awards.

Hospitality such as working lunches, coffees etc. and modest hospitality in the form of meals etc. are perfectly acceptable where it is appropriate to offer or receive these in support of good relationships with visiting staff or business colleagues.

These would not need to be added to the register. Hospitality provided above this level should be recorded in the register.

## Non-compliance

In the case where it is believed a member of staff or trustees has not declared a gift or hospitality then a formal investigation will be instigated by the Trust's chief executive officer (CEO) or DOF. If misconduct is indicated, appropriate disciplinary actions may then follow

### 15.3 EXPENSES PAID TO LGB MEMBERS

Expenses may be paid to LGB members in line with DfE guidelines as laid out in the Governance Handbook. Payments may only be paid for expenditure necessarily incurred to enable the person to perform any Trustee duty. All expenses must be approved by the Chair of Governors or for the Chair of Governors expenses, by the Vice Chair of Governors.

### 15.4 GDPR

The school is registered annually under the 1988 Data Protection Act. The registration will require a single data controller to be named and the named Data Controller for the Trust will be a named officer as per the annual SLA.

GDPR breaches will be reviewed and monitored by the Trust Operations Manager (GDPR/Estates/H&S) and reported to the CEO for appropriate action.

### 15.5 Services provided by sponsors and sponsor-related Boards.

The Trust must ensure that any contracts for services provided to the Trust and/or constituent academies are properly procured and present value for money. The MAT must ensure that sponsor fees and consultancy rates included within contracts are reasonable, represent value for money and are good use of public funds.

### 15.6 Irregular or Improper Transactions

Situations may arise where it may appear to the MAT to make sense to enter into a transaction that is irregular, improper or does not provide value for money. In these circumstances, the MAT must seek prior, written permission from the ESFA. Such transactions may additionally require HM Treasury approval depending on the nature of the transaction involved. This includes 'novel, contentious, and repercussive transactions' as outlined in the Academies Financial Handbook.

## Appendix A

### Trust/School Teams

#### Trust Finance Team

Shashwati Wilkinson Trust Director of Finance  
Risanth Sivanathan Trust Finance Manager  
Sophie Drane Trust Senior Finance Officer  
Moses Abiona Trust Finance Officer  
Fauziyah Ahmed Trust Finance Officer

Email - [finance@childrenfirsttrust.co.uk](mailto:finance@childrenfirsttrust.co.uk)

Finance Office - **020 8887 1659**

#### Trust Operations Team

Claire O'Brien Trust Operations Manager (Procurement/Contract Management)  
Julie Chapman Trust Operations Manager (Estates/GDPR/ Health and Safety)  
Marion Green Trust HR Manager  
Sejal Rabone Trust Governance Professional

#### School Leaders/Trust Leaders/ Office Managers

Entity	Ex-Head Teacher /Head Teacher/ Deputy HT/Acting HT/SLT	Office Manager
Brettenham Primary	Antoinette Goldwater	Shelley Bannister
Fleece field Primary	Carly Lafferty	Christina Henry
Eldon Primary	Amy Remy	Nickola Newton
Wilbury Primary	Lisa Wise	Angela Zenonos
Raynham Primary	Nickola Hammond	Joe Wilkinson
Galliard Primary	Maria Athanasi	Cara King
Honilands Primary	James Irvine	Victoria Headley
CFAT	Jane Flynn, Dominic Smart, Shashwati Wilkinson	

## Appendix B

### Scheme of Delegation – Authorisation Limits

#### A **Schools**

Job Title	Absence cover /Acting Heads	Limit
HT/ Associate HT	Deputy HT	<=10k
DOF	Deputy CEO	>10k & <=20k
Deputy CEO	CEO	>10k & <=20k
CEO	Chair of Trustee	>20k & <=30k
Chair of Trustee	Ratified by RRAC	>30k

#### B **CFAT Central**

Job Title	Absence cover /Acting Heads	Limit
Budget Holder/Finance Manager	FD/(SFO as 1st authoriser for order under £10k)	<=10k
DOF	Deputy CEO	>10k & <=20k
Deputy CEO	CEO	>10k & <=20k
CEO	Chair of Trustee	>20k & <=30k
Chair of Trustee	Ratified by RRAC	>30k

1. Approval is required by 2 approvers when a single order/invoice without an approved order, is above £10k.

2. For Schools - All orders/Invoices without orders, must be authorised by the Head Teacher (Deputy HT/Associate HT if covering for HT). Orders above £10k will require 2 authorisations based on the Scheme of Delegation.

3. For the Central Team, Trust Finance Manager (FM) can authorise up to £10k on behalf of any budget holder. Orders above £10k will require 2 authorisations based on the Scheme of Delegation.

4. Related Party Transaction will need to be authorised by the Chair or RRAC/ ratified by RRAC with documented minutes. Prior approval of DFE/ESFA is required if the total order value for the year is above £40k.

#### Ordering

#### Threshold for Quotes/Tender

Over £10,000

At least 3 quotes (for exceptions refer to the Procurement Policy)

Open Tender

Over £214,904 (contract value for full contract lifecycle and any potential extension, including VAT)

## Appendix C - Business Charge Card Limits

Maximum limit of £2,500 per card (subject to a maximum limit of £7500 per school/CFAT central between all cards. Maximum 4 cards per school.)

