Brighter Futures
Educational Trust

FINANCIAL REGULATIONS AND FINANCIAL SCHEME OF DELEGATION

Review Committee: Finance and Risk Committee

Review Period: Annually

Approved: March 2026

Next Review: March 2027

1. Version Control

Version	Date	Section No.	Description
V1.1	June 2024		New Policy
V1.2	November 2025		New Template – rebrand layout and new expenses form
V1.3	March 2026		Changed legislation referenced within the Routes to Buy table from Public Contracts Regulations (PCR) to Procurement Act 2023. Updated Related Party Transactions information.
			Changed EH to CEO throughout, and Hof F&O to CFO.
		2.3	Updated wording to reflect that members must not be employees or occupy unpaid staff roles.
		2.6-2.8	Updated section to reflect the chair of trustees must not chair the audit/ finance & risk committee, employees of the trust must not be members of the audit & risk committee, however, the Accounting Officer and Chief Financial Officers can attend to provide information.
		2.19	Updated section in line with Academy Trust Handbook wording about the 'at cost' rule.
		2.20	Updated section in line with Academy Trust Handbook wording about related party transactions.
		3.7	Updated mileage reimbursement wording and definitions, to align with Staff Expenses Policy, in line with PB recommendations on clarity.
		3.17	Updated section to include information on proposed finance leases.
		7.7	Updated section inline with the Procurement Act to reference that undisputed invoices will be paid within 30 days of receipt and will require the same of suppliers.
		8.4	Added in that funds must not be used to purchase alcohol except for religious services.
		8.12	Updated section inline with the Procurement Act to reference that undisputed invoices will be paid within 30 days of receipt and will require the same of suppliers.
		8.18	Updated section to reflect Procurement Act 2023 legislation.
		8.29-42	Updated section to reflect Procurement Act 2023 legislation.

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Financial Scheme of Delegation/Authorisation & Approval Summary

Expenditure Limits/Ordering Procedures

If approval for a contract that spans more than one year, the limits below apply to the total value over the life of the contract not the per annum cost.

ROUTE TO BUY	VALUE
Route 1: Use a DfE framework agreement	All values
Route 2: Use catalogues to find low value goods and services	Under £10,000
Route 3: Get at least 3 quotes from suppliers for medium value goods or services	£10,000 to £50,000
Route 4: Advertise a contract and run a tendering process for high value goods and services which are below Procurement Act 2023 and associated Regulations.	£50,000 to £214,904
Route 5: Run a Procurement Act 2023 tendering process for goods and services above the PCR threshold	PCR thresholds* Goods: £214,904 Works: £5,372,609 Most services: £214,904 Some services for education are covered by the 'light touch regime'. This threshold is £663,540 (remains unchanged from 01/01/24). See Gov.uk website for more details.

*THE PCR THRESHOLDS REFERENCED ABOVE IN ROUTE 5 ARE CORRECT WITH EFFECT FROM 1ST JANUARY 2024.

Order/Invoice Authorisation:

VALUE	DELEGATED AUTHORITY
Up to £1,000	Deputy Headteacher

£1,000 to £5,000	Headteacher
£5,000 to £10,000	CEO / Chief Financial Officer (CFO)
£10,000 to £50,000	Finance and Resources Committee (FRC)
Over £50,000	Board of Trustees
Related party transactions over £40,000	DfE approval, using DfE's related party on-line form, required prior to entering into transaction. All related party transactions, regardless of value, must be reported to the DfE where the transaction is considered novel, contentious or repercussive

Cheque/Standing Order/Direct Debit/BACS Signatories

VALUE	DELEGATED AUTHORITY	ADDITIONAL GUIDANCE
Up to £2,000	One signatory	Ensure bank mandate is complied with
Over £2,000	Two signatories	Ensure bank mandate is complied with

Disposal of Surplus Stock, Stores & Assets

VALUE	DELEGATED AUTHORITY	ADDITIONAL GUIDANCE
Up to £2,000	CFO	
£2,000 to £5,000	CEO	
Over £5,000	FRC	Must obtain DfE approval if disposing of freehold land or buildings, or of heritage assets

