



**Co-operative
Education**
East

Financial Operating Procedures Policy

Version control	Reviewed / Approved by
April 2025	Trustees

To be reviewed	Annually
By	Business Manager, with approval by the Trustees
Next review date	Spring term, 2026

Introduction

1. The purpose of this policy is to ensure that the Academy Trust maintains and develops systems of financial control, which conform with the requirements both of propriety and of good financial management.
2. The Academy Trust must comply with the principles of financial control outlined in the Academies Handbook. This policy expands on that and provides detailed information on the academy's accounting procedures and should be read by all staff involved with financial systems
3. The Trust's Accounting Officer is Paul Bunn ('CEO' - Chief Executive Officer)
4. The Trust's Chief Financial Officer is Melanie Egleton ('CFO' - Business Manager)
5. The Trust's Finance and Admin Officer is Michelle Davis
6. The Trustee with responsibility for Finance is Kathryn Dunning
7. Each school has an Office Administrator

Financial Planning

8. The Academy Trust prepares rolling 3-year budgets. The plans will be prepared having regard to all known needs of the Trust, the Academy Improvement Plans and (where applicable) the Asset Management Plan.

Budget Setting Process

9. The Chief Financial Officer, in conjunction with the Head Teacher, is responsible for preparing and obtaining approval for the annual budget. The budget must be reviewed by the Chief Executive Officer and approved by the Board of Trustees.
10. The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the school development plan objectives (SIDP).
11. The budgetary planning process will incorporate the following elements:
 - all carry forward balances
 - forecasts of likely number of pupils and changes to funding formulas to estimate the amount of General Annual Grant
 - latest estimate or confirmed levels of other ESFA funding e.g. pupil premium or other specific funds
 - review of other income sources available to the academy e.g. donations
 - review of staffing changes and associated inflation and pension costs
 - review of all other expenditure lines in light of the development plan objectives and the expected variations in cost
 - review of past performance against budgets to promote an understanding of the academy cost
 - identification of potential efficiency savings
 - any unspent restricted grants from the previous financial year
12. A comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. Plans and budgets should be revised until income and expenditure in all forecast years are in balance, in principle, although the wider position regarding carry forward funds in the three-year forecast may also be considered as part of the approval process
13. If there is a significant departure in spend against the allocated budgets this will be escalated to the CEO and trustees as necessary as part of the approval process.

Other Government Funding

14. In addition to GAG funding from the EFSA the trust may be awarded specific funding for other projects e.g. Condition Improvement Funds, additional Special Educational Needs funding etc All ESFA funding will be spent in accordance with the terms and conditions imposed, accurately recorded as restricted income and audited externally annually.
15. The CFO is responsible for ensuring the accurate recording of income and expenditure for each grant, reporting as part of the monthly management accounts as appropriate.

Other Grants and specific funding

16. The trust may be awarded additional grants from time to time relating to specific projects e.g. Charitable Grants etc. All applications for additional external funding must be approved and supported by the Board of Trustees. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.
17. The CFO is responsible for ensuring the accurate recording of income and expenditure for each grant, reporting as part of the monthly management accounts as appropriate

Virements

18. The CFO is given delegated power to approve virements from one budget line to another as part of the budget setting process and shall seek approval from the CEO where the amount exceeds £5,000.

Monitoring and review (including management accounts)

19. Monthly reports are prepared by the CFO. The reports include:
 - actual income and expenditure against budget (shown as month to date and cumulatively)
 - balance sheet
 - cash flow forecast
20. The monthly reports are made available to the CEO and Trustees as well as the Head Teacher of each school.