All cards issued will be to NAMED individuals. The table below outlines the current cardholders in each school:

School	Name of individuals	Role in school
Brettenham	Toni Thompson Shelley Bannister	Admin officer
Fleecefield	Carly Lafferty Christina Henry	Deputy Head Office Manager
Galliard	Cara King Kim Berman Nicola Brooks Rashada Begum	Office Manager  FOG Cardholder
Raynham	Gordon Oliver Joe Wilkinson Khalida Rahimi	Site Manager Office Manager Reception/ Admin
Wilbury	Angela Zenonos Sameena Mohammad	Office Manager Admin Officer
Eldon	Nickola Newton  Joanna Sparks	Office Manager
Honilands	Victoria Headley	Office Manager
CFAT Central Team	Claire O Brien	Trust Operations Manager (Procurement & Contracts)

All cardholders sign a business card user agreement on receipt of their card. The cardholders are required to send the Business Card User Agreement to the Trust Finance Manager. The Trust Finance Manager will maintain an up-to-date list of all Card Users and ensure that they have signed the User Agreements. The cardholders are required to keep their cards secure, review the card transactions regularly, and report any irregular transactions to the Trust Finance Manager/ DOF immediately. The Cardholder must not use the Trust Business cards for personal use at any time. All transactions paid by Cardholders require approval by their line Manager prior to purchase. The Senior Finance Officer will download the transactions from the Lloyds card program online and reconcile these on a monthly basis, along with the Bank Reconciliation. The Trust Finance Manager will review the reconciliations every month.

## Appendix D

### Fraud Policy and Procedures

#### Introduction

The MAT aims to be an honest and ethical institution. As such, it is opposed to fraud and seeks to eliminate fraud by the way it conducts business. This document sets out the MAT's policy and procedures for dealing with the risk of fraud or corruption. To minimise the risk and impact of fraud, the MAT's objectives are, firstly, to create a culture which deters fraudulent activity, encourages its prevention, and promotes its detection and reporting and, secondly, to identify and document its response to cases of fraud and corrupt practices.

To achieve these objectives, the MAT has taken the following steps:

1. The development and publication of a formal statement of its expectations on standards of personal conduct, propriety, and accountability
2. The establishment of adequate and effective systems of internal financial and management control, along with a clear requirement to comply with them, and an independent Internal Audit function with an ongoing responsibility to review and report on these systems
3. The development and publication of a formal statement of the procedures to be followed by employees who have a suspicion of, or concern about, possible or actual malpractice within the Academy, which is part of the Whistle Blowing policy, and a fraud response plan which sets out the Academy's policies and procedures to be invoked following the reporting of possible fraud or the discovery of actual fraud.

These three steps are described in greater detail in the following sections.

#### Personal Conduct

The MAT aims to promote an organisational culture which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct. To help ensure that all employees are fully aware of the MAT's expectations regarding standards of personal conduct, appropriate guidance is provided by the following key statements:

- These regulations are binding on all governors, members of staff, students, and constituent parts of the MAT. Refusal to observe them will be grounds for disciplinary action
- In disbursing and accounting for all funds, the MAT must demonstrate that it is adopting high standards of financial probity. Implicit within this regime is the

requirement that trustees, governors and employees of the MAT must at all times conduct financial affairs in an ethical manner

- All members of staff, members, trustees and governors of the MAT are responsible for disclosing any personal, financial or beneficial interest in any transaction with respect to the Academy or its related companies, minority interest companies and trading areas
- Any person who is responsible for placing an order with a supplier (whether a contractor or not) with whom he has a personal interest must disclose this to the Trust Finance Manager and the DOF by filling in Related Party Disclosure form. The Trust Finance Manager will include the disclosure in the Register of Interest which will be made accessible to all School and Trust Leaders (including SLT, Office Managers, Trust Operations Team, Site Managers) who will need to ensure that they follow the best practices at all times and are extra vigilant about compliance where procurement is connected to a Related party.
- Trustees, governors or employees of the MAT shall never use their office or employment for personal gain and must at all times act in good faith with regard to the Academy's interests
- Headteachers and all School Offices are expected to adhere to the Financial Regulations at all times and to use their best efforts to prevent misuse or misappropriation of funds and other MAT property.

## **Systems of Internal Control**

The next line of defence against fraud is the establishment of operational systems which incorporate adequate and effective internal controls designed to minimise the incidence of fraud, limit its impact and ensure its prompt detection. These controls include high level management controls such as budgetary control (designed to identify fraud which results in shortfalls in income or overspendings against expenditure) and organisational controls such as separation of duties, internal check and staff supervision. Personnel policies are also a key part of setting the culture and deterring fraud. This includes seeking to reduce the risk of employing dishonest staff by checking information supplied by employees and references obtained during the course of the recruitment process, including DBS checks.

The general framework of responsibilities for financial management and the policies relating to the broad control and management of the MAT are documented in the Scheme of Delegation and the Financial Regulations, Governance and Administration Document. The Financial Procedures are issued and updated periodically by the DOF and formally approved by the trustees. They are binding on all members, Trustees, governors, members of staff, trainees, students and pupils, and constituent parts of the MAT. They are

distributed to the Headteachers, the Senior Leadership Teams, School Offices and School/Academy and Trust finance staff. A summary will be available for all staff, but all finance staff will be expected to be aware of the full document.

The MAT has also established an outsourced, internal audit function as part of the RRAC, and is also taking advice from the external auditors Price Bailey, which provides advice to management in respect of control matters and which conducts a cyclical programme of reviews of the adequacy and effectiveness of the systems which have been put in place (including those intended to minimise the potential exposure to fraud and corruption).

## **Fraud Response**

This section sets out the MAT's policies and procedures for ensuring that all allegations and reports of fraud or dishonesty are properly followed-up, are considered in a consistent and fair manner, and that prompt and effective action is taken to:

- Minimise the risk of any subsequent losses
- Reduce any adverse operational effects
- Improve the likelihood and scale of recoveries
- Demonstrate that the Academy retains control of its affairs in a crisis; and
- Makes a clear statement to employees and others that it is not a soft target for attempted fraud.

The plan includes both statements of general policy and specific steps to be taken when circumstances dictate and is necessary to reduce the following risks:

- Inadequate communication so that action is late or inappropriate
- Lack of leadership and control so that investigators are not properly directed and waste time and effort
- Failure to react fast enough so that further losses are incurred, or the evidence required for successful recovery or prosecution is lost
- Adverse publicity which could affect confidence in the MAT; and
- Creation of an environment which, because it is perceived as being ill-prepared, increases the risk of fraud.