Write off of Bad Debts

VALUE	DELEGATED AUTHORITY	ADDITIONAL GUIDANCE
Up to £1,000	Headteacher	
£1,000 to £3,000	CEO / CFO	
£3,000 to DfE limit	Audit and Risk Committee (ARC)	Consult with FRC

Over 1% total annual income of £45,000 (whichever is smaller)	DfE Approval/Notification	Further detail in Academy Trust Handbook

Approval of Returns & Reconciliations

RETURN	DELEGATED AUTHORITY	ADDITIONAL GUIDANCE
VAT 126 Return or VAT return if registered	CFO	One VAT return must be prepared centrally for the whole trust
Bank Reconciliations	CFO	To be prepared at least monthly
Budget Forecast Return	CFO to prepare Trustees to approve	
Risk Register	Audit and Risk Committee (ARC) to monitor and review	Trust Board to review annually
Register of Business Interests	Trust Board/Local Governing Body	
Gifts and Hospitality Register	Trust Board/Local Governing Body	
Business Continuity Plan	Trust Board/Local Governing Body	
Schools Resource Management Self-Assessment Checklist	Trust Board	

Other Monetary Limits

	LIMIT	ADDITIONAL GUIDANCE
Mileage Allowance	HM Revenue and Customs approved rate	
Petty Cash Imprest	£400	
Safe Cash/Cheque Limits (insured)	£5,000 monetary not in a locked safe e.g. in transit, on premises or at an authorised employee's home	RPA insurance general limits. Per loss limit is £50 for a primary academy and £100 for other members.
Inventory Register	Items that are portable and attachable over £500	

Asset Register	Capitalisation limit £5,000	

The finance policies listed below should be read in conjunction with the Trust's other financial management related policies and the government's Academy Trust Handbook.

- Accounting and Reserves Policy
- Gifts and Hospitality Policy
- Investment Management Policy
- Fraud Policy
- Risk Management Policy
- Investment Management Policy
- Charge card Policy
- Procurement Policy
- Whistle Blowing Policy
- Premises Hire Policy
- Cash Handling Policy
- Governors & Trustees Allowances and Expenses Policy
- Conflict of Interest Policy

1. INTRODUCTION

1.1 The Brighter Futures Educational Trust Board of Directors (The Board) is the legal entity which is responsible for all the Trust's academies. It is their duty to ensure that each academy operates efficiently, legally, judiciously and safely.

1.2 The purpose of these regulations is to ensure that the Trust maintains and develops systems of financial control which 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 the Trust's funding agreement with the Department for Education (DfE).

1.3 The Trust must comply with the principles of financial control outlined in the Academy Trust Handbook published by the DfE. These regulations expand on that and provide detailed information on the Trust's accounting procedures and systems and should be read by all staff and Trustees involved with financial systems.

1.4 The general conditions that follow are subject to annual review and consideration by the Trust Board of Directors, whom must formally minute both the review and any subsequent amendments and approval each year.

1.5 The Trust Board of Directors confirms that failure to observe these conditions is considered a serious matter and might involve disciplinary procedures being taken against the individual concerned.

2. ORGANISATION

2.1 The Trust has defined the responsibilities of each person involved in the administration of finances to avoid the duplication or omission of functions and to provide a framework of accountability for trustees, governors and staff. The financial reporting structure is illustrated below:

The Members

2.2 The members have a similar role to shareholders of a company. Their role is to be kept informed about trust business and should be 'eyes on and hands off'.

2.3 Members must not be employees or occupy unpaid staff roles. There should be significant separation between individuals that are members and those who are trustees.

The Trust Board of Directors (The Board)

2.4 The Board has overall responsibility for the administration of the Trust's finances and for maintaining the Trust as a going concern. The main responsibilities of the Board are prescribed in the Funding Agreement between the Trust and the DfE and in the Trust's Scheme of Delegation. The responsibilities of the Board are as outlined in the Scheme of Delegation, terms of reference and in the Academy Trust Handbook.

2.5 The Board meets at least 6 times per year in accordance with the Academy Trust Handbook

The Finance and Risk Committee

2.6 The Finance and Risk Committee is a committee of The Board. The committee meets at least once per term, but more frequent meetings can be arranged if necessary. The main responsibilities of the Finance and Risk Committee are detailed in the written terms of reference which have been authorised by the board.