Independent checking procedures

Review of regularity

21. The CEO (in their role as Accounting Officer) reviews the following documents as an ongoing process to ensure the Academy Trust is working within the boundaries of regularity and propriety:
 - management accounts (reports)
 - compliance, against the scheme of delegation and other regulations
 - transactions, as is necessary to ensure in line with delegated authorities and for evidence of connected party transactions
 - adherence to value for money principles, in line with the tendering policy
 - review of trustees/governors' minutes

Annual accounts and Audit arrangements

22. External auditors must be appointed in accordance with the Academies Handbook.
23. The Accounting Officer, in conjunction with the CFO, is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.
24. The Academy Trust must prepare annual audited financial statements for the accounting period to 31 August each year.
25. The accounts are outsourced to our auditors for preparation.
26. The accounts are then submitted as follows:
 - by 31 December – to EFSA
 - by 31 January – published on the Trust website
 - by 31 May – to Companies House

Work undertaken during accounting period

27. The CFO, is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:
 - reviewing the structure of the chart of accounts
 - maintaining a fixed (capitalised) asset register and related depreciation charges
 - maintaining income and expenditure records (including filing of invoices)
 - reviewing aged debtors for any provisions required
 - maintaining a record of governors/trustee's interests, related and connected party transactions
 - control account reconciliations (bank, wages, debtors, creditors)
 - maintaining a record of trustees and finance committee meeting attendance

Work undertaken for the year end

28. The CFO, is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:
 - prepayments for IT and other licenses
 - prepayments or accruals for grant and other income
 - accruals for outstanding orders and invoices
 - control account reconciliations (bank, wages, debtors, creditors)
 - close down of the purchase ledgers
 - close down of the sales ledgers and aged debtors
 - pension valuations

Accounts Return

29. The Academy Trust must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the EFSA by 31 January each year.
30. The accounts return is outsourced to our auditors for preparation.

Document retention

31. Documents are retained for the following amount of time:
 - Finance records – current year plus preceding 6 years
 - Supply cover insurance – current year plus preceding 6 years

- Payroll and travel records – current year plus preceding 6 years
- Personnel records – 5 years after an employee has left
- All student files until the student reaches the age of 21

Accounting system

32. All the financial transactions of the Academy Trust must be recorded into an appropriate computerised financial information accounting system (currently XERO). This system is accessed and operated by the CFO, the Trust Finance and Admin Officer, the schools Office Administrator, and the school Head Teachers.

System Access and Back-Up

33. Access to the system is password restricted to users who have been authorised by the Accounting Officer.
34. The Accounting Officer, in conjunction with the CFO, is responsible for implementing a system which ensures that passwords are changed regularly.
35. The Accounting Officer, in conjunction with the CFO, is responsible for ensuring that there are effective backup procedures for the system. The XERO system is cloud based and is backed up by the software provider.

Transaction processing and reports

36. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this policy.
37. All journal entries are stored directly in the accounting system.
38. Bank transactions are input or imported by the Trust Finance and Admin Officer or the CFO.
39. The CFO reviews the accuracy of transactions posted to the accounting system as part of the process to produce monthly management accounts (reports)

Reconciliations

40. The CFO is responsible for ensuring the following reconciliations are performed each month on the finance system, and that any reconciling or balancing amounts are investigated:
 - sales and purchase ledger control accounts
 - payroll, VAT and any other control accounts
 - bank balances as per the ledgers to the bank statement
41. The Head Teacher or CFO (on behalf of the Accounting Officer) signs all reconciliations as evidence of review.
42. Any unusual or long outstanding reconciling items are brought to the attention of the Accounting Officer and dealt with according to the bad debt policy.

Cash Management

Bank Accounts

43. The following procedures must be followed when opening a bank account and operating it:
 - the Trust is responsible for selecting the banking institution and negotiating the terms and conditions
 - the Accounting Officer, in conjunction with the CFO, must authorise the opening of all bank accounts
 - the Trust will ensure that in the event of changes to key personnel or governors/trustees, signatories will be changed immediately and the bank notified. Any online access to banking will also be removed

- terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement minuted.
- the Trust must inform the bank, in writing, that their accounts must not become overdrawn
- the Trust must ensure there are sufficient funds to cover large payments

Deposits

44. Cash deposits are not accepted. The Trust Finance and Admin Officer is responsible for updating the accounting system for bank deposits received.

Payments and withdrawals

45. All payments and withdrawals from academy bank accounts must bear the signatures of two of the following authorised signatories:
 - Head Teacher
 - CEO
 - CFO
 - Trust Finance and Admin Officer
46. This provision applies to all accounts, public or private, operated by or on behalf of the governing body of the academy including funds held in trust. The only exception to this is for investments held in Akoni. The safeguard for this is that withdrawals can only be made when paid directly into the trust bank account.
47. Authorised signatories should not make a payment or withdrawal relating to goods or services for which they have also authorised the expenditure.

