VENTRUS

Finance Regulations

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1. GENERAL PROVISIONS

1.1 Background

The relationship between Ventrus Multi Academy Trust and the Secretary of State is set out in the funding agreement (FA), which is a legal document. The Academy Trust Handbook (ATH) (register) contains information on the duties and obligations of the Trust arising from that FA.

The ESFA expects the Trust to take full control of its financial affairs. As a company, and under the FA, the Trust is required to produce audited company financial statements. The accounting period, as set out in the Trust's FA, is from 1 September to 31 August. As a charity, the Trust must maintain accounting records and provide publicly accessible financial statements in line with the Statement of Recommended Practice (SORP) for Charities. As a public body, the Trust must ensure regularity, propriety and value for money in their management of public funds.

The ESFA issues an annual Academies Accounts Direction (no later than three months prior to the end of the financial year to which it relates), to assist the Trust in producing financial statements in the required format and to ensure regularity.

1.2 Status of financial regulations

These Regulations set out the financial procedures and policies of the Trust as agreed and approved by the Directors. They complement the ATH, however if there is a conflict between these procedures and the ATH, the ATH takes precedence. The conflict should be reported to the Chief Financial Officer (CFO) so that these Regulations can be changed to comply with the ATH.

The purpose of these Regulations is to ensure that the Trust maintains and develops systems of financial control that conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE). The Trust must comply with the principles of financial control outlined in the academies guidance published by the DfE in the ATH. These regulations expand on that and provide detailed information on the Trust's accounting procedures and systems and should be read by all staff involved with financial systems.

2. CORPORATE GOVERNANCE

Corporate governance is the way in which organisations are directed and controlled. In practice, it:

- Defines the distribution of rights and responsibilities among different stakeholders and participants in an organisation
- Determines the rules and procedures for making decisions on corporate affairs, including the process through which the organisation's objectives are set
- Provides the means of attaining those objectives and monitoring performance.

2.1 Academy Trust

Ventrus Limited is the legal body responsible for running the Trust.

It is a charitable company responsible for the running of the constituent academies. It has control over the land and other assets of each academy. For Church Schools, the land is owned by the Diocese and is made available so the school site can be occupied by the Trust. It has a strategic role in running the academies. Day-to-day management of each academy is delegated to the Headteacher of the academy. The Trust ensures compliance with the statutory and contractual obligations placed on academies through legislation, and their funding agreements, including acting as an employer, and leaseholder of the land.

It is required to hold an Annual General Meeting each year. The Trust, in Annual General Meetings, has the power to alter, add or to repeal any rules or bye laws made by the Directors.

Members of the Trust are listed on Appendix 1.

If any changes take place in year, the most up to date information can be found on the Trust website and GIAS (get information about schools).

2.2 Directors

The structure of governance for the Trust is constituted under the Articles of Association, which may only be amended with the permission of the Secretary of State. The Articles of Association set out the composition of the Directors and make provision for the running of the Trust. Directors of the academy are:

- Directors of the company limited by guarantee
- Trustees of the academy Trust

These names are interchangeable in practice. The Directors and Company Secretary are listed on Appendix 2.
The Directors formally agreed at the meeting held on 10 October 2014 that they and the Trust would follow the seven principles of public life proposed by Nolan Committee. See Appendix 3.

The Directors have overall responsibility for the administration of the Trust's finances. The main responsibilities of the Directors are prescribed in the FA.

The Directors are responsible for ensuring that the Trust complies with ATH Part 8 2022 (the MUSTS) of the Academy Trust Handbook and that high standards of corporate governance are maintained. The Directors should exercise their powers and functions with a view to fulfilling a largely strategic leadership role in the running of the Trust. The Directors' should focus on the three core functions of governance:

- ensuring clarity of vision, ethos and strategic direction
- holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff
- overseeing and ensuring effective financial performance.

Strategic direction

- Policy development and strategic planning, including target setting
- Agreeing policies for the sound management & administration of the Trust
- Allocating the Trust's financial, human & other resources
- Agreeing Trust KPIs
- Producing a scheme of delegation for the management of the Trust

Accountability

- Ensuring compliance with legal requirements
- Ensuring sound management of the Trust's finances and resources
- Setting the Trust's standards of conduct and values
- Holding the Chief Executive Officer (CEO) to account for the performance of the Trust
- Establishing and maintaining a transparent system of prudent and effective internal controls
- Accounting to parents, carers and other stakeholders for the performance of the constituent schools within the Trust.

Management

- Making senior appointments, in particular the CEO, who will be responsible for the implementation of all policies approved by the Directors and for the direction of teaching and the curriculum
- Delegating such powers and functions as they consider necessary to the CEO for the internal organisation, management and control of the Trust
- Ensuring that a review of the Board's and LGB's skills is undertaken to ensure that the Trust has the right skills mix

- Ensuring training and induction of new Directors
- Monitoring performance and the achievement of objectives and ensuring that plans for improvement are acted upon.

The Directors (and individuals who are not members of the Board but who have been appointed to serve on a Trust committee) have a duty to take appropriate action when there are concerns about the running of the Trust that cannot be resolved. These concerns should be recorded in minutes of the meeting at which they are raised.

3. FINANCIAL RESPONSIBILITIES

The Directors of the Trust have wide responsibilities under statute and regulations, charity law and the FA, which are not repeated in detail here. However, it is specifically responsible for ensuring that the Trust's funds are used only in accordance with:

- The law
- The Board's powers under the FA (including the Trust's Articles of Association which set out the powers of the Trust and its governance arrangements)
- The Academy Trust Handbook.

The Directors have wide discretion over the use of the Trust's funds. They are ultimately responsible for the proper stewardship of those funds and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money. It must also ensure that it uses its discretion reasonably and takes into account any and all relevant guidance on accountability or propriety.

Legally, the Trust is a company limited by guarantee and, under the terms of the Academies Act 2010, an exempt charity. The Directors, therefore, are subject to the duties and responsibilities of charitable Trustees and company directors, as well as any other conditions that the Secretary of State may require. These responsibilities are mutually reinforcing and are there to ensure the proper governance and conduct of the Trust.

The key requirements are reflected in the FA (including the Articles) and the ATH, but the Trust should be aware of the Charity Commission's guidance for academies in *Academy Schools: guidance on their regulation as charities* and two guidance notes which are relevant for the Trust Directors. These guidance notes are *The Essential Trustee: What You Need to Know, What You Need to do (CC3)* and *Internal Financial Controls for Charities (CC8)*.

The Board of Trustees should also be aware of the statutory duties of company directors, which are described in sections 170 to 181 of the Companies Act 2006, but in summary are to:

- act within their powers
- promote the success of the company
- exercise independent judgement
- exercise reasonable care, skill and diligence
- avoid conflicts of interest
- not to accept benefits from third parties
- declare interest in proposed transactions or arrangements

The FA sets out the respective responsibilities of the Board of Trustees and the accounting officer of the Trust.

3.1 Accounting Officer

The Trust's accounting officer is the CEO and they are personally responsible for financial and administrative matters as defined in the ATH.

The Accounting Officer is responsible for ensuring that the Trust is compliant with ATH Part 8 2022 (the MUSTS) of the ATH.

Detailed guidance on the role of an accounting officer is set out in Chapter 3 of HM Treasury's *Managing Public Money*. HM Treasury's handbook, *Regularity, Propriety and Value for Money* describes what these concepts mean in a financial context.

3.2 Committee structure

The Trust has set up a number of committees to help conduct business:

Risk & Audit committee

The Board of Directors has delegated parts of its responsibilities for financial oversight to the Risk & Audit committee- as detailed in the Risk & Audit committee's terms of reference (see Appendix 4). However, the full Board of Directors must approve the budget. This approval must be minuted.

The Risk & Audit committee will also provide assurance over the suitability of, and compliance with, its financial systems and controls.

The principal functions should be established in such a way as to achieve internal scrutiny that delivers objective and independent assurance. The Chair of the Trustees is not the Chair of the Risk & Audit Committee. The accounting officer and other relevant senior staff are in attendance only and are not members of the committee.

Pay committee

The Board of Directors has formed a committee to monitor and review the process which awards pay increases. Recommendations are received from the Executive Leadership Team (ELT), CEO and the CEO appraisal committee regarding the suitability of pay increases. It is the responsibility of the committee to ensure that these decisions sufficiently objective to enable confirmation of their fairness. The committee will also consider the impact of pay increases on pensions and other benefits.

3.3 Internal auditor

The work of the internal auditor is outsourced to Bishop Fleming in 2022/23.

3.4 Chief Financial Officer (CFO)

The Chief Financial Officer oversees finance and is available to support the Directors and members of the Risk & Audit committee.

Key responsibilities include:

- To lead, operate, maintain, and develop the financial procedures and systems.
- Use financial management information, especially benchmarking tools, to identify areas of relative spend, assess trends and directly advise the Executive Leadership Team accordingly.
- Monitor all accounting procedures and resolve any problems.
- Responsible for ensuring the provision of a comprehensive payroll.
- Maximize income generation within the ethos of the Trust.
- Ensure that the Trust's annual budget is fairly allocated and carefully managed.
- Advise the CEO and Directors on policies and procedures for the areas of responsibility for the future development of the Trust.
- Be the point of contact with central and other agencies regarding grant applications, gifts and other donations.
- Provide strategic vision and leadership across all non-educational functions of the Trust.
- Input into the Trust's strategic planning.
- Negotiate, manage, and monitor contracts, tenders and agreements.
- Ensure approved insurances are in place for the Trust.

3.5 Directors of School Improvement (DoSI) and Headteachers

DOSI work closely with Headteachers and the Chief Financial Officer to ensure that the proposed allocations to schools are fair and reflect the contextual demands and improvement needs of individual schools.