2.7 The chair of trustees must not chair the Finance and Risk committee.

2.8 Employees of the trust must not be members of the audit and risk committee; the Accounting Officer and Chief Financial Officer attend to provide information.

Accounting Officer

2.9 The Trust has designated the CEO as its Accounting Officer. Whilst the Accounting Officer has responsibility, under the board's guidance, for the trust's overall management and staffing, their appointment as Accounting Officer confers specific responsibilities for financial matters. In particular, the Accounting Officer is personally responsible to Parliament, and to the Accounting Officer of the DfE, for the resources under their control, and must be able to assure Parliament and the public of high standards of probity in the management of public funds.

2.10 The essence of the role is a personal responsibility for:

- regularity – dealing with all items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement and these regulations, and compliance with internal trust procedures. This includes spending public money for the purposes intended by Parliament.
- propriety – the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary control. This covers standards of conduct, behaviour and corporate governance.

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

  The Accounting Officer also has responsibilities for keeping proper financial records and accounts, and for the management of opportunities and risks.

2.11 Whilst the Accounting Officer is accountable for the academy trust's financial affairs, the delivery of the trust's detailed accounting processes will be delegated to the Chief Finance Officer.

2.12 The Accounting Officer must advise The Board in writing if, at any time, in their opinion, any action or policy under consideration by them is incompatible with the terms of the Academy Trust Handbook or Funding Agreement (FA). Similarly, the Accounting Officer must advise the board in writing if the board appears to be failing to act where required to do so by the terms and conditions of the Academy Trust Handbook or FA. Where The Board is minded to proceed, despite the advice of the Accounting Officer, the Accounting Officer must consider the reasons the board gives for its decision. If, after considering the reasons given by the board, the Accounting Officer still considers that the action proposed by the board is in breach of the Academy Trust Handbook or FA, the accounting officer must advise the DfE's Accounting Officer of the position in writing.

Chief Financial Officer

2.13 The Chief Financial Officer (CFO) works in close collaboration with the Accounting Officer through whom they are responsible. The Chief Financial Officer also has direct access to the Directors via the Finance and Resources Committee. The main responsibilities of the Chief Financial Officer are as outlined in the post holder job description

Local Governing Body (LGB)

To be included once LGBs are established – planned for July 2026

Finance Assistant

2.14 For the purposes of this document the term Finance Assistant (FA) refers to the person responsible for the day-to-day management of the Trust and academy financial

operations. The Trust central team consists of suitably experienced FAs who support the CFO and Headteachers to manage and protect resources appropriately.

2.15 The FA will work with the Headteacher and Senior Leadership Team to ensure each academy's financial processes and finance policies are followed. They, along with the CFO, will be responsible for the effective use of resources and will notify the Headteacher/Principal of any issues. management responsibilities should have access to the information and training required to perform their financial duties.

The Governance Professional (Clerk to the Board)

2.16 The Trust will appoint a suitably qualified governance professional/clerk to the board who is someone other than a trustee, headteacher or CEO of the Trust.

General Requirement

2.17 All employees of the Trust are expected to act professionally and with integrity and follow the internal control framework and financial policies of the academy. All staff with financial management responsibilities should have access to the information and training required to perform their financial duties.

Register of Interests

2.18 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 academy governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services. The register is open to public inspection.

The register should include all business interests such as directorships or shareholdings. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.

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

All Trustees and Trust staff must be given the opportunity to verbally declare previously undeclared interests, and any previously declared interests that may be relevant to the agenda, at every committee and Governing Body meeting.

In accordance with the Academy Trust Handbook the business interests of the Trust's directors will be published on the Trust's website and will be always kept up to date.

Trading with Connected Parties

2.19 In accordance with the Academy Trust Handbook the following will apply to goods or services provided by individuals or organisations connected to the Trust:

The Academy Trust Handbook confirms the 'at cost' rule applies to members/trustees and parties connected to them for cumulative contracts over £2,500 in a financial year and sets out the statement-of-assurance and open-book expectations.