Administration

48. The Trust Finance and Admin Officer ensures bank statements are received regularly, and reconciliations are performed on a monthly basis. Reconciliation procedures must ensure all bank accounts are reconciled to the finance system and signed by the Head Teacher or CFO (on behalf of the Accounting Officer) as per 45. above.

Petty Cash

49. The Trust operates a No Petty Cash Policy.

Charge Cards

50. Each school is issued with Lloyds Bank Charge Cards, to be used only when it is not practical to request an invoice for the supply of goods or services. It is used mostly for internet purchases and to buy refreshments for meetings and after school clubs etc.
51. The CFO has also been issued with a Charge Card for Trust wide purchases.
52. These cards should be kept in a safe place and should only be used by the card holders.
53. Payments made using any other method such as a personal credit card will not be re-imbursed unless prior permission is sought from the CFO or CEO and an appropriate purchase order is raised.
54. A copy of the payment card bill, along with all the relevant documentation should be held by the Trust Finance and Admin Officer. The CFO (on behalf of the Accounting Officer) or Head Teacher should then check the transactions and sign the authorisation sheet. These should be safely stored until the end of the financial year.

Investments

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

Reserves

- 57. Any overall Trust surpluses or deficits (reserves) at the end of the year are carried over to the following year.
- 58. If the Trust is anticipating a deficit at the end of the financial year, the CFO (in conjunction with the Head Teacher and CEO), has a responsibility to ensure action is taken at the earliest opportunity to address this.
- 59. The Trust undertakes to ensure that it keeps reserves in accordance with its approved reserve policy.

Capital Reserves

- 60. Any overall surpluses at the end of the year are carried over to the following year.
- 61. It is the responsibility of the Accounting Officer, in conjunction with the CFO, to keep accurate records of the capital funds, especially where grants have been received for capital projects.

Payroll

Staff Appointments

- 62. The Head Teacher has authority to appoint staff except for a Head Teacher and Deputy Head Teacher whose appointments must follow consultation with the CEO in conjunction with the Trustees. At least two persons should be present at each appointment. The school is responsible for maintaining personnel files for all members of staff which include contracts of employment. All personnel changes must be notified to the CFO immediately, for the purpose of maintaining budget and payroll records.
- 63. The Head Teacher has ultimate responsibility for obtaining relevant DBS checks for a member of staff within their school and ensuring these are retained on file via the Single Central Record. The CEO, in conjunction with the Trust Finance and Admin Officer, is responsible for DBS checks at the central Trust level.

Payroll Administration

- 64. Payroll is administered through the Trust's payroll provider (currently DataPlan).
- 65. All staff are paid monthly, and the payroll provider's system holds relevant records such as:
 - salary
 - bank account details
 - taxation status
 - personal details
 - any deductions or allowances payable
 - other legal and relevant details
- 66. Paper copies of relevant information are also kept on the staff member's file.
- 67. Each month, in accordance with published timings, each school Head Teacher is responsible for informing the CFO of any new appointments, terminations, or agreed changes in staffing contractual

terms and conditions for approval and processing through the payroll provider's system. In addition, the Head Teacher is responsible for informing the CFO of any unpaid sickness or other for the relevant HR and payroll processing.

68. A timesheet for additional hours, temporary work or expenses claimed by the employee should be sent to the CFO by the 5th of each month. This must be authorised by the Head Teacher. In turn this is provided to the payroll provider for the purpose of including the relevant additional payments in the employee's payslip. The timesheets do not need to be checked in advance and/or authorised by the CEO, unless by prior arrangement. The CEO must authorise any expenses or additional hours claims by central staff.