Each constituent school is assigned a budget as determined by the Directors. Each Headteacher is ultimately responsible for their budget, which can be sub-divided into departments within their school. For secondary schools, each department is then assigned a budget holder for a financial year. Budget holders are responsible for ensuring that their budget is appropriately spent and the priorities are met within the allocated funds. Budget holders may authorise expenditure in line with their authorisation limits within their budget. Procurement procedures to ensure value for money must always be followed - see section 10. For more expensive items, more stringent controls apply and so a longer lead-time will be required. Budget holders should ensure they requisition goods in sufficient time to allow the appropriate procurement procedures to be followed.

3.6 All staff members

Staff members should not incur any expenditure without prior approval from the appropriate budget holder. An authorised purchase requisition constitutes sufficient evidence. Expenditure incurred by a member of staff on behalf of the Trust that has not been pre authorised may not be reimbursed.

4. RISK MANAGEMENT

Risk Management is the process by which risks are identified, evaluated and controlled. It is a key element in the framework of governance. The Charities Commission requires that charities include a statement in the Trustees' annual report confirming that all major risks to which the charity is exposed have been reviewed and systems have been established to mitigate those risks.

The Risk & Audit committee review and maintain a risk register and advise the Board of Directors on risk management while the Directors determine the risk strategy of the Trust.

The Trust's insurance cover is reviewed annually by the Chief Financial Officer to ensure that it is adequate.

4.1 Fraud

The Trust have a zero tolerance to fraud and must be aware of the risk of fraud, theft and irregularity and address it by putting in place proportionate controls. Appropriate action must be taken where any fraud, theft or irregularity is suspected or identified.

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 £5,000 cumulatively in any financial year. Unusual or systematic fraud, regardless of value, must also be reported with information as set out in the ATH. This includes whether it was referred to the police and an explanation if not.

The Directors are aware that they should notify the Secretary of State, via the ESFA, of any instances of fraud or theft where the value exceeds any sum notified by the ESFA or appears to be systematic.

4.2 Whistleblowing

The Trust has a whistleblowing policy which has been approved by the Trustees and is available to all employees through the website.

4.3 Code of conduct

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

The Trust has full authority to perform financial transactions that are deemed to be in the Trust's normal course of business, or within the delegated limits listed in Part 5.20 of the ATH 2022.

All staff and Trustees must ensure that:

- Spending has been for the purpose intended.
- No Trustee, director, employee or related party has benefited personally from the use of funds.
- All Trustees have completed the register of business interests kept by the Trust and there are measures in place to manage any conflicts of interest.
- There are no payments to any Trustee unless such payments are permitted by the Articles e.g. travel expenses and (where applicable) comply with the terms of any relevant agreement entered into with

the Secretary of State. The latter includes situations 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.

- Their senior officers' payroll arrangements fully meet their tax obligations and comply with the Secretary of State's directions regarding the employment and contract arrangements of individuals on the avoidance of tax (Please see HM Treasury's *Review of off-payroll payment to public servants*).
- There is probity in the use of public funds.
- A competitive tendering policy is in place and applied.
- There is no disposal of public funded assets (subject to the thresholds set out in the ATH) without the Secretary of State's consent (through the ESFA).

4.4 Receiving gifts or hospitality

The Trust has a policy on the acceptance of gifts, hospitality, awards, prizes or any other benefit which might be seen to compromise their personal judgement or integrity (see Appendix 8). Where such benefits have been received, they are recorded in the hospitality and gifts register detailing, for each occasion, the nature of the benefit and the donor, in case of later complaint.

All gifts great than £50 must be approved by the CFO, prior to accepting. Their decision should be fully documented with regard to the propriety and regularity of the use of public funds. A record should be made in the hospitality and gifts register if the value is greater than £50.

4.5 Register of interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise, all Directors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the Trust may purchase goods or services.

Types of business interest include directorships, shareholdings or other appointments of influence within the business or organisation.

The disclosures also include business interests of relatives such as a parent or spouse or business partner where that person could influence or be influenced by a governor or a member of staff.

The register is published on the Trust website – www.ventrus.org.uk

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

The Trust must follow the rules relating to Related Party Transactions contained within the ATH (sections 5.35-5.59.

Per section 5.41 to 5.42 the Trust must obtain ESFA's prior approval, using ESFA's related party on-line form, for contracts and other agreements for the supply of goods or services to the Trust by a related party agreed on or after 1 April 2019 where any of the following limits arise:

- a contract or other agreement exceeding £20,000
- a contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £20,000 in the same financial year ending 31 August.

5. FINANCIAL MANAGEMENT & CONTROL

5.1 Financial planning

The Accounting Officer is responsible for reviewing and obtaining approval for the annual budget and three year forecast.

The Trust's financial strategy complements strategic planning and allows the Directors to:

- Set priorities and manage operations, recognising the financial climate and constraints.

- Identify and quantify future resource needs, including the need for investment.
- Evaluate strategic opportunities such as collaboration, new teaching methods and business development.
- Develop a response to funding changes.
- Manage resources effectively in a way that satisfies stakeholders without damaging the culture of the Trust.
- Mitigate financial risks.

The broad goal of the financial strategy is the financial sustainability of the Trust.

This requires a forward projection of the expected cost of normal operations, together with an informed estimate of income.

Sustainability will require a projection of investment needed in the physical estate, in technology and learning resources, in staff development and in workforce remodelling to sustain current activity and to develop desired levels of new activity which will meet the needs and expectations of students, staff and other Trust stakeholders.

5.2 School Improvement and Trust strategic objectives

Each school has its own improvement plan, which aligns with the objectives of the Trust.

5.3 Budget objectives

The annual budget reflects the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be used. There will be a clear link between strategic objectives and the budgeted use of resources. A statement of assumptions will accompany the budget.

The budget will include:

- Projected income and expenditure statement for the full financial year.
- The budget will be prepared in accordance with ESFA guidance and these financial regulations.

5.4 Budget preparation

The CEO, CFO and Head of Financial Accounting (HoFA) are responsible for preparing and obtaining approval for the annual budget. The budget is subject to scrutiny from the Risk & Audit Committee and is then approved by the Directors.

The budgetary planning process will incorporate the following elements:

- Forecasts of the likely number of pupils to estimate the amount of General Annual Grant
- Latest estimate of other ESFA funding e.g. pupil premium
- Review of other income sources available to the Trust to assess likely levels of receipts
- Review of past performance against budgets to understand the academy costs
- Identification of potential efficiency savings
- All carry forward balances
- Any unspent grants from the previous financial year
- Review of capital requirements and the available capital grants

Once the Directors have approved the budget the Accounting Officer will authorise the HoFA to enter the figures onto the computerised accounting system.

The academy Trust must submit to the ESFA, in a form and date specified by the ESFA.

The CFO is responsible for establishing a timetable that allows sufficient time for the approval process and ensures the submission date is met.

5.5 Budget for School Trips

Income and expenditure for individual school trips will not be included in the budget plan. When a trip is planned a budget will be prepared before the trip is approved. All trips where income and expenditure are not anticipated to be equal will need to be authorised by the Headteacher before they can proceed.

A provision is included at Trust level for trip income and expenditure, to cover all trips for the year.

5.6 Financial control

The academy Trust must have a robust control framework that includes:

- ensuring delegated financial authorities are complied with
- maintaining appropriate segregation of duties
- co-ordinating the planning and budgeting process
- applying discipline in financial management, including managing debtors, creditors, cash flow and monthly bank reconciliations
- planning and oversight of any capital projects
- management and oversight of assets
- regularity, propriety and value for money in the organisation's activities
- reducing the risk of fraud and theft
- independent checking of financial controls, systems, transactions and risks

The main types of financial control required are set out in the Charity Commission publication *Internal Financial Controls for Charities (CC8)*.

5.7 Budget monitoring & control

Budget holders will be informed of the funds available to them at the start of the academic year. It is the responsibility of the budget holders to manage those funds and to ensure that they are not overspent.

The accounting package has a facility that enables web budget monitoring for budget holders, negating the need for the Head of Management Accounting (HoMA) to supply reports to each budget holder. Budget holders are encouraged to keep their own records of orders placed.

At the end of Terms 1 and 2 each school will have a review meeting with the Chief Financial Officer and other Executive Officers to discuss their financial position and expectations for the remainder of the year.

Any potential overspend against the budget must in the first instance be discussed with the DoSI, the CFO and the budget holder as soon as the budget holder is aware of the problem. Authorisation for budget overspends must be obtained in line with the scheme of delegation.

The accounting system will not allow payments to be made against an overspent budget without the approval of the CFO (who will ensure appropriate authorisation has been obtained).

5.8 Financial information

The Trust must prepare management accounts every month setting out its financial performance and position. The management accounts will include the income and expenditure account, variation to budget report, cash flow and balance sheet.

Management accounts must also be shared with the Chair of Trustees every month irrespective of the size of the Trust, and with the other Trustees six times a year. The Board must consider these when it meets. The Board must ensure appropriate action is being taken to maintain financial viability including addressing variances between the budget and actual income and expenditure.

The Trust must select key financial performance indicators and measure its performance against them regularly, including analysis in its annual Trustees' report as explained in the Accounts Direction.

Management information will be sent to the Risk & Audit Committee one week in advance of any meeting using the latest reconciled information available at that time.

5.9 Changes to the approved budget

The Chief Financial Officer will recommend changes to the approved budget to the CEO and Risk & Audit committee, where budget forecasts indicate that the budget requires significant revision.

5.10 Virement

Virement is a transfer between budget codes that does not affect the overall planned surplus/deficit.

A Headteacher can authorise virements between their own cost centres. The Chief Financial Officer can authorise virements between locations (Schools). The Directors should be advised of all substantial virements.