The main elements of the Trust's policy are in line with the Whistleblowing Policy and are outlined below:

1. All members, trustees, governors, members of staff, students and constituent parts of the MAT are required to notify immediately the DOF and/ the Trust Finance Manager of any financial irregularity, or any circumstance suggesting the possibility of irregularity, affecting the financial procedures, cash, stores, or other property of the MAT. The DOF should bring this to the attention of the CEO immediately

2. The DOF/ The Trust Finance Manager will ascertain whether the suspicions aroused have substance. They will, if appropriate, conduct a preliminary investigation to gather information and reach an initial view as to whether further action is required. The findings, conclusions and any recommendations arising from the preliminary investigation will be reported to the Chair of Resources, Risk and Audit Committee and the Chair of Governors
3. Should they decide not to inform the Police, they must provide an explanation to the Chair of Trustees and the Chair of the RRAC who will jointly decide after any further investigation if they consider necessary whether to accept the decision or inform the Police
4. If the Police are informed, the point of communication within the Trust on the matter will be the DOF who will liaise with the CEO and Chairs of the governing board, RRAC, and Trustees to keep them informed
5. The Board of Trustees must notify ESFA as soon as possible of any instances of fraud, theft and/or irregularity exceeding £5,000 individually or cumulatively in any financial year.

## Appendix E

### Best Value Statement for Local Governing Boards and Trustees

#### Introduction

The Trust Board is accountable for the way in which the school's resources are allocated to meet the objectives set out in the school's development plans. Members need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services.

#### What is Best Value

Trustees will apply the four principals of best value:

- **Challenge:** Why, how and by whom a service is provided
- **Compare:** School performance against available data
- **Consult:** With service users, the local community etc.
- **Competition:** Wherever practicable, to secure efficient and effective services

#### The Trust Board Approach

The Trustees, CEO and Headteachers will apply the principles of best value when making decisions about:

- The allocation of Resources to best promote the aims and values of the school
- The targeting of Resources to best improve standards and the quality of provision
- The use of Resources to best support the various educational needs of all pupils.

The Trust Central Team:

- Make comparisons with other/similar schools using available data, e.g., RAISE online, quality of teaching and learning, levels of expenditure
- Challenge proposals, examining them for effectiveness, efficiency, and cost
- Require suppliers to compete on grounds of cost and quality/suitability of services/products
- Consult individuals and organisations on quality/suitability of service we provide to parents' pupils, and services we receive from providers

This will apply in particular to:

- **Staffing** – Trustees, Trust CEO/Deputy CEO and Headteachers will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management

- **Use of Premises** – Trustees, CEO/Deputy CEO and Headteachers will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services, and for communal access to central resources
- **Use of Resources** – Trustees, CEO/Deputy CEO and Headteachers will deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality learning
- **Quality of Teaching** – Trustees, CEO/Deputy CEO and Headteachers will review the quality of curriculum provision and quality of teaching, to provide parents and pupils with a curriculum which meets the requirements of the National Curriculum, National Literacy Strategy and National Numeracy Strategy, and the needs of the pupils and teaching which builds on previous learning and has high expectations of individual children’s achievement
- **Quality of Learning** – Trustees, CEO/Deputy CEO and Headteachers will review the quality of children’s learning by setting of pupil achievement targets
- **Pupil’s Welfare** – Trustees, CEO/Deputy CEO and Headteachers will review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning, recreation, good behaviour and high personal aspiration
- **Health and Safety** – Trustees, CEO/Deputy CEO and Headteachers will review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors

These areas will be monitored for best value by:

1. Departmental reviews by the Headteacher and Senior Leadership Team
2. Termly target setting meetings between Headteacher, Senior Leadership Team and staff
3. Annual performance management
4. Annual budget planning
5. Headteacher’s reports including financial review
6. Feedback from responsible officer and audit report
7. Analysis of school pupil performance data
8. Analysis of LA/DfE financial data
9. Analysis of DfE pupil performance data
10. Key issues for action identified by Ofsted
11. Governors twice termly meetings
12. Trustees/ Governor’s annual staff salary review.

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable issues.

## **Appendix F**

### **Travel and Subsistence Policy**

#### **Introduction**

If an employee is not sure whether they will be able to make a claim in a particular situation, they should ask before they incur any expenses, as this may not be reimbursed. Clarity should be sought before claim is submitted.

It is very important that claims are not made outside the terms of this policy and guidance unless permission has been given specifically to deal with a particular situation.

#### **Accommodation**

All overnight stays must be approved in advance by the Headteacher/Deputy/Associate Headteachers in absence of Headteacher/DOF/CEO/Deputy CEO.

In some situations, particularly certain training courses, accommodation is provided as part of the package, in which case employees do not need to make any claim. Where accommodation must be booked separately, it must be agreed by the Headteacher/Deputy/Associate Headteachers in absence of Headteacher/DOF/CEO/Deputy CEO , and the Central Finance Team will be able to book it directly so that the employee need not be reimbursed. Only in emergencies, which must still be authorised by the authorising officer, should there be the necessity for employees to book their own accommodation and in these cases, the employee will be reimbursed the actual cost of bed and breakfast incurred.

#### **Out-of-pocket Expenses**

Out of pocket expenses may be paid at the discretion of the Headteacher/Deputy/Associate Headteachers in absence of Headteacher/DOF /CEO/ Deputy CEO.

#### **Travel**

##### **General Principles**

Employees should only make business journeys when they are necessary. Other options should always be considered before travel is undertaken which are more efficient and cost effective, for example email, telephone, video, or telephone conferencing.

Where a business journey is necessary, employees are expected to organise it in the shortest and most effective way.

Employees whose post requires them to undertake business travel are responsible for their own travel arrangements and these must be carried out in the most effective and efficient way to perform the job. The MAT will support necessary business travel, including reimbursement of costs arising from the use of employees' own vehicles.

Environmentally friendly travel should be encouraged. Mileage payments will be made within Her Majesty's Revenue and Customs guidelines.

### **Mileage Payments**

Employees who use their own car, van, motorcycle or cycle for official MAT work purposes are entitled to be reimbursed in accordance with Her Majesty's Customs and Revenue (HMRC) approved mileage rates.