Payments

69. All salary payments are made by BACS.
70. The payroll provider should provide draft payslips and relevant reports to the CFO, including a note of variances in gross pay to the previous month. The CFO should then check/reconcile the current month and previous month's payslips and provide explanatory notes with regard to variances in gross salary payments, for example adjustments made for new appointments, resignations, pay increases, additional hours and expenses claims etc. This reconciliation is reviewed and signed by the CEO.
71. The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on a pay analysis report and BACS payments for these amounts are prepared and made by the payroll provider at the appropriate time.
72. The CFO will also perform random checks each month of employee payslip information to that held in the payroll provider's system, and to contract information held in the budget plan, to ensure both are maintained accurately by the payroll provider.
73. The CFO will post all payments to the relevant payroll control accounts, and the relevant salary nominal codes for each school through completing manual journals in the finance system. This process must be checked by the CEO to ensure transactions balance as expected. The CFO should investigate any discrepancies, resolve, and update the CEO as necessary.

Salary advances

74. The trust only provides salary advances when there is a valid reason a member of staff cannot be paid through payroll.

Overtime

75. Overtime claims are completed by the individual and submitted to the Head Teacher or CEO for authorisation. Prior agreement must be obtained by the individual from the Head Teacher before any work which would result in an overtime claim being undertaken. These claims should then be included on the monthly timesheet as per 73 above.
76. Claim forms must not be submitted prior to work having been undertaken, or where prior agreement has not been obtained by the Head Teacher. No payments for work undertaken will be made other than via the payroll system.

Severance payments

77. The Trust is able to self-approve the non-contractual element of severance payments up to £50,000. A business case must be presented before agreeing a payment, using the form provided by EFSA on Gov.uk.
78. Where the non-contractual element is on or over £50,000 prior approval from EFSA must be sought, as

per the Academies Handbook.

79. The Accounting Officer must sign off and review each business case.

Ex-gratia payments

80. Any ex-gratia payments must be submitted to EFSA for prior approval.

Income

EFSA and other grants

81. The main sources of income for the academy are the grants from the ESFA. The receipt of these sums is monitored directly by the Accounting Officer, in conjunction with the CFO, who is responsible for ensuring that all grants due to the academy are collected.

Trips

82. A lead member of staff must be appointed for each trip, who should liaise with the school office administrator regarding venue/location for the trip, pupil numbers and relevant costs.
83. The Office administrator should set up relevant records on the school online payments system for the purpose of collecting payments from parents, which holds an audit trail of all payments made and any amounts outstanding.
84. The school office administrator is responsible for chasing any outstanding amounts.
85. Trips should be run at cost price, although allowance can be made for admin fees and additional staff cover costs. Any surplus greater than £10 per pupil should be redistributed to parents. If the school decides to subsidise the school trip the amount of subsidy must be approved by the Head Teacher in advance of making the booking.
86. Instalments for trips will be not less than £20.

Catering

87. The Office administrator should set up relevant records on the school online payments system for the purpose of collecting payments from parents, which holds an audit trail of all payments made and any amounts outstanding.
88. The school office administrator is responsible for chasing any outstanding amounts if and where applicable.
89. All meals which are to be provided should be pre-booked and prepaid via the school online payments system. The Finance Officer will undertake a monthly check to verify the number of meals taken against the invoices from the catering provider.

Lettings

90. The school office administrator is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation. Payments are made one month in arrears.
91. Details of organisations using the sports facilities will be held by the school. The Finance Officer will establish a sales ledger account and produce a sales invoice from the XERO accounting system.
92. Copies of the organisations up to date relevant Public Liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept with the Letting agreements and are reviewed at least annually.

Clubs

93. The Office administrator should set up relevant records on the school online payments system for the purpose of collecting payments from parents, which holds an audit trail of all payments made and any amounts outstanding.
94. The school office administrator is responsible for chasing any outstanding amounts if and where applicable.

Donations or Sundry Income

95. Income from the PTA or other sources should be monitored and banked with paperwork relating to the source of the income kept on file. In the case of donations, these will ordinarily be donated for a specific purpose and therefore recorded in the finance system as restricted funds, although this is not always necessarily the case e.g. donations received as will bequests.