The Chief Financial Officer can authorise the HoFA / HoMA to complete the virement on the accounting system.

The Board must approve significant changes but ESFA only need to be informed if this cannot be managed within unspent funds from previous years.

5.11 Reconciliations

The HoMA working with the HoFA is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared.

- Sales ledger control account
- Purchase ledger control account
- Payroll control account
- VAT control account
- Any suspense accounts
- Bank balance on the accounting system to the bank statements
- Trip ledger

Any unusual or long outstanding reconciling items must be brought to the attention of the Head of Financial Accounting who will review and sign all reconciliations as evidence of the review, periodic reviews will be undertaken by the Chief Financial Officer.

5.12 Central Services Recharge

The Trust provides the following central services to its academies:

- Finance services
- Human resources
- IT Services
- Legal services
- Educational support services
- Property maintenance programme
- IT licensing (core products)
- Governance support

The cost of these central services, including centralised purchasing, is apportioned between the schools on the basis of a percentage of their GAG income. At present this is 8% of GAG income but, subject to Board approval, this figure can be revised.

6. ACCOUNTING ARRANGEMENTS

6.1 Financial year

The financial year runs from 1 September to 31 August.

6.2 Basis of accounting

Financial reports are prepared in accordance with the Charities SORP and the Companies act 2006.

6.3 Format for financial statements

The financial statements will comply with the Academies Accounts Direction (AAD) issued by the ESFA for the financial year to which it applies.

6.4 Capitalisation and depreciation

Capital purchases with a value of over £1,000 will be capitalised and must be entered onto the fixed asset register. Items bought in bulk but that have an individual value below £1,000 may be recorded as an asset. The asset register should contain the following information:

- Asset description
- Asset number
- Date of acquisition
- Asset cost
- Expected useful economic life
- Depreciation
- Current book value
- Location

The asset register helps:

- Ensure that staff takes responsibility for the safe custody of assets
- Enable independent checks on the safe custody of assets, as a deterrent against theft and misuse
- To manage the effective utilisation of assets and to plan for their replacement
- Help the external auditors draw conclusions on the annual accounts and the Trust's financial system and
- Support insurance claims in the event of fire, theft, vandalism or other disasters

6.5 Depreciation of Assets

Assets over £1,000 are capitalised and depreciated over their useful life. A straight-line depreciation method is applied unless otherwise stated below.

6.6 Depreciation methods (by category of asset)

IT Equipment	3 Years
Fixtures and Fittings	4 Years
Motor Vehicles	25% reducing balance
Temporary Buildings	5-10 Years
Permanent Buildings	50 Years
Leased Buildings	Length of lease
Land - If owned	not depreciated

6.7 Revaluation of land

Every 5 years the ESFA will revalue Academy land and buildings at depreciated replacement cost in accordance with financial reporting standards. These are moderated by the Valuation Office Agency.

These valuations are for information only. It is up to the Trust, in discussion with the Board and external auditors whether it is suitable to adopt these valuations in preparing the financial statements.

Property assets are held on the balance sheet at depreciated historical cost.

6.8 Reserves

Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year.

The CEO as Accounting Officer must inform ESFA within 14 days if a deficit that cannot be managed within unspent funds from previous years, is anticipated. Where a deficit is anticipated the Trustees must ensure that a recovery plan is submitted and approved by the ESFA.

Any capital surpluses at the end of the year are carried over to the following year. The HoMA will keep accurate records of the capital funds, especially where grants have been received for capital projects.

7. ACCOUNTING RECORDS

7.1 Public access

It is a condition of the Trust's charitable status that they must publish their accounts and provide a copy to anyone who requests it. Following submission of the Trust's financial statements to the ESFA:

- The Accounting Officer will ensure that the accounts are published on the Trust website by the end of January following the financial year to which the accounts relate.
- The HoFA will provide a copy of the latest submitted accounts to any member of the public who requests it.
- The Accounting Officer will ensure that a copy of the accounts is filed with Companies house by 31 May following the financial year to which the accounts relate.

8. TAXATION

The academy pays VAT on purchases and charges VAT on outputs where appropriate. The net difference between these amounts is reclaimed by submitting a VAT return.

The Trust is exempt from the payment of Corporation Tax on its educational activities. The HoFA is responsible for monitoring non-primary purpose trading to ensure that any potential Corporation Tax implications are identified as soon as possible to ensure compliance with Corporation Tax legislation.

9. AUDIT REQUIREMENTS

9.1 External audit

The appointment of external auditors will be made by the Members under advice from the Risk & Audit Committee. The Trust should retender for the external audit contract at least every five years.

The CFO and HoFA will liaise with the Auditors to determine a suitable timeframe for the undertaking of the audit so as to meet the statutory deadlines in place from ESFA, Companies House and other such bodies, as necessary.

9.2 Internal audit

The appointment of internal auditors will be determined on an annual basis by the Risk & Audit Committee who will advise the Board of Directors of their decision. As with external auditors, internal auditors can be reappointed provided that the appointment is still within the value for money guidelines and they are carrying out suitably thorough processes.

The internal audit work programme focuses on the high risk areas identified in the risk register by:

- Evaluating the suitability of, and level of compliance with, financial and other controls. This includes assessing whether procedures are effective and efficient, and checking transactions to confirm whether agreed procedures have been followed
- Offering advice and insight to the Board on how to address weaknesses in financial and other controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of the Trust
- Ensuring all categories of risk are being adequately identified, report and managed.

The internal auditors report to the Risk & Audit Committee after each internal audit and provide an annual summary of the areas reviewed, key findings, recommendations and conclusions.

10. VALUE FOR MONEY

Value for Money (VfM) is defined in terms of economy, efficiency and effectiveness:

- Economy – Obtaining an outcome for the least possible input of resources
- Efficiency – Obtaining the best possible outcome for the resources input
- Effectiveness – Obtaining the desired outcome

The Directors are responsible for securing value for money from public funds. The Chief Financial Officer should keep under review the Trust's arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the ESFA and the National Audit Office.

Whilst the core responsibility rests with the Directors, they have delegated review of VfM to the Risk & Audit committee and day-to-day adherence to policies to the Chief Financial Officer and Head of Financial Accounting.

The Risk & Audit committee is required to assure the Directors that adequate arrangements have been put in place to secure value for money and report back to the Directors. *See Section 14 – Expenditure.*

The Accounting Officer is personally responsible to Parliament and the Accounting Officer of the ESFA for ensuring value for money. This responsibility may not be delegated.

11. TREASURY MANAGEMENT

The Trust manages its cash resources to enable it to comfortably meet its working capital requirements. The Board of Directors will seek to invest surplus funds to further the Trust's charitable aims whilst ensuring that investment risk is properly managed. Before making an investment, the Board determines if it is suitable for the Trust to invest by ensuring that by doing so, they:

- Act within their powers to invest as set out in the Articles of Association.
- Have an investment policy to manage, control and track their financial exposure and ensure value for money particularly if using unfamiliar investment techniques
- Exercise care and skill in all investment decisions, taking advice as appropriate from a professional adviser
- Ensure that security takes precedence over revenue maximisation
- Ensure that all investment decisions are in the best interests of the Trust and command broad public support

11.1 Borrowing

Academy Trusts must obtain ESFA's approval for borrowing (including finance leases and overdraft facilities) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, and regardless of the interest rate chargeable. Charge cards must only be used for business expenditure, and balances cleared before interest accrues.

The Secretary of State's general position is that academy Trusts will only be granted permission for borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes to meet broader policy objectives. For example, the Salix scheme designed to support energy saving, are available to Trusts.

11.2 Treasury management policy

The investment policy is agreed by the Directors and reviewed annually. Management of the investments is delegated to the Chief Financial Officer who liaises with external financial investors. The Chief Financial Officer must operate within the powers of the Directors.

In the absence of an investment policy, surplus funds will be placed on deposit with the Trust's bankers until such time that the Risk & Audit Committee has approved a suitable policy.

The Head of Financial Accounting will produce cash flow forecasts for the year as part of their package of monthly finance reports.

12. APPOINTMENT OF BANKERS & OTHER PROFESSIONAL ADVISERS

The Directors must approve all professional advisers to the Trust.

The opening and closing of bank accounts must be authorised by the Directors.

The Trust will ensure that in the event of changes to key personnel or Trustees, signatories will be changed immediately and the bank notified. Any online access to banking will also be removed.

12.1 Banking Arrangements

The HoMA, assisted by the Finance Manager carries out monthly bank reconciliations.

All reconciling items are resolved and the reconciliation reviewed and countersigned by the Head of Financial Accounting.

Schools should be operating as cashless where possible. In certain instances where this is not possible individual schools bank cash receipts at their earliest convenience and at least monthly, amounts not banked are kept in the safe or another suitably secure place.

13. INCOME

The School Administrators have guidelines on how income received is coded for entry in the accounting system. Where the source is not clear, the HoMA is notified and advises how the School Administrator should proceed.

13.1 Restricted Grants

Restricted funds will be restricted to the purposes for which they have been awarded and will not be used to meet general running costs.

Each restricted fund will be accounted for separately within the accounts system to ensure that they are monitored, controlled and reported on. Reports on expenditure of restricted funds are uploaded to the school's websites where this is required by the funding agreements.

13.2 Maximisation of Income

The Chief Financial Officer will be responsible for achieving the maximum grant income that is available to the constituent schools of the Trust.

Other sources of income (catering, lettings etc) should be assessed to determine their viability and the potential benefit to the Trust.

13.3 Collection of debts

The Trust chases all money due to it, which has not been paid within 30 days of an invoice being issued. This is achieved depending on how much time has elapsed since the money was due to be paid. See *13.3.1 Debt Escalation Protocol*.