Where several employees undertake the same or a similar journey, they should always travel together.

The basic criteria for claiming official mileage is that this should be calculated from the employee's workplace and back again. Normal everyday home to office mileage is the employee's responsibility and not reimbursable.

Where it is more beneficial for employees to travel direct from home to an outside appointment or vice versa, rather than call in to the workplace first, they are only entitled to claim the number of miles over and above their normal home to work mileage. On this basis, all travel claims in any one day should always exclude the employee's normal home to office miles regardless of the reason e.g., training course etc.

The only circumstance in which normal home to office mileage is payable is where a second journey from home to a place of work is made on the same day in order to carry out official duties. Where an employee agrees to work on a day they would not normally work, it is still their responsibility to get to and from work (including training courses). Therefore, no home to office mileage is payable.

### **Other Conditions**

Where an employee is required to travel from their normal workplace to carry out their day-to-day role, travelling time is included within their normal working day. However, employees who are expected to travel to training courses can claim no more hours than their normal working day including travelling time. Where there are excessive demands placed on an employee, for example very long distances travelled which extend significantly

over the working day and where such occurrences happen repeatedly over a short period of time, then management will have discretion, as a gesture of goodwill, to allow some time in lieu as recompense.

### **Rail Travel**

If an employee requires a rail ticket for business purposes, they must contact the authorised person who can organise this for them.

Employees are expected to travel standard class and take advantage of off peak or other reduced rates if the circumstances allow. First Class travel may be used provided prior departmental approval is obtained, if:

- Accompanying someone else from another organisation travelling First Class; or
- The timing of a journey would make it impossible to work effectively, e.g., peak holiday periods; or
- Standard class accommodation is full; or
- The additional cost of travelling by First Class is no more than £20 in total.

and the time is utilised in preparing for the business purpose or other work activity.

### **Parking Expenses**

Bus fares and car-parking charges incurred on Academy business may be reclaimed in full.

The MAT will not reimburse in respect of parking, speeding and similar fines.

### **Authorisation**

The formal responsibility for authorising business journeys rests with the other authorised officer. Employees are advised to seek approval in advance for any unusual journeys where there is likely to be any doubt about the legitimacy of the journey or of the amount of mileage that can be claimed.

### **Methods of Claiming**

Employees should complete the Expenses Claim, attaching the relevant VAT receipts. Claims should be made on such dates specified by an individual department and submitted immediately in order that processing by the Payroll Department may take place in time for the following month's payroll. Claims must be made on a monthly basis; if an employee delays and then submits forms covering a substantial period, they must expect a delay in processing and payment.

No one should make or approve a claim if the conditions explained in this policy have not been met. The MAT will take a very serious view of fraudulent or negligent claiming or certification.

### **Insurance**

Employees who use their own vehicle for work should ensure they have the appropriate insurance to cover business travel. This is normally referred to as 'Business, Social and Domestic' cover by Insurance companies. It is the employee's responsibility that they are insured

The following rates apply to employees who are required to travel on the MAT business from 6 April 2019:

### **Pence Per Mile**

Car or Van Users

First 10,000 miles 45p

After 10,000 miles 25p

## Appendix G

# Trust Reserves Policy

Adopted by the Resources Risk and Audit Committee

### Children First Academy Trust Reserves Policy

#### Principles for the creation, ownership, control of financial Balances

**Introduction:** Children First Academy Trust (CFAT) came about as the result of the initiative in May 2017 of the Head Teachers of five good Edmonton schools, who have a good history of financial planning and management, supported by their Governors and later by prospective/appointed Members and Trustees. As a result, the Trust's policy is to retain as much delegated authority in the schools for financial matters whilst ensuring compliance with the Trust's Financial strategy and recognizing that the Trustees have the ultimate responsibility for the use and control of all funds provided by the Government and its agents. This latter responsibility replaces that of the LA.

CFAT has a responsibility to apply the maximum possible funding received for the benefit of those pupils for whom it has been provided. The Trust is also required to ensure that it is financially secure and able to provide stability and investment in future educational provision.

**Reason for requirement of Trust Reserves** - Consequently, the Trust seeks to maintain an appropriate level of unrestricted financial reserves for the following reasons:

1. To ensure an appropriate level of working cash balances to meet normal operating transactions.
2. To provide for unforeseen circumstances leading to financial loss or failure to achieve budget targets.
3. To accumulate designated funds for large elements of planned maintenance spend (evidenced by an Asset Management Plan linked to the Risk Register and professional condition surveys)
4. To accumulate designated funds for capital investment in buildings or equipment (evidenced by an Asset Management Plan (linked to the Risk Register) for the relevant school and a business case setting out how such investment will achieve significant improvements in learning outcomes)
5. To accumulate designated funds for academic investment in staff or materials, either in anticipation of increasing income or to slow the pace at which cost reductions may need

to be made (evidenced by a plan showing the academic consequences of the proposed investment and how these links directly to improving learning outcomes).

### **Detail and Process:**

As all MATs have different methods of carrying out their financial responsibilities which are largely determined by the strengths of the constituent schools and the purposes behind the creation of the MAT, these notes are intended to set out the key targets for the Schools and the Trust and the responsibility for control of the balances.

### **Target Year-End Balances –**

- Schools - Minimum targets were set in September 2017 for each school at £135k for the three plus form of entry schools and £75k for the two forms of entry schools. The target contributions will be built into the Annual Budget and continue to remain the same until CFAT reaches the minimum target level of reserves set out below for the Trust.
- Trust - Trustees agreed that the Reserves should be held at a single threshold of 5% of Total Income (currently £1.4mn) with a provision that the Trust will be able to go below the threshold if required, when welcoming new schools who have historic deficits or are unable to contribute to Central Service charge in the initial year. If reserves go over £1.4m, the use of them will need to be agreed by Trustees. The absolute amount will differ from year to year based on the total revenue of the Trust.
- The Trust will consider varying the minimum contribution target for Schools once it has accumulated reserves to the extent of 5% of Total Revenue for the Trust.
- The Reserves can be used in combination with funding from SCA, DFC, DFE grants, In-Year School reserves (Surplus over the minimum requirement) to fund spend approved by RRAC. The Request to use the Trust Reserves can be initiated by Head Teachers or Central Finance Team after consultation with Head Teachers each year in the Spring term. The funds will be released in the summer term once the actual surpluses materialise.