Bad debts

96. Please see separate 'Bad Debt' policy.

Purchasing

97. The Trust must achieve value for money on all purchases.

General principles

98. Head Teachers will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the Head Teacher to manage the budget and ensure that the funds available are not overspent. Monthly management accounts (reports) will be supplied to each Head Teacher each month to help facilitate this process. In addition, Head Teachers will be able to check data relating to spend against budgets via the finance system at any time.
99. Routine purchases up to £1000 can be ordered by Head Teachers, subject to the limitations of the applicable budget, i.e. as long as budget exists to cover the planned expenditure. A quote or price must always be obtained before any order is placed, preferably from a list of existing suppliers on the XERO finance system.
100. Additional detail should be provided along with the requisition for any proposed new suppliers, including company or individual name, email address, and website address (where available) so that the Trust Finance and Admin Officer can undertake appropriate checks and due diligence, which will include conducting a Companies House check and verification that the bank details supplied are bona fide. School staff should note that this could delay the ordering process. Copies of all quotes must be attached to the order form.

Orders (also see 'purchase ledger process map' in appendix)

101. All orders must be made using a Purchase Order on the XERO finance system, raised by the Trust Finance and Admin Officer, with the exception of recurring or periodic payments such as utility bills, local authority services, urgent and annual subscriptions. Orders must be authorised by the Head Teacher, CFO or Accounting Officer and must be checked to ensure adequate budgetary provision exists before placing the order.
102. The School office administrator must complete and send a requisition form to the Trust Finance and Admin Officer for the purpose of raising an order on the finance system **before the order is placed**.
103. Approved orders will be recorded in the purchase order module of the financial information system which allocates a reference number and commits expenditure. Orders will be dispatched to the supplier by the

school office administrator or Trust Finance and Admin Officer as appropriate and agreed.

104. **Only the staff listed in Appendix A. the Scheme of delegation, can authorise orders and subscriptions (including free trial subscriptions which may lead to a future cost). If any member of staff places an order or signs up to a subscription without proper authorisation, they may be liable for the cost of the goods / subscription.**
105. The school office administrator, on behalf of the Head Teacher, must make appropriate arrangements for the delivery of goods to the academy. On receipt a detailed check of the goods received against the goods received note (GRN) should be undertaken and a record made of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay. Requests from suppliers to invoice prior to delivery of goods or service should not be entered into as a general matter of course but can be considered after consideration to the reasons for the request and other specific circumstances. If permitted, agreement from the Head Teacher or CFO is necessary.
106. When received, invoices should be scanned and uploaded to the relevant section of the finance system by the Trust Finance and Admin Officer, who should stamp or annotate the invoice to confirm the following checks have taken place: -
- an official purchase order has been raised for the purchase
 - the delivery note has been checked
 - the delivery is of correct quantity, quality and price
 - invoice arithmetically correct
 - invoice posted to purchase ledger
 - invoice authorised for payment
 - VAT treated correctly
- The invoice should then be either initialled by the Head Teacher or CFO **OR** authorised by them for payment on the finance system. NB: there is not a requirement to keep a paper copy of the invoice if there is an electronic version and appropriate authorisation on the finance system, but good practice dictates this should also be filed.
107. The Trust Finance and Admin Officer will input details of payments to be made to the finance system and prepare the BACS payment on the banking system (currently Lloyds commercial banking). In all cases, the BACS payment must be authorised by the CFO or CEO on the online banking system.
108. Standard payment terms are 30 days from the date of the invoice, although every effort is made to ensure the school benefits from early payment discounts. When dealing with payments to individuals, the Trust Finance and Admin Officer should assess and where necessary request confirmation of employment status, requesting that where applicable the individual states a self-employment reference number on any invoice issued to the school.

Charge Cards

109. In principle, the requisition / purchase order process must be followed in the usual manner for any purchases on payment card.
110. However, occasionally the payment card is used to purchase small items or sustenance items, where it is not possible to pre-order. In this case, the Head Teacher is responsible for ensuring card limits are adhered to and the purchases are required.
111. When the payment card bill arrives the Head Teacher should sign for each individual item and ensure a relevant receipt or invoice is present to reconcile the transaction (see 59).

Tendering

For additional information on procurement principles and procedures, please see the separate Tendering Policy.