If a debt remains irrecoverable after one year, or, if during the year, it becomes clear that the debt will remain unpaid, authority to write off the debt is as follows:

- Up to £100 – Headteacher (must inform Head of Financial Accounting)
- £101-£500 – Head of Financial Accounting
- £501+ - CEO (subject to 5.65 in ATH 2022)

Bad debts are only written off when the Trust has followed all reasonable practical procedures to ensure their recovery.

The DFE's prior approval is obtained if debts to be written off are above the value set out at section 5.20 of the ATH 2022.

13.3.1 Debt escalation protocol

The protocol below sets out how outstanding debts will attempt to be recovered according to the nature of the debt:

Invoiced income (e.g. lettings)

- One month – letter/email sent by the school
- Two months – referred to the HoMA
- Two months and over £1,000 – Executives notified

Trip payments for residential trips

- Contact trip organiser regarding any debts outstanding after closing date of final payment
- First letter home if trip organiser has not managed to contact parents after 7 days
- Second letter home if payment not received after 7 days

Payments for meals and other pupil debt

- Monthly review of outstanding debt by HoMA
- One month – admin phone
- Two months - send email / letter
- Three months – HoMA to chase
- Three months and over £1,000 – Executives notified

14. EXPENDITURE

All financial transactions should be of a routine and regular nature and afford value for money. Occasionally, however, situations may arise where it is necessary to enter into a transaction that does not meet these requirements. These transactions are termed novel, contentious and/or repercussive in the ATH and their definition is set out below:

- Novel transactions are those of which the academy Trust has no experience or are outside its range of normal business.
- Contentious transactions are those that might cause criticism of the Trust by Parliament, the public or the media.
- Repercussive transactions are those likely to cause pressure on other Trusts to take a similar approach and hence have wider financial implications.

Novel, contentious and/or repercussive transactions must always be referred to ESFA for approval. ESFA may need to refer such transactions to HM Treasury for approval, so the Trust should allow sufficient time for proposals to be considered.

14.1 Scheme of delegations

All expenditure is subject to authorisation in line with the scheme of delegation (See Appendix 7).

14.2 Procurement

The Trust wants to achieve the best value for money from all purchases. This means to get what is required in the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds, and to maintain the integrity of these funds the Trust will follow the general principles of:

Probity: it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust.

Accountability: the Trust is publicly accountable for its expenditure and the conduct of its affairs.

Fairness: that all those dealt with by the Trust are dealt with on a fair and equitable basis.
In purchasing goods, works and services the Trust must comply with:

- The Academy Trust Handbook
- Funding agreements with the Department for Education (DfE)
- DfE Schools Buying guidance
- Public Contracts Regulations 2015
- The Utilities Contracts Regulations 2016
- The Concession Contracts Regulations 2016

To carry out procurement the following process should be followed:

- Define need – a clear specification of the requirements is required, which should include objective, product specification, Quantity and budget.
- Determine the procurement route - Requirements across all Academies in the Trust should be included. When similar goods and services are to be purchased at different Academies the values should be aggregated to determine the procurement route. Unless they can only be treated as a business unit.
- Supplier engagement and evaluation – bidders should be treated equally and fairly and given the same information at the same time. There must be clear and transparent timescales, requirements, specification and deadlines.
- Approval – the Procurement threshold table indicates who can approve purchases
- Contract management – contract approval must be by the Chief Financial Officer and Chief Executive Officer. The contract management process is outlined in 14.7

14.3 Valuing Your Procurement and Aggregation

The Procurement Threshold table shows the purchasing thresholds and procurement routes which need to be followed when purchasing goods and services.

The splitting of purchase orders to avoid any threshold is not permitted as the following Aggregation Rules apply:

14.3.1 Goods and services

The procurement thresholds apply to the aggregate lifecycle (total) value of all requirements for the purchase or lease of goods and services of a similar type.

In judging whether supplies or services should be aggregated, consideration should be given to whether other Academies in the Trust would also be making a similar purchase from the same or different suppliers.

Aggregated lifecycle values are:
The estimated total value of all contracts/orders expected to be placed across all Academies in the Trust in the next financial year or during the term of the contract if that is longer. This should include all contracted purchase, lease and service and supplies costs relating to the procurement project for the term of the contract.

14.3.2 Works

Where a single work involves more than one contract the estimated value of all the contracts must be aggregated to decide whether the threshold is reached. Where the threshold is reached procurement for each of the works contracts must follow the upper threshold procurement process.

The table below sets out the thresholds (all values are exclusive of VAT):

Threshold band	Procurement route	Value	Delegation route
£0 - £5,000	One quote or Framework	Low	Budget holder > Head Teacher
£5,000 - £75,000	Invite 3 written quotes or Framework	Medium	Budget Holder> Head Teacher>CFO>CEO R&A / Board >£30k
£75,001 - £177,897	Ventrus Tender or Framework	High	Budget Holder> Head Teacher>CFO>CEO>Board
£177,897 excl. VAT + (£213,477 inc. VAT)	Public Contracts Regulations (PCR) compliant buying process or Framework	High	Budget Holder> Head Teacher>CFO>CEO>Board

Where 3 competitive quotes cannot be obtained e.g. restricted market, emergency purchases: approval for raising an order with the supplier must be obtained from the CFO.

All purchases greater than £30k must have approval from the Risk and Audit Committee or the Board.

14.4 Low Value Procurement £0 - £5,000

Low value procurement should be made through framework agreements where possible. A quotation must be obtained from the supplier before a purchase order can be issued.

14.4.1 Telephone and on-line orders including Amazon account purchases

Where a telephone or online order is to be made and payment will be by bank transfer and not the charge card, a quotation must be obtained from the supplier before the purchase order can be issued.

A telephone or on-line order (including Amazon Account purchases) cannot be placed until the official order has been raised in the accounting system. The order number must be quoted to the supplier to allow the invoice to be processed when received.

14.5 Medium Value Procurement - £5,001- £75,000

Where possible medium value procurement should be through a Framework.

If a Framework is not being used the following process must be followed:

£5,001 - £30,000 invite 3 to submit written quotations
£30,001 - £75,000 invite 3 to submit written quotations and gain Risk and Audit Committee / Board approval

14.6 High Value Procurement - £75,000 – PCR threshold

High value procurements with an aggregated value between £75,001 and £177,897 (excl. VAT) should be made via a Framework where possible.

Where the use of a framework is not possible, a buying process must be run, inviting at least 3 organisations to submit tenders. This will include issuing a written specification and establishing evaluation criteria.

14.7 Upper Threshold Procurement £177,897 (excl. VAT) plus

Upper Threshold Procurements are above the PCR threshold.

This section will need to be reviewed following publication of ATH 2023 and public procurement bill, which is currently under consultation.

The Procurement Bill - a summary guide to the provisions - GOV.UK (www.gov.uk)
Transforming Public Procurement - GOV.UK (www.gov.uk)

Upper Threshold procurements must be advertised publicly using the UK e-notification service https://www.gov.uk/find-tender , to give all suppliers the option to compete for the business.

The thresholds are (excl. VAT):

Suppliers	£177,897
Services	£177,897
Light Touch Regime	£663,540
Works	£4,447,448

The Light Touch Regime is a specific set of rules for certain service contracts relating to Social, Health and Education Services. These services tend to have lower interest in cross-border competition so the threshold is higher than in other services.

The following process must be followed:

- Allow 35 calendar days from publishing notice to receive expressions of interest from suppliers before the evaluation process begins. This can be reduced to 30 days if tender responses are submitted electronically.
- Evaluation criteria must be made available in the tender pack and should not be changed during the procurement process.
- Bidders are entitled to be told information relating to why they have been excluded from the process.
- A minimum cooling off period of 10 calendar days (if the notification is electronic) or 15 calendar days (if by other means) must be left between notifying all bidders of the outcome of the procurement and entering into the contract ("mandatory standstill period").
- A contract award notice must be published on Contracts Finder within 30 calendar days of the award of the contract. Contracts Finder - GOV.UK (www.gov.uk)

14.8 Tenders

Either use of a framework or a tender process is required where the contract value is over £75,000.

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

Open Tender
This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Chief Financial Officer how best to advertise for suppliers (e.g. general press, trade journals,). This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

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

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

Negotiated Tender

The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- The open tender methods have resulted in either no or unacceptable tenders.
- Only one or very few suppliers are available.
- Extreme urgency exists.
- Additional works or supplies received from the existing supplier are deemed as preparation for tender.

In the evaluation of tenders, full consideration should be given to:

- The objective of the project.
- Overall requirements.
- Technical skills required.
- After sales service requirements.
- Form of contract.

It may be useful, after all requirements have been established, to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision. The contract must be awarded to the bidder which achieves the highest score.

14.8.1 Invitation to Tender

If a restricted tender is to be used, then an invitation to tender must be issued.

An invitation to tender should include all of the following:

- Introduction and background to the project
- Scope and objectives of the project
- Technical requirements
- Implementation of the project and specific levels of service required
- Terms and conditions of tender
- Award criteria
- Timescales including decision making and work to be delivered

The following aspects will be considered in the tendering process:

Financial

- The quality of goods and services in the proposition should be considered along with the price, i.e. if a lower price means a reduced service or lower quality this should be factored in to the decision making process
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs
- The tender assessors should determine the scope for negotiation on price

Technical/Suitability

- Whether the contractor is suitably qualified
- The level of experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers

Other Considerations

- After sales service

- Financial status of supplier
- Avoidance of discrimination on the basis of the bidder’s nationality or other discriminatory measure

14.8.2 Tender acceptance procedures

The invitation to tender and tender advertisement should clearly state the date and time by which the completed tender document should be received by the Trust.