## Actual Balances that are different from the Targets

- Where a school is forecast to achieve a surplus for the year that is higher than the minimum target level of reserves, the surplus over the minimum target can be used in the year for spending listed under **Reason for requirement of Trust** with prior approval from the CEO and the Chair of RRAC. The request to use this surplus can be made in the Spring Term for approval in the summer term, once the surplus materialises.
- Where a school is forecast to achieve a surplus for the year which is less than the minimum target as per this policy, the related school will be expected to replenish to the minimum from its own delegated funds based on an agreed plan with the FD and CEO.
- **Financial Control and Monitoring Systems** – The Finance team is based centrally. Budget monitoring and Management reporting form an integral part of the financial control and monitoring system. The Trustees carry out their monitoring and control responsibilities, largely through the RRAC as per the regulations and within the scheme of delegation already established.
- **Financial Planning and Control** – At school level it is noted these are key responsibilities within the Contracts of Headteachers. In line with the above principles, it is not intended to change this. However, additional expertise at a Central level (FD) and within the Board of Trustees (RRAC and others) will oversee the carrying out of these functions along with ensuring that the Trust is compliant with the law and regulations
- **Trustees** - The RRAC will be the primary group of Trustees that monitor and control the trust finances, along with recommending annual budgets and other financial plans to the Board for approval. The FD will carry out the operational aspects, liaising closely with Headteachers and reporting to the CEO, who is also the Accounting Officer. In addition, the Chair is required to be provided with a monthly financial statement for monitoring and urgent action purposes and this will also be sent to the Chair of the RRAC.
- **Delegated Financial Authority** - It is expected that the financial authority given to Headteachers will be used correctly and in the best interests of the pupils that they serve. However, should a school be seen to be running into financial difficulties or failing to fulfil its financial responsibilities towards its pupils, the Trustees will take appropriate action, after rapid consultation with the school, through the CEO and FD to adjust the level of financial authority given to the school to regularise the position

- **Deficit Budgets after Including Earmarked Balances** – These will not be allowed to be set as the Trust may not have funds to cover such an eventuality and it is poor financial practice. If a school is heading for a deficit that it is unable to manage, the Trustees will reduce the delegated financial authority of the Headteacher. The funds available to the Trust to cover deficits will be largely the earmarked balances at the schools. Where necessary, and in consultation with the other Headteachers through the CEO, the RRAC will use part of the earmarked balances to subsidise the affected school as a temporary measure whilst the deficit is corrected.
  
- These policy principles have been established by the Resources, Risk and Audit Committee on behalf of the Board of Trustees after consultation with Heads and Chairs through the CEO and FD and will be reviewed in September 2025 as per the reference under “Target Year End Balances” above.

# Appendix H

## Fixed Asset Policy

### Introduction

The purpose of this policy is:

- To provide guidance when dealing with capital expenditure and the purchase and disposal of fixed assets (as defined below); and
- To provide guidance on other aspects of fixed asset accounting such as depreciation and revaluation.

### Definitions

#### Accumulated Depreciation

The total accumulated amount charged to the income and expenditure account to reflect the use of the asset by the business, over its useful economic life. The value of the fixed asset on the balance sheet will be reduced over the useful life of the asset.

#### Capitalisation

The addition to the balance sheet of an amount in respect of an asset which has come into the possession of the School, whether through purchase or donation or gift in kind.

#### Carrying Amount/Net Book Value

The purchase cost (or valuation) of a fixed asset less the accumulated depreciation on that fixed asset.

#### Depreciation

The charge made to the income and expenditure account to reflect the use of the asset by the business during the period.

#### Fixed Assets

A fixed asset is an asset that has a useful life greater than one year. This includes land, buildings, office and classroom furniture and equipment (e.g., air conditioning, heating systems), vehicles, IT equipment and other classroom equipment. The minimum value to be capitalised as a fixed asset is £500 as a whole or part of a separately identifiable set of transactions or collection of items (e.g., 30 tables and chairs in a room), such items are included in the Trust balance sheet. Consumables that are used on a daily basis are not fixed assets.

### **Fixed Asset Register**

An inventory of all fixed assets which must include date purchased, the depreciation rate, net book values and the depreciation charged.

### **Grant**

Funds given to the School by a third party, subject to complying with any terms and conditions attached to the grant, to purchase unspecified fixed assets.

### **Recoverable Amount**

The cash proceeds when an asset is disposed of.

### **Categories of Fixed Assets**

This list describes the categories of fixed assets most used by Schools. It is not exhaustive and other categories may be added but only with the approval of the DOF.

#### **Freehold and Long Leasehold Buildings**

The cost of acquiring freehold and long leasehold land and buildings. It includes all external costs incurred as part of the acquisition such as legal and professional fees as well as other costs such as building costs which are necessary to bring the asset into use.

The MAT must seek and obtain prior written approval from the Secretary of State, via the ESFA when acquiring a freehold on land or buildings.

#### **Fixtures and Fittings**

Items such as shelving, fixed or free standing, soft furnishings, and general furniture such as chairs, desks which will last a number of years but not as long as the building in which they reside.

#### **Plant and Equipment**

Items such as air conditioning, lifts, heating system, diesel generators and classroom equipment which will be used for several years.

#### **Computer Equipment and Software**

Cost of the computer hardware used throughout the Trust along with 'significant' software.

## **Criteria for Capitalisation of Assets**

### **Expenditure Eligible for Capitalisation**

Authorised and approved expenditure for an item which meets the definition of a fixed asset and exceeds £500 should be identified and flagged as a fixed asset. The asset should be recognised on the Trust balance sheet.