Orders over £1,000 but less than £3,000

- 112. Orders up to £1000 must be authorised by the Head Teacher, if they are within the pre-agreed budget. At least two written quotations should be obtained for all new supplier orders between £1,000 and £3,000 to identify the best source of the goods/services, and these purchases must be authorised by the CFO or CEO, with adequate time allowed between notification and purchase.
- 113. Written details of quotations and approvals obtained should be prepared and retained by the Head Teacher and/or CFO/Finance and Admin Officer for audit purposes, whether this is by email, physical documentation or other means of internal communication. Telephone quotes are acceptable if these are evidenced and emailed confirmation of quotes has been received before a purchase decision is made and made in accordance with value for money principles.

Orders between £3,000 and £7,500

- 114. At least three written quotations should be obtained for all orders between £3,000 and £7,500 to identify the best source of the goods/services, and these should be purchased with approval, in principle, from the Local Governing Committee and/or CEO. All purchases should follow the same procedures as above; however these must be authorised by the CEO before proceeding.
- 115. Written details of quotations and approvals obtained should be prepared and retained by the CFO or Finance and Admin Officer for audit purposes, whether this is by email, physical documentation or other means of internal communication.
- 116. Consideration should be given to the assessment and decision-making rationale used to determine the successful quotation, which where appropriate should be documented, presented to the CEO, and retained for future reference.

Orders over £7,500

- 117. At least three written quotations should be obtained for all orders over £7,500 to identify the best source of the goods/services and should be subject to formal tendering procedures. The Head Teacher must ensure these purchases receive approval by the CEO and written authorisation from the Trustees.
- 118. Written details of quotations and approvals obtained should be prepared and retained by the CFO or Finance and Admin Officer for audit purposes, whether this is by email, physical documentation or other means of internal communication. Telephone quotes are not acceptable.
- 119. A formal assessment and decision-making process must be applied to the tender, and it is essential this is documented, presented to Trustees, and retained for future reference.

Trading with related or connected parties

- 120. The Trust will ensure that trading with related parties is conducted in accordance with the Academies Handbook to ensure no conflicts of interest and adequate disclosure within the Academy Trust's accounts.
- 121. The Accounting Officer, on behalf of the Trustees, should regularly review suppliers and key management personnel to ensure related parties are identified early and the register of pecuniary interests is cross-referenced.

Goods and services for private use

- 122. No goods are ordered or services provided to include any elements of private use by governors and staff.

Insurance

- 123. The Trust has opted in to the Department for Education's Risk Protection Arrangement, and this is

reviewed annually.

124. Budget holders must ensure all valuables are kept under lock and key when not being used in a supervised manner.
125. The first £250 of any claim for replacement (policy excess) has to be funded by the school concerned as no budget is held centrally. Items under £500 will receive no insurance pay out and it is up to the school concerned as to whether the item is replaced or not.

Travel and Subsistence Expenses

126. Claiming travel and subsistence expenses is based upon the principle that the journeys and expenses incurred are actually and necessarily incurred to enable members of staff to perform their duties and are appropriately authorised.
127. All claims must be made in accordance with the applicable expenses policy, and forms should be completed in line with 73. above.
128. Trustees and governors are entitled to claim expenses, subject to prior approval by the CEO. However, trustees and governors should acknowledge that: -
 - they are not paid attendance allowance
 - they are not reimbursed for loss of earnings
129. Governors/Trustees wishing to make claims under these arrangements must complete a claim form and submit this within three weeks of the date when the costs were incurred. These should be submitted to the CEO for approval and to the CFO for payment. Expenses for the CEO must be approved by the Chair of Trustees.
130. Claims will be subject to ongoing internal audit and may be investigated by the CEO, Chair of Trustees or Finance Trustee if they appear excessive or inconsistent.

Gifts

131. Ordinarily gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £25 must be reported to the Accounting Officer in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, could influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses.
132. Where gifts in excess of £25 are accepted they should be entered into a gifts and hospitality register.

Fraud or Theft

133. The Trust does not tolerate fraud. Where instances of fraud are found above £5K the Accounting Officer Director will notify the EFSA.