14.8.3 Tender opening procedures

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

- Chief Executive Officer or Chief Financial Officer
- A nominated Trust Director or Company Secretary

A separate record should be established to record the names of the firms submitting tenders and the amount tendered. Both people present at the tender opening must sign this record.

14.8.4 Tender evaluation procedures

- The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest, then that person must withdraw from the tendering process.
- Those involved in making a decision must take care not to accept gifts or hospitality (see policy on Gifts and Hospitality Appendix 8) from potential suppliers that could compromise or be seen to compromise their independence.
- Full records should be kept of all criteria used for evaluation and of each tender evaluation.
- For contracts of greater value than £75,000 a report should be prepared for the Risk & Audit Committee or Board highlighting the relevant issues and recommending a decision.
- Where required by the conditions attached to a specific grant from the ESFA, the agency’s approval must be obtained before the acceptance of a tender.
- The accepted tender shall be the one that is economically most advantageous to the Trust. All parties shall then be informed of the decision.

14.9 Urgent and/or Emergency Situations

In urgent and emergency situations the procurement rules can be suspended, but there must be a report made retrospectively to the Risk & Audit Committee that outlines how the procurement was conducted and why the matter was considered urgent or an emergency. A procurement that could have been started and subsequently completed within the necessary timeframe but has become urgent due to poor planning is not covered by this exemption.

Approval for raising an order with the supplier in urgent and emergency situations must be obtained from the CFO.

14.10 Contracts Registers

A register of contracts placed must be maintained. The Head of Financial Accounting will record details onto this Register within 14 days of completing the relevant contract.

The contract should clearly set out:

- Detailed and accurate specification of works/goods
- Timeline relevant to the project
- Quality controls
- The agreed fees, charges and payment dates
- Contract expiry and notice dates, including clarification about roll on terms

Contracts should ideally be reviewed six months in advance of their termination date.

14.11 Receipt of goods

The budget holder must make or oversee appropriate arrangements for the delivery of goods to the Trust. Upon receipt of goods, a member of Trust staff should sign for receipt of the number of packages being delivered. The delivery docket should be signed unchecked.

A member of the office staff should check goods against the delivery note and the original order. A record of any discrepancies between the goods delivered and the Goods Received Note (GRN) should be made.

The GRN must be authorised by the person checking the goods to confirm the quantity and quality of the goods. The School Administrator should report discrepancies to the supplier of the goods without delay and make any arrangements as necessary.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the School Administrator should ensure a credit note or refund is obtained.

The GRN is retained electronically and is linked to the invoice in the accounts system.

14.12 Payment of invoices

Payments are not to be made from statements or ‘brought forward balances’.

A School Administrator or central finance assistant must check all invoices to ensure:

- Details agree with the order and online GRN
- It is an invoice and not a statement
- It is addressed properly
- Discount rates are correct
- VAT is correct and accounted for properly
- If it is a non-order invoice it is checked to ensure that it is not a duplicate.

Invoices should be sent to the Finance Department for processing on the finance system.

Generation of BACS run

The Finance Manager will generate a proposed payment run at least monthly. The proposed payment run is reviewed and approved by the HoFA and HoMA or either one in the absence of the other.

Any variances between the draft payment run and the final payment run within the accounting system must be reconciled and approved by the HoMA or HoFA if absent.

The BACS report from PSF must then be approved by the HoFA or HoMA, if absent, before it is uploaded to the bank.

The BACS run will then be uploaded to the Trust online bank system for payment by the Finance Manager. The BACS payment is then approved by the HoMA and HoFA. If one is absent an alternative approved bank signatory will authorise.

14.13 Charge Card

The school charge card is to be used only by the person who is named on the card. Use of the cards is normally restricted to transactions that can only be carried out online, are of low value and one off spend which cannot be purchased through other means. Charge cards are not a suitable method to procure repeat items or higher value goods. Hard copy receipts are retained for all card transactions.

The charge card should be kept securely at all times on the school premises or with the person named on the card.

15. STAFF REIMBURSEMENT

15.1 General Principles

It is the Trust's policy to ensure that members of staff are reimbursed promptly and appropriately for expenses incurred on Trust business. However, it should be stressed that it is the responsibility of each staff member to ensure that costs are appropriate and reasonable. Any attempt knowingly or otherwise to claim expenses in breach of the Travel and Expenses Policy (Appendix 5) will result in disciplinary action.

It is also the Trust's policy to ensure the best use of public monies at all times, taking into account the nature of its business.

Members of staff are expected to display prudence with respect to business related expenses and at all times to base their business spending decisions on the best interests of the Trust. Only actual expenses incurred in accordance with the travel guidelines and in the course and interest of the Trust's business will be reimbursed to employees.

15.2 Travel Claims

Rates payable for Travel are set out in the Staff Expenses and Travel Policy in accordance with HMRC AMAP (Approved Mileage Allowance Payments) rates.

An authorised travel claim form will be required plus any corresponding receipts for expenses claims. For mileage claims, a VAT receipt for fuel dated on or before the date travelled will be requested. Reimbursement will be made via BACS and the employee will receive an email remittance at the time of payment.

15.3 Entertaining visitors

Staff may entertain visitors and guests only where it is within budgetary limits and is likely to help the Trust to further its business objectives. Advance approval from the Headteacher is required and in-house facilities should be utilised whenever possible. The names of each person attending must be noted on the claim, identifying which attendees are from the Trust, which are external guests, what organisations these guests are from and how an association with them or their organisation may be beneficial to the Trust.

Subject to these constraints and those in relation to the Gifts and Hospitality Policy set out in Appendix 8, staff may claim reasonable and appropriate entertaining expenses.

15.4 Entertaining staff

The cost of entertaining other Trust staff is not reimbursable.

15.5 Reimbursement of expenses

Expenses will only be reimbursed if they are:

- Supported by detailed VAT receipts
- Submitted on the Trust Staff Expenses claim form
- Submitted within the month following the term in which they are incurred
- Fully completed
- Appropriately authorised
- Claimed in line with these Financial Regulations.

In exceptional circumstances, the Trust may consider reimbursing minor claims for travel without the back-up receipt (e.g. the use of a prepaid Oyster card to travel on Trust business where no receipt is currently issued, Underground tickets that are retained as you pass through the ticket barrier etc.). Staff need to give a full explanation to explain why no receipt is available and must include this on the expense claim form before getting approval from the budget holder.

In claiming reimbursement, staff must confirm both that the expenses have been incurred and that the Trust business to which they relate has been carried out in the manner most cost effective to the Trust in the circumstances.

Authorised expenses submitted in line with this policy on the required forms will be paid directly into the staff member's bank or building society account on a monthly basis via BACS. The Finance Department must receive claims on or before the sixth working day of each month for payment at the end of that month.

16. PAY EXPENDITURE

16.1 Pay policy

The Trust has a Pay Policy which is updated annually and can be found on the Trust's website.

16.2 Payroll

The Trust's payroll services are managed in-house.

16.3 Appointment of staff & contractual changes

The CEO, CFO, DoSI and Headteachers have authority to appoint staff within the Trust. External job vacancies are processed via Networx and require DoSI approval prior to publication and take account of budgetary considerations. Central team vacancies can be approved by either the CEO or CFO.

All school personnel changes must be notified, in writing, to the DoSI who will approve and pass details of the change to the Employee Services. The CEO or CFO can approve central team changes. All changes should be via the standard pro-forma documents.

School leaver forms are approved by the Headteacher and sent to Employee Services.

All contractual changes are record on the Starters, Leavers and Changes (SLC) log, this is made available to a number of key staff for review and information.

Employee Services maintain personnel files for all members of staff and include contracts of employment. New contracts & contractual change documents are prepared by either the Employee Services Administrator (ESA) or Employee Service Supervisor (ESS) and are reviewed by either the Employee Services Lead (ESL) or Payroll & Pensions Specialist (PPS). Documents are marked as approved on the SLC and are then issued digitally to the recipient via Docusign.

The ESL crosschecks entries made to the HR/payroll software against the SLC for the month being processed. Any items from the HR/payroll software not matched on SLC are queried with the relevant school.

16.4 Salaries & wages

Employee Services will collect and collate all paperwork relating to appointments, terminations and all other contract variations in addition to entering these amendments to the HR/payroll software (by ESA/ESS). The ESL completes the payroll processing ensuring accuracy from a payroll perspective. All amendments to payroll are reviewed by the PPS. The completion of this review is entered onto the SLA.

In adherence to the sickness and absence policy, any instances of sickness or other absence during the month are recorded on the HR/payroll software. Employee Services collates a list of all absence records input by School Administrators since the previous absence report cut-off (usually around 17th of the month).

The ESL ensures that all unpaid leave is deducted where necessary, these are reviewed by the PSP. Sickness schedules are prepared that require a reduction in pay, supporting SSP calculations are included. Absence letters are then sent where required.

All overtime and supply payments are authorised by the claimant's line manager and collated in each School. These are to be returned to the Lead Payroll Officer by the 5th of the month following the month of the claim for processing in that month's payroll. All are entered onto the payroll software with the ESL crosschecking an export against the original submissions along with ensuring all rates are in accordance with approved rates.

Other adjustments required in the month include maternity pay, attachment of earnings orders and sundry roll forward items e.g. childcare vouchers, cycle schemes, amendments relating to a previous pay period, AVCs, any HMRC notices etc. These are all process the HR/payroll software. The PPS reviews all items. Instances of maternity, paternity, adoption and shared parental leave are treated in accordance with the relevant policy.

A review of the National Insurance category of all staff is conducted each month by ESL taking account of the individual's age and state pension date as applicable. Changes to support staff pay stemming from incremental increases received after 6 months for new starters and annual leave entitlements for staff reaching 5 years' service are processed and reviewed by the PPS. The PPS uses the HR/payroll software process to import changes to tax codes and student/post graduate loans received from HMRC in the period. The PPS will check notices received on the HMRC portal.