The cost of the fixed asset should include the cost of the asset and any other costs directly attributable in bringing the asset into a condition where employees can use it. Such costs include, but should not be limited to:

- Costs of enhancements (not repairs and renewals), which significantly extend the life of the asset and would not be carried out on a regular basis (e.g. building improvements)
- Costs of external consultants whose work is directly attributable to the implementation of the asset.

### **Expenditure Not Eligible for Capitalisation**

- Individual items costing less than £500 unless purchased in bulk as part of a capital project
- Costs of staff training as part of normal business activities
- Administration and general overheads for running day to day activities
- Planning costs relating to initial activities such as option appraisals, feasibility studies, identifying appropriate hardware and applications and selecting suppliers and consultants
- Cost of abortive work
- Post implementation support and maintenance costs related to software installation.

## **Accounting Treatment (valuation in balance sheet)**

Only costs eligible for capitalisation should be entered into the accounts.

Costs must be allocated against individual fixed assets or a collection of identifiable fixed assets, such as chairs and tables to equip a classroom.

The cost of the asset includes the purchase price (including import duties and non-refundable taxes) and any other direct attributable costs of bringing the asset to working condition. Discounts received should be deducted from the total cost.

Expenditure on enhancing a fixed asset already recognised on the balance sheet should be added to the carrying amount where the expenditure meets the definition above.

Fixed assets purchased with grant money must be clearly identified in the fixed asset inventory.

## **Revaluation of Fixed Assets**

Gains on revaluation of fixed assets must be credited to the relevant reserve as follows:

- From land and building revaluations should be transferred to a land and building revaluation reserve
- From other fixed asset revaluations should be transferred to a general fixed assets revaluation reserve

Losses on revaluation must be debited to the relevant reserve (land and building revaluation, fixed assets revaluation reserve).

## **Depreciation**

Depreciation is charged against fixed assets over the expected useful life of the asset to reflect the depreciation of the asset over time.

The MAT uses the straight-line method of depreciation where the asset cost is written down in equal annual amounts over its expected useful life.

The period over which the asset is depreciated varies according to the category of the asset.

All tangible fixed assets, other than assets in progress must be depreciated as follows:

- Leasehold Land: 0.8%
- Leasehold Buildings: 2%
- Furniture and Equipment: 20%
- Computer Equipment and Software: 33.3%
- Motor Vehicles: 20%

Depreciation will be charged from the month in which a newly purchased asset comes into use.

Depreciation ceases to be charged in the month the asset is disposed.

## Disposal of Fixed Assets

When a fixed asset is sold or otherwise disposed, a profit or loss may arise. This is the difference between the total sale proceeds, less the cost of disposing of the asset, and the net carrying amount of the asset.

The profit or loss arising on disposal should be recognised as follows:

- Profits on disposal of fixed assets must be included in the income and expenditure account under 'profit or loss on sale of assets'
- Losses on disposal of fixed assets must be treated as additional depreciation and included in the relevant account within the income and expenditure account.

Any asset that is lost or destroyed, and subsequently replaced through insurance proceeds should be removed from the balance sheet. The profit or loss arising (the difference between carrying amount and insurance proceeds) must be recognised in the income and expenditure account under profit and loss on sale of fixed assets. The replacement asset is capitalised at cost in the normal way.

The MAT must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following transactions:

- Disposing of a freehold on land or buildings; and
- Disposing of heritage assets beyond any limits set out in the Trust's funding agreement in respect of the disposal of assets generally. Heritage assets are assets with historical, artistic, scientific, technological, geophysical, or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, as defined in applicable financial reporting standards.

The MAT may dispose of any other fixed asset (i.e., other than land, buildings and heritage assets as described above) without the approval of the Secretary of State.

The MAT must ensure that any disposal maintains the principles of regularity, propriety, and value for money. This may involve public sale where the assets have a residual value.

# Appendix I

CFAT Terms and Conditions - Procurement

## **CONDITIONS OF ORDER**

In these conditions: “Academy Trust” means the Children First Academy Trust; or any Academy that is part of the Trust, “Contractor” means the recipient of the Order; “Goods” means the articles or things, “services” means the work described in the Order.

1. Acceptance of this Order will be deemed to bind the contractor to the following terms and conditions and no goods or services shall be supplied or performed except in accordance therewith. In the case of any conflict between these conditions and those of the contractor, these conditions will prevail.
2. All good supplied or services carried out must meet the governing specification(s) as to quantity, quality, standard or description stipulated in the Order. The Academy Trust reserves the right to reject any goods or services which are faulty or do no confirm to the quality, standard or description specified in the order.
3. All goods shall remain of the contractor’s risk until delivery to the Academy Trust at the address stated in the Order has been completed.
4. The Academy Trust will endeavour to comply with any conditions of the contractor relating to notification of damage or loss in transit or non-delivery of goods, but the Academy Trust shall not be deemed to have accepted the goods as being in good condition and in accordance with the Order by reason of their failure to comply with such conditions. The Academy Trust shall not be deemed to have accepted goods as being in good condition and in accordance with the Order by reason only that a signature has been given on behalf of the Academy Trust on a delivery ticket or other form or receipt for the goods without notification of any damage or shortage being endorsed therein.
5. Rejected goods shall be removed by and at the expense of the contractor within seven days after the Academy Trust has notified the contractor of rejection. If not removed, the Academy Trust may return the rejected goods at the contractor’s risk and expense.
6. No variation in price will be accepted unless reasonable written notice has been given to the Academy Trust of such variation and the Academy Trust’s written approval has been obtained thereto prior execution of the Order.
7. The Academy Trust shall not accept a charge for casks, packages or containers of any description whatsoever, but the Academy Trust will endeavour to have them returned to the contractor.

8. The Contractor shall indemnify and keep indemnified Children First Academy Trust against all losses and claims for injuries (including death, illness and disease) or damage to any person or property whatsoever which may arise out of or in consequence of the execution of this Order and against all claims, demands proceedings, damages, costs, charges and expenses whatsoever in respect thereof or in relations thereto. The contractor shall (but without limiting his obligations and responsibilities under the indemnity given by the Contractor in this clause) insure against any damage loss or injury which may occur to any property or to a person by or arising from our execution of this order. Such insurance shall be effected in terms approved by Children First Academy Trust for at least the sum of £2,000,000 or for any higher amount specified by Children First Academy Trust. The Contractor shall whenever required produce to Children First Academy Trust the policy or policies of insurance and receipts for payment of the current premiums.