Whistleblowing

134. The Trust's whistleblowing policy is available on the Trust website

Leasing

135. All lease arrangements where applicable will be conducted in accordance with the Academies Handbook.

Central Services

136. The Trust administers all money received from the ESFA for operational purposes and makes the full

amount of money available to each school within its own budget. However, a high percentage of the expenditure for each school is dealt with centrally e.g. all salary payments and a number of centrally procured services such as audit fees and HR support, so all ESFA GAG income is paid into the Trust bank account.

137. The Trust's finance system allows school level monitoring of all expenditure paid centrally.
138. Each Academy Head Teacher is able to appeal this process by means of making a submission to the Chair of Trustees for consideration at the next available Board meeting. The Trustees should give due attention to the evidence provided and should decide if other arrangements should be made. Should an academy Head Teacher still be unsatisfied with the arrangements, they are able to appeal to the Secretary of State via the EFSA as outlined in the Academies Handbook.

VAT

VAT return

139. The Trust is VAT registered no: 256415992. The CFO is responsible for submitting the VAT return every quarter to ensure compliance with HM Revenue and Customs for claiming the correct levels of VAT.

Fixed Assets

Asset register

140. An inventory of all non-consumable items, deemed to be portable, desirable or valuable above a threshold of £50 should be maintained by the Trust. This should be kept up to date with serial numbers or other identifying reference, plus an estimation of value.
141. This inventory helps to:
 - ensure that staff take responsibility for the safe custody of assets, particularly if taken off site
 - enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
 - to manage the effective utilisation of assets and to plan for their replacement
 - help the external auditors to draw conclusions on the annual accounts
 - support insurance claims in the event of fire, theft, vandalism or other disasters
142. Examples of items to include on the asset register include:
 - ICT hardware and software (this list can be combined and used to identify software licences to ensure the school is complying with legislation)
 - Reprographic equipment – photocopiers, comb binders, laminators
 - Office equipment – fax machines, shredders, switchboard
 - Furniture
 - Audio Visual equipment – TVs, video/DVD players, OHPs, cameras, speakers
 - Cleaning equipment – vacuum cleaners, polishers
 - Catering equipment – ovens, fridges, dishwashers, food processors
 - Technology equipment – sewing machines, craft machinery
 - Premises equipment – lawn mowers, power tools, generators
 - Other equipment – musical instruments, PE equipment
143. All the items in the register should be visibly marked as the Academy Trust's property and where possible stored securely when not in use.
144. A physical random audit check should be carried out each academic year by an employee who is different from the preparer of the asset register. Where discrepancies between the physical count and the amount recorded in the register are found these should be investigated promptly and, where significant, reported to the CEO and/or Trustees.
145. The CFO will maintain a separate inventory of all assets above the Trust's capitalisation threshold of £5,000, including depreciation calculated in accordance with the Trust's Fixed Asset policy.

146. Items of academy property must not be removed from academy premises without the prior approval of the Head Teacher. If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the academy's auditors.

Disposals

147. Disposals, where applicable, are in line with the Academies Handbook and should be managed in accordance with the Trust's separate redundant equipment policy.

Novel and Contentious Payments

148. The Trustees recognise the need to notify and seek approval from the EFSA before making any novel or contentious payments.

Appendix A CEE Scheme of Financial Delegation

Delegated Responsibility	Value	Officer
Orders & Payments for Goods	Up to £1,000	Headteacher
	Over £1,000 & than £3,000	CFO or CEO
	£3,000 to £7,500	LGB or CEO
	Over £7,500	CEO and written authorisation from the Trustees.
Virements	£5,000	CFO
	£5,000+	CFO to seek approval from CEO
Staff Contracts	Staff not on Leadership Scale	Headteacher
	Staff on leadership Scale	CEO in conjunction with trustees
Severance Payments	Up to £50,000	Trustees
	Over £50,000	Prior approval from EFSA
Authority for disposal of unusable or obsolete items	Net book value Less than £100	Headteacher
	£101 -£1,000	CFO in conjunction with the CEO
	Over £1,000	Trustees
Write off of Bad Debts	Up to £150	CEO
	£151-£500	CEO & Chair of Finance or Trustees
	Over £500	Full Trustee approval