Details regarding overtime, unpaid leave, staff on family leave, starters, leavers and changes are sent to each respective Headteacher each month, for review and authorisation. 24 hours is given to inform Employee Services of any corrections required. It is accepted that due to the needs of the school and the timing of school holidays that it may not be possible to return the document within this timescale. There is an implied acceptance with a nil return on the basis that any query notified past the deadline can be actioned in a subsequent pay period. All returned forms are saved with the payroll files for that month.

Headteachers are also provided with termly staffing lists including allowances for review and awareness. Periodic budget meetings include a line-by-line review of school staffing.

The ESL and PPS compare the current month gross pay to that of the previous month for all staff members (variance report). Differences of >£50 are reviewed and reasons noted.

Further pension checks are completed to ensure that employee pension band calculations are correct and that employer contributions are consistent with the scheme. Notes are recorded for values that do not align with the standard contribution rates.

The payment summary report from within the payroll software which lists each individual net wages payment is compared to the uploaded draft BACS file line by line. Once this is complete the HoFA will sign the variance report. The BACS file is uploaded by the Finance Manager then approved at the bank by the PSP and HoFA (or HoMA if absent).

Each month the PPS will circulate a number of reports to the CFO. These include a list of starters, leavers and changes for that month, a list of overtime/supply in the period and a summary report at School level listing the value of the supply/overtime each month.

The PPS will prepare a monthly payroll summary report showing month on month variances and this report will be used to update the Risk and Audit Committee.

16.5 Pension administration and Annual processes

The processes are shown in Appendix 9.

16.6 Payments

All wages payments will be made via BACS. In the event that an employee provides EST with non-valid bank account details i.e. the bank flags an error upon BACS file upload, that person is removed from the BACS run until their bank details are confirmed, authorised and corrected. The BACS file is re-run without that person and the file uploaded again. The person will then receive a separate manual payment in due course.

Payroll entries will be posted to the finance system via automated journal postings. This will be made to the appropriate control account and to the applicable individual cost centre. The PPS will reconcile these Balance Sheet control accounts each month and the HoFA will review. The HoMA will check salary expenditure against budget on a monthly basis.

An additional journal is required for the Apprentice Levy. PPS checks the P32 report for the value for that month and the cost is spread pro-rata to all schools based upon their GAG funding level for the financial year.

Employee Services will complete all year end returns i.e. HMRC returns, Teacher Pension Agency returns, Local Government Pension Scheme returns.

The ESL prepares and files all applicable monthly submissions including, but not limited to, those related to Teachers' Pension Scheme, Local Government Pension Scheme and HMRC. Pension scheme annual returns are completed in conjunction with the PPS.

A list of all payroll related payments is provided to the Finance Manager by the ESL on a monthly basis. These are reviewed by the HoFA and the BACS payment is approved by the PPS and HoFA (HoMA if absent).

16.5.1 Travel allowances & other allowances

Staff reimbursements are covered in section 15 of these regulations.

16.7 Allowances for Members or the Directors

- It is illegal for Members or the Directorship to receive any remuneration for their work as Trustees, other than payment of all reasonable out of pocket travel, accommodation or other expenses legitimately incurred by them in connection with their attendance at meetings or acting in their capacity as a Director.
- No Member or Director may hold any interest in property belonging to the Trust nor may they receive remuneration in respect of any contract to which the Trust is a party.
- Directors may be paid the usual professional fees for business undertaken by any of them (for example as a solicitor, accountant etc) when instructed by the Board to act in a professional capacity on behalf of the Trust.
- Such payment should be regarded as exceptional and the Directors should be clear of the scope and nature of the work to be undertaken in such a case. This exception (to remunerate Directors) is only allowable if at no time a majority of the Directors is engaged in such a professional capacity.
- No professional fees charged by Directors shall include a profit element and must be charged at cost price. The onus is on the Director with whom the transaction occurs to prove that this is the case.
- By engaging with the Trust, the Director agrees for the transactions to be disclosed within the audited financial statements should they meet the criteria stated in the ATH.

16.8 Severance & non-recurring payments

The information below has been quoted from the most up to date Academy Trust Handbook.

Special staff severance payments

Special staff severance payments are paid to employees outside statutory or contractual requirements when leaving public employment. They are different to ex gratia payments.

If an academy Trust is considering a staff severance payment above statutory or contractual entitlements, it must consider the following issues before making a binding commitment:

- that the proposed payment is in the Trust's interests
- whether the payment is justified, based on legal assessment of the Trust's chances of successfully defending the case at employment tribunal. If there is a significant prospect of losing the case, a settlement may be justified, especially if the costs of a defence are likely to be high. Where a legal assessment suggests the Trust is likely to be successful, a settlement should not be offered
- if the settlement is justified, the Trust would need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an employment tribunal) is likely to award

Staff severance payments should not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance. The only acceptable rationale in the case of gross misconduct would be where legal advice is that the claimant is likely to succeed in an employment tribunal 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 capability procedures.

The academy Trust has delegated authority to approve individual staff severance payments provided any non-statutory/non-contractual element is under £50,000 gross (i.e. before income tax or other deductions). Where the Trust is considering a non-statutory/non-contractual payment of £50,000 or more, (gross, before deductions), ESFA's prior approval must be obtained before making any binding offer to staff. ESFA will refer such transactions to HM Treasury, so Trusts should allow sufficient time for proposals to be considered. Examples of approval requirements are as follows:

Statutory/contractual payment	Non-statutory/non- contractual payment	ESFA HM Treasury approval required?
£30,000 +	£30,000	No
£60,000 +	£30,000	No
£30,000 +	£50,000	Yes – for £50,000

Academy Trusts should demonstrate value for money by applying the same scrutiny to a payment under £50,000 as those over £50,000 and have a justified business case. Settlements must not be accepted unless satisfying the conditions in this handbook and in ESFA's guidance and submission template.

Additionally, in accordance with HM Treasury's Guidance on Public Sector Exit Payments, academy Trusts must obtain prior ESFA approval before making a staff severance payment where:

- an exit package which includes a special severance payment is at, or above, £100,000 and/or
- the employee earns over £150,000.

Use of confidentiality clauses

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

Compensation payments

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

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

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

Ex gratia payments

Ex gratia payments are another type of transaction going beyond statutory or contractual cover, or administrative rules. Annex 4.13 of Managing Public Money provides examples, including payments to meet hardship caused by official failure or delay, and to avoid legal action due to official inadequacy.

Ex gratia transactions must always be referred to ESFA for prior approval. HM Treasury approval may also be needed. If Trusts are in doubt about a proposed transaction, they should seek ESFA advice.

17. 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; 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 Trust may dispose of any other fixed asset (i.e. other than land, buildings and heritage assets as described above) without the approval of the ESFA.

The Trust must ensure that any disposal maintains the principles of regularity, propriety and value for money and achieve the best price that can be reasonably obtained. This may involve public sale where the assets have a residual value.

Some property transactions may be novel, contentious or repercussive and so require the consent of the ESFA on that basis (see the definition for novel, contentious or repercussive transactions in section 14 of these regulations).

17.1 Land, buildings, fixed plant & machinery

The Trust must seek and obtain explicit and prior approval from the ESFA, before:

- Entering into any freehold sales or purchases.
- Granting any leasehold or tenancy agreement, regardless of length; or
- Taking up any leasehold or tenancy agreement for more than seven years.

17.2 Asset register

An inventory of assets with a value below £1,000 but deemed as desirable is kept for each school on IRIS Assets and is reviewed on an ongoing basis.

Examples of items to include on the asset register include:

- ICT hardware and software
- Furniture
- AVA equipment – TVs, OHPs, cameras
- Cleaning equipment – vacuum cleaners, polishers
- Catering equipment – ovens, fridges, dishwashers, food processors
- Technology equipment – sewing machines, design and craft machinery
- Premises equipment – lawn mowers, power tools, generators
- Other equipment – musical instruments, PE equipment
- Mini buses

17.3 Safeguarding Assets

Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores. All the items in the register should be permanently and visibly marked as the Trust's property and there be an annual count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Directors. Inventories of Trust property should be kept up to date and reviewed regularly. It should be noted, where items are used by the Trust but do not belong to it.

17.4 Loan of Assets

Items of Trust property must not be removed from Trust premises without the authority of the Headteacher.

Teachers are responsible for assets in their care and should ensure their safekeeping. They should make sure that a record is kept of any departmental assets that are borrowed by staff or students and that these are properly insured off-site. A record of the loan must be recorded in a loan book and recorded when it is returned and GDPR must not be compromised.

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 will be reviewed by the Chief Financial Officer.

17.5 Disposal of Assets

The Trust's asset disposal policy is in line with the Funding Agreement and ATH. See Appendix 6.

17.6 Leases

In considering leases, the Trust needs to be aware that there are two types of leases:

- finance leases: these are a form of borrowing
- operating leases: these are not borrowing

Trusts **must** obtain ESFA's prior approval for the following leasing transactions:

- taking up a finance lease on any asset for any duration from another party
- taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party

Other than the above, Trusts do not require ESFA's approval for operating leases.

Trusts **must** ensure any lease maintains the principles of value for money, regularity and propriety. Trusts should seek advice from their professional adviser and/or external auditor if they are in doubt over whether a lease involves borrowing.

18. INSURANCE

The Accounting Officer and Chief Financial Officer will ensure the Trust has adequate insurance cover to support its activities and to comply with statutory requirements. Cover will be provided by the RPA.

Insurance in excess of this above will be subject to the individual risk assessment by the Trust's Chief Financial Officer to determine whether the policy concerned would represent value for money (e.g. insurance against cyber risk).