9. This order may be cancelled at any time by the Academy Trust giving the Contractor notice in writing. A fair and reasonable price shall be paid for all work in progress at the time of the cancellation and subsequently received by the Academy Trust. The Academy Trust shall not be liable for any loss to the contractor including consequential loss.

- a. Official Order numbers must be quoted.
- b. A priced and dated invoice giving details of goods, etc., supplied and any VAT payable must be sent to the invoice address.
- c. Advice notes of all goods delivered must be sent with the goods to the place of delivery.

#### 10. Payment terms

Standard payment period for qualifying contracts

30 days

#### 11. Standard payment terms

- a. The Supplier shall invoice the Customer for
  - I. (if this contract is for the supply of goods only) the Goods no sooner than completion of delivery of the Goods or, if later, the Customer's acceptance of the Goods or otherwise
  - II. (if this contract is for the supply of goods and services no sooner than Completion of the Deliverables.
- b. The Price for the Goods/Services shall become due upon receipt of the invoice by the Customer (the "Due Date")
- c. The final date of payment of the Price shall be 30 days (unless otherwise agreed) from the due date (the "Final Date of Payment")

- d. To the extent that the Customer wishes to make any deductions from the Price to be paid to the Customer, he/she shall notify the Customer in writing no later than 7 days before the Final Date of Payment by the issue of a Pay Less Notice to the Customer. Where the Customer has issued a Pay Less Notice to the Supplier, the price to be paid for the Deliverables shall be the price stated in the Pay Less Notice.
- e. VAT shall be charged by the Supplier and paid by the Customer at the then applicable rate.
- f. If any invoice is disputed, the Trust Central Finance team (who can be contacted by phone or email) will contact the Supplier and resolve the dispute in a timely manner. The Supplier will be required to provide proof of delivery or other evidence (of compliance to the terms of procurement (Order) including place and time of delivery) upon request, in case of dispute. Payment of Goods or Deliverables shall not be conclusive evidence that Completion has occurred or that the Goods or Deliverables are compliant or satisfactory.
- g. Where sums due under the Contract are not paid in full by the Final Date of Payment, to compensate the Supplier for all loss from the Customer's breach, the Customer shall pay on the sum of overdue interest (before and after judgement) on a daily basis from 30 days after the Final Date of Payment until payment in full at the rate of 5 per cent per annum above the official bank rate from the time to time of the Bank of England. The Supplier acknowledges that this is the substantial remedy for the purposes of Late Payment of Commercial Debts (Interest) Act 1998.

## Appendix J

### CHILDREN FIRST ACADEMY TRUST INSURANCE COVER

This table summarises what the RPA covers. For full eligibility details.

Type of risk	Limit
<b>Material damage</b>	Reinstatement value of the property
<b>Business interruption</b>	£10 million for any one loss
<b>Employers' liability</b>	Unlimited
<b>Third-party liability</b>	Unlimited
<b>Governors' liability</b>	£10 million for any one loss and in any one membership year
<b>Professional indemnity</b>	Unlimited
<b>Employee and third-party dishonesty</b>	£500,000
<b>Money</b>	Various, including cash on premises or in transit, £5,000
<b>Personal accident</b>	Death and capital benefits, £100,000
<b>United Kingdom travel</b>	Baggage and money, £2,000 per person; cancellation, £1,000 per person
<b>Overseas travel, including winter sports</b>	Includes baggage, £2,000 in total per person (inner limits apply); money, £750 per person; medical expenses, £10 million; cancellation, £4,000 per person
<b>Legal expenses</b>	£100,000 for any one loss and in any one membership year
<b>Cultural assets</b>	£10,000 for any one cultural asset or £250,000 for any one multiple loss
<b>Cyber cover</b>	£250,000 for any one loss and in any one membership year.  Where a member is part of a group network with other RPA members, the maximum aggregate liability is £750,000 in any one membership year for the group network

Appendix K

**Trust**

**Charging and Remissions  
Policy**

Adopted by the Trustee Board

Reviewed and approved: October 2023 – amended to include extended nursery provision

Reviewed February 2025

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## **1. AIMS**

Our schools aim to:

- o Have robust, clear processes in place for charging and remissions
- o Clearly set out the types of activity that can be charged for and when charges will be made

## **2. Legislation and guidance**

This policy is based on advice from the Department for Education (DfE) on charging for school activities and the Education Act 1996, sections 449-462 of which set out the law on charging for school activities in England. Academies are required to comply with this Act through their funding agreements.

This policy complies with our funding agreement and articles of association.

## **3. Definitions**

- o **Charge:** a fee payable for specifically defined activities
- o **Remission:** the cancellation of a charge which would normally be payable

## **4. Roles and responsibilities**

### **4.1 The Trustee board**

The Trustee board has overall responsibility for approving the charging and remissions policy.

The Trustee board also has overall responsibility for monitoring the implementation of this policy.

Monitoring the implementation of this policy has been delegated to the Head teachers at the schools.

### **4.2 Head teachers**

The head teacher is responsible for ensuring staff are familiar with the charging and remissions policy, and that it is being applied consistently within their schools.

### 4.3 Staff

Staff are responsible for:

- o Implementing the charging and remissions policy consistently
- o Notifying the head teacher of any specific circumstances which they are unsure about or where they are not certain if the policy applies

The schools will provide staff with appropriate training in relation to this policy and its implementation.

### 4.4 Parents

Parents are expected to notify staff or the head teacher of any concerns or queries regarding the charging and remissions policy.