19. ENERGY MANAGEMENT

The School Administrators are responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis.

The Head of Premises ensures that the Trust's heating systems are operated as efficiently as possible.

The Chief Financial Officer ensures that the Trust is purchasing energy at a competitive price.

All staff have the responsibility to work in an energy efficient manner at all times (e.g., turning off computers, lights and heating when not required).

20. SECURITY

20.1 Accounting system

The Trust uses a sector leading accounting package.

The system is operated by the Finance Department. All new users are trained in the use of the system.

20.2 System access

Entry to the system is restricted. There is restricted access to the component parts .

Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.

Accounting transaction records

Accounting records should be properly maintained and held securely, vouchers or other documents relating to financial transactions should be stored for 7 years in accordance with the Companies Act and all financial transactions should be traceable from the original documentation to the accounting records and vice versa.

20.3 Backup procedures

Offsite backup of the accounting system is automatically done on a regular basis to ensure that financial data is accessible.

APPENDIX 1: MEMBERS OF THE TRUST

- EDEN – Exeter Diocesan Education Network
- University of Exeter
- Nathalie Ingles
- James Hutchinson

APPENDIX 2: DIRECTORS AND COMPANY SECRETARY

Directors:

- Nathalie Ingles (Chair of the Board)
- Hugh Whittaker
- Gary Chown (Chief Executive Officer)
- Caroline Thomas
- David Edwards
- Macdonald Muzvimwe

Company Secretary:

- Bridget Atkins

APPENDIX 3: SEVEN PRINCIPLES OF PUBLIC LIFE

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

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

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

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

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

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

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

APPENDIX 4: RISK & AUDIT COMMITTEE TERMS OF REFERENCE

- Report to the Trust Board every term
- Provide an annual summary report provided by the internal auditor. Including areas reviewed, key findings, recommendations and conclusions
- Advise Board on effectiveness of the external and internal auditors including basis for reappointment, dismissal, retendering or remuneration
- Ensure co-ordination between internal and external audit and any other relevant review bodies
- Consider audit reports and, when appropriate, advise the Board of material control issues
- Provide minutes of all meetings for review at Board meetings
- Review external auditor's plan each year
- Review the annual report and accounts
- Review auditor's finding and actions taken by the Trust's SLT in response
- Produce an annual report of the committee's conclusion to advise the Board and Members
- Take delegated responsibility on behalf of the Board for examining and reviewing all systems and methods of control, including risk analysis and risk management
- Ensuring compliance with overall requirements for internal scrutiny, as specified in the AHT
- Conduct a regular review of the risk register and oversee the annual review
- Agree annual programme of internal scrutiny / audit
- Advise Trustees on adequacy and effectiveness of the Trust's systems of internal control, governance and risk management processes

APPENDIX 5: TRAVEL & EXPENSES POLICY

See separate Travel and Expenses policy.

APPENDIX 6: ASSET DISPOSAL POLICY

Disposal of Assets
Assets may be available for disposal for a number of reasons, e.g.

- Beyond repair
- No longer complying with Health and Safety requirements
- No longer required due to changed procedures or functions
- Not capable of running required software

All requests for disposal must be submitted to the Chief Financial Officer and then approved by the Risk & Audit Committee. The best possible value must be obtained in the disposal of assets. Acceptable methods of disposal are:

Private Sale
To ensure a fair price is received, a market valuation should be obtained. The sale should be publicised appropriately, via advertising or e-mailing and could be sold to the first person to make an offer or via sealed bids, as appropriate.

Donation to an appropriate organisation
All donations must be approved by the Board of Directors.

Recycled or Destroyed
Items with no market value or no use to another organisation should be appropriately and safely destroyed. The asset disposal should be approved by the Headteacher.

General disposal procedures

- Identify asset for disposal

- Determine market value
- Headteachers approve disposal
- Select the best disposal method
- Ensure that the Waste Electrical & Electronic Equipment (WEEE) has been complied with
- Record disposal in the asset register

Sale or donation of ICT equipment - specifics

- All hard disc contents should be erased and re-installed and software licences should be removed. Where ICT equipment is disposed of a certificate is required to confirm that all contents has been erased in accordance with the GDPR regulations.
- The recipient of the equipment should be advised in writing that Ventrus Multi Academy Trust will not be liable for any Health and Safety issues surrounding the use of the equipment

Disposal Limits

The Secretary of State's consent is obtained before the disposal of any asset for which capital grant income of over £20,000 was received, or where land or buildings have been transferred from the LA at no cost to the Trust.

If within any one academic year (Sept-Aug) the Trust disposes of items which collectively originally attracted capital grant income of more than £20,000 then the DfE should be informed.

Disposal authorisation should include justification that the asset has become obsolete to the Trust. Assets judged to be obsolete should be destroyed or sold for maximum value.

Funds gained as proceeds from the sale of fixed assets should be maximised. If the sale proceeds are not reinvested, the Trust must repay to the Secretary of State the same proportion of the proceeds as equates to the proportion paid for the acquisition of the fixed asset. The proceeds from the sale of the assets acquired with grant income from the Secretary of State cannot be used as the Trust's contribution to further grant aided projects or purchases.

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

Disposal of land must be agreed in advance with the Secretary of State.

APPENDIX 7: SUMMARY OF SCHEME OF DELEGATED AUTHORITIES

See Finance policy.

APPENDIX 8: GIFTS & HOSPITALITY POLICY

The Gifts and Hospitality Policy of the Trust is intended to assist all staff members in following the various Trust guidance and relevant legislation on the giving and receipt of hospitality or gifts. The policy covers both the receipt and delivery of hospitality and gifts to / by members of staff, in their capacity as employees of the Trust.

The term 'gifts' is deemed to include:

- Goods provided for personal or other private use
- Personal services
- Loans of equipment, vehicles etc for personal use

- The provision of goods and/or services at preferential cost (including loans of money) for personal or other private use.

The term ‘hospitality’ is deemed to include the offer or receipt of:
- Food and drink.
- Travel.
- Accommodation
- Entertainment.

Legal Framework & National Guidance

Prevention of Corruption in the Public Sector
Under the Prevention of Corruption Acts, 1906 and 1916, it is an offence for employees corruptly to accept any gifts or consideration as an inducement or reward for:
- Doing, or refraining from doing, anything in their official capacity
- Showing favour or disfavour to any person in their official capacity.

Under the 1916 Act, any money, gift or consideration received by an employee in public service from a person or organisation holding or seeking to obtain a contract will be deemed to have been received corruptly unless the employee proves to the contrary.

General Principles
The Trust is responsible for ensuring the guidelines are brought to the attention of all employees and that a framework is put in place to ensure they are effectively implemented.

It is the responsibility of staff to ensure that they are not placed in a position which risks, or appears to risk, conflict between their private interests and their duties at the Trust. This applies to both staff who commit resources directly (e.g. the ordering of goods or services) or indirectly (e.g. by policy development).

The provisions of the policy shall be held to apply to all staff members. There is no seniority threshold. In cases of doubt, individuals should clear acceptance of gifts or hospitality with the Chief Financial Officer.

Each employee has a personal responsibility to declare hospitality and gifts in accordance with the policy. Non-compliance with the policy may lead to disciplinary action. Members of staff also need to be aware that a breach of the provisions under legislation may make them liable to prosecution and may also lead to loss of employment and pension rights.

Hospitality or gifts greater than £50 accepted should be entered on a Gifts and Hospitality Register maintained within the Finance Office. It should be noted that this Register is not a confidential document and should be made available to interested parties on request.

It is the responsibility of the Chief Financial Officer to periodically review the Gifts and Hospitality register.

Receipt of Hospitality

Acceptable Hospitality
Modest hospitality is an accepted courtesy of a business relationship. However, the recipient should not allow themselves to reach a position whereby he or she might be deemed by others to have been influenced in making a business decision as a consequence of accepting such hospitality.

The frequency and scale of hospitality accepted should not be significantly greater than the recipient's employer would be likely to provide in return.

Any hospitality accepted of a value exceeding £50 should be recorded on the register.

Unacceptable Hospitality
Any hospitality which does not fulfil the criteria above will be unacceptable. Where this is not easy to decide, the offer should be declined or advice sought from the Chief Financial Officer. Any significant hospitality offered to Trust employees whether accepted or declined should be recorded in the register.

Commercial Sponsorship
As a general principle, all offers of hospitality received from commercial third parties should be refused. Attendance at relevant commercially sponsored conferences and courses is acceptable but only where acceptance will not and cannot be seen as compromising purchasing or other decisions in any way. Receipt or provision of such sponsorship should be recorded in the register.

Employees should pay particular attention to the circumstances in which hospitality is offered. The provision of hospitality by an individual or organisation is not acceptable in the following circumstances:

- During a tendering process or where a contract is shortly to end
- Where performance of the contract is in question
- In any other circumstances where acceptance might compromise the position of the employee or of the Trust.

Provision of Hospitality
The provision of hospitality by employees of the Trust to representatives of other organisations should be modest and appropriate to the circumstances.

Provision of hospitality by the Trust to employees or others would not normally be appropriate except in the case of working lunches in the course of meetings or workshops.

The use of the Trust monies for hospitality and entertainment at conferences and seminars should be carefully considered. The Trust needs to be able to demonstrate good value in incurring public expenditure.

Note that where individuals have accepted hospitality from another organisation (e.g. in order to fulfil a speaking engagement) this should be of a value equivalent to that normally provided by the Trust and there is no further entitlement to claim expenses from the Trust.

Hospitality must be secondary to the purpose of any meeting and the level must be appropriate and in proportion to the event. The costs involved must not exceed the level which the recipients would normally adopt when paying for themselves at such an event or that which could be reciprocated by the Trust.

Acceptance of gifts
Employees should not accept gifts which may be or be capable of being construed as being able to influence a purchasing decision or cast doubt on the integrity of such decisions.

Personal gifts offered by parents and students to members of staff, for example, at holiday or end of term times, should be recorded on the Gifts and Hospitality Register if the estimated value is in excess of £50.

In certain instances, for example, where a class contributes collectively, gifts greater than a value of £50 up to a maximum value of £250 may be accepted but must be recorded on the Gifts and Hospitality Register.

Where it is difficult to decide whether a gift should be accepted or not, advice should be sought from the Chief Financial Officer.

Commercial or corporate business gifts and donations made to the Trust, other than items of very small intrinsic value, should be reported separately to the Chief Financial Officer and added to the register.

Presents and donations to the Trust or a Department should be reported and added to the register. It is at the discretion of individual members of the Executive Leadership Team as to whether or not the gift may be kept by an individual.

All gifts or hospitality received valued at over £50 shall be acknowledged in writing and a copy of that acknowledgement shall forwarded to and be held on file by the Finance Office.

Giving of gifts
Charitable donations should not be given by any member of staff, on behalf of the Trust.

Monetary gifts
The acceptance or giving of cash is not allowable in any circumstance.

Records of Hospitality and Gifts
All gifts and hospitality must be recorded on the Gifts and Hospitality Register. When in doubt, employees are advised to record any matters concerning gifts and hospitality which may be covered by this policy to ensure that an individual does not expose themselves to risk.

The information required for the hospitality and gifts register is set out below:

- Date of entry
- Name of recipient / provider
- Job title
- Nature and purpose of hospitality or gift received or provided
- The name of any other organisation involved
- Estimated value

Submissions should be made as soon as is practically possible.

If employees have any doubt about whether an item should or should not be recorded, they are advised to record it.

The Gifts and Hospitality register will be reviewed annually by the Internal Auditor (as arranged by the Board of Directors) and from time to time by the Chief Financial Officer.

APPENDIX 9: PENSION ADMINISTRATION AND ANNUAL PROCESS

PENSION ADMINISTRATION
Significant attention is paid to pension compliance during the main payroll processes. This includes checking (and overriding where appropriate) contribution rates for staff on family leave or occupational sick leave for Teachers' Pensions. For LGPS, amendments for assumed pensionable pay may be required for such absences.

Post period end there are several returns to complete. ESL/PPS complete the Leavers Interface together and submit this to Peninsula Pensions. ESL completes and returns the Starters & Changes Interface including monthly CARE Pay return. The CARE pay return includes additional work subtotalling monthly pensionable pay and contributions and ensuring casual staff with nil pay YTD are manually added to the return. The EAS5 form is completed and returned by ESL, this is reconciled to the pension analysis report for both current month and YTD.

ESL/PPS work together to complete the MCR submission required each month for Teachers' Pensions. Care is taken to ensure that manual adjustments are reviewed by the other person and screen sharing via Microsoft Teams is used to facilitate this. The submission is reconciled against SLC for starters and leavers declarations and payroll records to ensure that all relevant adjustments are made e.g. maternity, unpaid leave, absence, contract changes etc. The output totals are checked against the pension analysis report prior to submission. The TPS bank payment is not approved until the MCR return has been marked as successfully received by TPS via email confirmation/secure message on the TPS website.

It is possible for staff to have faster accruals or additional years in the main TPS/LGPS schemes. Payroll is notified where these apply and schedules are retained in the monthly roll forward section for checking each month. It is also possible for support staff and teachers to elect to pay Additional Voluntary Contributions (AVC) to Prudential. Payroll is notified where AVCs apply and ESL ensures all AVC are reflected in the HR/payroll software. Schedules are retained in the monthly roll forward section for checking. ESL submits interfaces to Prudential for both the support staff and teaching AVC schemes ensuring this reconciles to the payments & deductions report from the HR/payroll software.

ANNUAL PROCESS

ESL and PPS complete the payroll y/e together. The HR/payroll software providers usually have a software update that is required before new year processing can begin. As a Cloud customer this is completed on our behalf. The HR/payroll software providers produce a payroll y/e guide each year that ESL/PPS follow. This covers importing and checking statutory values for the new tax year, issuing P60s via the pay portal, creating new pay periods etc.

Annual changes to pension contribution tier bandings for TPS/LGPS are entered and checked by ESL and PPS. Any employer contribution rate changes are made in the same manner.

The LGPS Annual Return is completed by ESL/PPS. ESL checks annual totals against the pension analysis reports. The final return is approved by CFO prior to submission.

The TPS End of Year Certificate (EOYC) process require an external audit of the data. PPS provides the auditors with the information they require and ESL uploads the relevant output files to the TPS website.

In line with Pension Regulator rules it is necessary to re-enrol staff into an appropriate pension scheme on a triennial basis. ESL/PPS work through this process together and ESL issues letters to staff being re-enrolled. ESL/PPS complete the appropriate declarations with the Pension Regulator. Any staff re-enrolled that subsequently opt-out of the scheme again are dealt with in the normal manner and may be entitled to a refund of contributions depending upon the date of opt-out.

Eligible NJC support staff receive an incremental increase within their pay band on 1 April each year. This is an automated process in the HR/payroll software – PPS & ESL run the process and check the outputs are as expected. New staff are eligible to receive an increment after 6 months of service where they commence service between 1 October and 31 March. PPS produces a list of staff eligible for 6 month increments, these employment history lines have bar dates included to ensure that they do not receive an automated increment on 1 April. This list is then used as prompt for the manual changes to be made in subsequent months.

Support staff cost of living increases are usually effective from 1 April. Where these have been agreed and approved with trade unions in advance of this date the HR/payroll software is updated to the new pay scales and the new salary values are applied for all staff. PPS/ESL will check that all contract values reflect the updated scale values. In the scenario where the pay award is agreed late there is a requirement for back pay to be paid and this leads to significant additional work. PPS will complete the back pay workings and ESL will review and sense check. ESL imports the figures into the HR/payroll software where further work linking pension schemes is required. Final review of workings is completed via the monthly increases/decreases checking noted above.

Pay awards for teachers are agreed nationally and form the basis of the annual STPCD document. The figures included within STPCD are incorporated into the Ventrus Pay Policy which is approved each Autumn. Once the Pay Policy has been approved by Pay Committee, PPS/ESL ensure that the new salary and allowance figures are reflected in the HR/payroll software and back pay for the period back to 1 September is calculated and processed.

Pay progression for teaching staff is effective from 1 September. To facilitate the prompt processing of the increases, ESL provides DOSI with a current teaching staff list. This list includes details of prior year progression and relevant notes from previous years. DOSI liaise with Headteachers and return a completed spreadsheet to ESL listing the new pay points for the year ahead. ESL/PPS then process the changes taking care to add bar dates to staff not changing pay point this year e.g. those that are Year 1 of UPS1. The automated process in the HR/payroll software is then used to process the incremental increases. Back pay is calculated and processed where applicable. Adjustments required to the MCR submission to Teachers' Pensions are made in that month's submission.

Following the completion of the pay award and pay progression processes, ESL produces salary statements for all teaching staff. These are emailed to Headteachers in pdf form for dissemination to the staff in their schools.

POLICY HISTORY			
Version/Date	**Summary of Change**	**Implementation Date**	**Review Date**
Summer 2019	Jasmin Norton removed from Appendix 2	Nov 2020	Nov 2021
Summer 2019	References to AFH 2019 amended to AFH 2020 following update	Nov 2020	Nov 2021
Summer 2019	Reference of 3.4.2 under 13.3 updated to 5.64 in line with AFH 2020	Nov 2020	Nov 2021
Summer 2019	EU procurement thresholds updated under 14.6 and 14.7	Nov 2020	Nov 2021
Summer 2019	Title of Management Accountant updated to Head of Management Accounting	Nov 2020	Nov 2021
Summer 2019	Finance & Audit Committee updated to Risk & Audit Committee	Nov 2020	Nov 2021
Summer 2019	Reference to RPT sections of AFH added to 4.4	Nov 2020	Nov 2021
Autumn 2020	References to AFH 2020 and Academies Financial Handbook amended to ATH 2021 and Academy Trust Handbook respectively following update	Sept 2021	Sept 2022
Autumn 2020	Reference of 5.19 under 4.2 updated to 5.20 in line with ATH 2021	Sept 2021	Sept 2022
Autumn 2020	Reference of 5.34-5.58 under 4.4 updated to 5.35-5.59 in line with ATH 2021	Sept 2021	Sept 2022
Autumn 2020	Ref 5.4 - Removed Yr7 Catch Up from line which starts 'Latest estimate of other ESFA funding'	Sept 2021	Sept 2022
Autumn 2020	Amended actual dates for BFRO/BFR3Y submission deadline dates to read 'each May/July by the deadline date specified by the ESFA'.	Sept 2021	Sept 2022
Autumn 2020	Ref 9.1 – Following update to ATH 2021 have stated that the trust should retender its external audit contract at least every five years.	Sept 2021	Sept 2022
Autumn 2020	Ref 12.1 – Added para about trust now operating cashless wherever possible	Sept 2021	Sept 2022
Autumn 2020	Reference of 5.64 under 13.3 updated to 5.65 in line with ATH 2021	Sept 2021	Sept 2022
Autumn 2020	Reference of 5.19 under 13.3 updated to 5.20 in line with ATH 2021	Sept 2021	Sept 2022
Autumn 2020	Ref 16.7 – Following update to ATH 2021 have added additional para re ESFA approval for severance payments	Sept 2021	Sept 2022
Autumn 2022	Reference to Director of Finance amended to Chief Financial Officer	Sept 2022	
Autumn 2022	References to ATH 2021 amended to ATH 2022	Sept 2022	