## 5. Where charges cannot be made

Below we set out what our schools **cannot** charge for:

### 5.1 Education

- o Admission applications
- o Education provided during school hours (including the supply of any materials, books, instruments or other equipment)
- o Education provided outside school hours if it is part of:
  - The national curriculum or agreed Trust curriculum.
  - A syllabus for a prescribed public examination that the pupil is being prepared for at the school
  - Religious education
- o Instrumental or vocal tuition, for pupils learning individually or in groups, unless the tuition is provided at the request of the pupil's parent
- o Entry for a prescribed public examination if the pupil has been prepared for it at the school
- o Examination re-sit(s) if the pupil is being prepared for the re-sit(s) at the school

### 5.2 Transport

- o Transporting registered pupils to or from the school premises, where the local authority has a statutory obligation to provide transport
- o Transporting registered pupils to other premises where the governing board or local authority has arranged for pupils to be educated
- o Transport that enables a pupil to meet an examination requirement when he or she has been prepared for that examination at the school
- o Transport provided in connection with an educational visit

### 5.3 Residential visits

- o Education provided on any visit that takes place during school hours
- o Education provided on any visit that takes place outside school hours if it is part of:
  - The national curriculum
  - A syllabus for a prescribed public examination that the pupil is being prepared for at the school
  - Religious education
  - Supply teachers to cover for those teachers who are absent from school accompanying pupils on a residential visit

## 6. WHERE CHARGES CAN BE MADE

Below we set out what our schools **can** charge for:

### 6.1 Education

- o Any materials, books, instruments or equipment, where the child's parent wishes him or her to own them
- o Optional extras (see below)
- o Music and vocal tuition, in limited circumstances
- o Certain early years provision
- o Community facilities

### 6.2 Optional extras

Schools are able to charge for activities known as 'optional extras'. In these cases, schools can charge for providing materials, books, instruments or equipment. The following are optional extras:

- o Education provided outside of school time that is not part of:
  - The national curriculum
  - A syllabus for a prescribed public examination that the pupil is being prepared for at the school
  - Religious education
- o Examination entry fee(s) if the registered pupil has not been prepared for the examination(s) at the school
- o Transport (other than transport that is required to take the pupil to school or to other premises where the local authority or governing board has arranged for the pupil to be provided with education)
- o Board and lodging for a pupil on a residential visit
- o Extended day services offered to pupils (such as breakfast clubs, after-school clubs, tea and supervised homework sessions)

- o Extended services that include two-year-old provision – currently charged at £20 per session (25% discount for staff’s own children). Paid a week in advance and non-refundable
- o Extended services in the nursery for children who attend full time (35 hours who receive 30 hours free) currently charged at £5 per day. Paid a week in advance and non- refundable

When calculating the cost of optional extras, an amount may be included in relation to:

- o Any materials, books, instruments or equipment provided in connection with the optional extra
- o The cost of buildings and accommodation
- o Non-teaching staff
- o Teaching staff engaged under contracts for services purely to provide an optional extra (including supply teachers engaged specifically to provide the optional extra)
- o The cost, or an appropriate proportion of the costs, for teaching staff employed to provide tuition in playing a musical instrument, or vocal tuition, where the tuition is an optional extra

Any charge made in respect of individual pupils will not be greater than the actual cost of providing the optional extra activity, divided equally by the number of pupils participating.

Any charge will not include an element of subsidy for any other pupils who wish to take part in the activity but whose parents are unwilling or unable to pay the full charge.

In cases where a small proportion of the activity takes place during school hours, the charge cannot include the cost of alternative provision for those pupils who do not wish to participate.

Parental agreement is necessary for the provision of an optional extra which is to be charged for.

### **6.3 Music tuition**

Schools can charge for vocal or instrumental tuition provided either individually or to groups of pupils, provided that the tuition is provided at the request of the pupil’s parent.

Charges may not exceed the cost of the provision, including the cost of the staff giving the tuition.

Charges cannot be made:

- o If the teaching is an essential part of the national curriculum

- If the teaching is provided under the first access to the Key Stage 2 instrumental and vocal tuition programme
- For a pupil who is looked after by a local authority

## **6.4 Residential visits**

Schools can charge for board and lodging on residential visits, but the charge must not exceed the actual cost.

## **7. Voluntary contributions**

As an exception to the requirements set out in section 5 of this policy, schools are able to ask for voluntary contributions from parents to fund activities during school hours which would not otherwise be possible.

Some activities for which the school may ask parents for voluntary contributions include:

- school trips,
- After school sports activities.
- Enrichment workshops/ activities

**There is no obligation for parents to make any contribution, and no child will be excluded from an activity if their parents are unwilling or unable to pay.**

If the school is unable to raise enough funds for an activity or visit then it will be cancelled.

## **8. Activities we charge for**

The schools will charge for the following activities:

- Breakfast club provision
- after-school club provision
- after school specialist clubs – e.g. cooking club/ film club

For regular activities, the charges for each activity will be determined by the Headteacher and reviewed in May each year. Parents will be informed of the charges for the coming year in July each year.

## **9. REMISSIONS**

In some circumstances the school may not charge for items or activities set out in sections 6 and 8 of this policy. This will be at the discretion of the governing board and will depend on the activity in question.

### **9.1 Remissions for residential visits**

Parents who can prove they are in receipt of any of the following benefits can be supported by the school or external agencies to cover the cost of board and lodging for residential visits:

- o Income Support
- o Income-based Jobseeker's Allowance
- o Income-related Employment and Support Allowance
- o Support under part VI of the Immigration and Asylum Act 1999
- o The guaranteed element of Pension Credit
- o Child Tax Credit (provided that Working Tax Credit is not also received and the family's annual gross income does not exceed £16,190)
- o Working Tax Credit run-on (this is paid for 4 weeks after an individual stops qualifying for Working Tax Credit)
- o Universal Credit (if the application was made on or after 1 April 2018, the family's income must be less than £7,400 per year – after tax and not including any benefits)

#### **10. Monitoring arrangements**

The CEO along with DOF monitors charges and remissions and ensures these comply with this policy.

This policy will be reviewed by the RRAC annually and recommended to the Trust Board.

After every review, the policy will be approved by the Trustee Board.