Related Party Transactions

2.20 Trustees must ensure they avoid conflicts of interest, do not accept benefits from third parties and declare interests in proposed transactions and arrangements. No member, trustee, local governor, employee or related individual or organisation may use their connections for personal gain, and no payments can be made to trustees unless permitted by the articles or by authority from the Charity Commission.

2.21 Trustees must report all transaction to related parties to the DfE in advance of the transaction taking place, using the DfE's on-line form.

2.22 Trustees must obtain DfE's approval for related party transactions that are;

- novel, contentious and or/repercussive

- the contract exceeds £40,000

- a contract of any value that would take the total value of contracts with the related party beyond £40,000 in the same financial year

3. DAY-TO-DAY DELEGATION OF AUTHORITY

Expenditure Limits

3.1 The Headteacher can authorise expenditure up to £5,000 on goods and services. Avoidance of obtaining higher authority by raising a sequence of smaller orders in place of one large order is not permitted.

The CEO and CFO can authorise expenditure up to £10,000 on goods and services. Avoidance of obtaining higher authority by raising a sequence of smaller orders in place of one large order is not permitted.

Authorisation for expenditure that is between the values of £10,000 and £50,000 must be referred to the FRC. The Chair of the FRC has authority to approve all such expenditure on behalf of the LGB.

Authorisation for expenditure above £10,000 must be referred to the FRC.

Certain purchases are exempt from requiring a purchase order. These are detailed in the Procurement Policy.

In certain cases, dispensations are permitted. Please refer to the Procurement Policy.

Funding

3.2 The Finance and Resources Committee will ensure that information submitted to the DfE that affects funding is accurate and complete.

3.3 The Board will challenge pupil number projections and review these termly.

3.4 The CFO is responsible for monitoring the Trust's funding and entering it (through delegation to the FA) on the Trust's financial accounting system with the monthly funding information provided by the DfE and local authorities.

Bad Debts

3.5 The write-off of debts owed to the Trust, can be approved as follows:

Up to £1,000– Headteacher

£1,000 to £3,000 – CEO / CFO

£3,000 to DfE limit – Audit and Risk Committee

A sequence of smaller write offs, all within the above limits, to cover a larger write off is not permitted.

Write offs exceeding £3,000 must be reported to The Board.

Disposal of Assets or Adjustments to Inventory

3.6 The Headteacher can authorise the disposal / adjustment of recorded inventory items up to the value of £500. Authority for disposals / adjustments of assets above this amount but below £2,000 must be approved by the CFO. Disposals/adjustments between £2,000 and £5,000 can be approved by the CEO. Any disposals above this

amount must be approved by the FRC. Any disposals of land, buildings or heritage assets must be approved by the DfE.

All disposals / adjustments must be formally recorded in the minutes of the meeting at which they were reported and discussed.

Mileage Allowances and Subsistence Claims

When calculating mileage expenditure, employees should use the distance travelled for business purposes. If setting out from home, the distance that would usually be travelled under ordinary commuting should be deducted from the total journey distance.

For avoidance of doubt, reimbursement for the business journey, where the business journey is to another school/site or a temporary workplace, is limited to the amounts exceeding the standard home-to-school (normal place of work) return journey.

3.7 The Trust will reimburse mileage expenses to individuals for business journeys at a rate in accordance with the limitations set out by HM Revenue & Customs. The claimant is entitled to be notified of this rate in advance of commencing their journey. The claimant must have suitable insurance in place to cover both the vehicle and passengers. A VAT registered fuel receipt must accompany every mileage claim, indicating that duty has been paid on sufficient fuel for the distance covered for the Trust to be able to reclaim VAT.

- All expense claims are to be authorised by the Headteacher
- The LGB or Trust Board must authorise all claims relating to the Headteacher
- All expense claims are to be supported by VAT receipts (or other appropriate evidence of expenditure) which must be attached to the claim. Claims for subsistence can only be claimed to the maximum stated below
- Rates of subsistence will be paid at the rate and within the conditions that adhere to the Trust's policy on travel and subsistence allowances.

Minimum journey time	Maximum amount of meal allowance
5 hours	£5
10 hours	£10
15 hours (and ongoing at 8pm)	£25

- Claims for the purchase of alcohol will not be reimbursed

- The Trust may not reclaim VAT without a proper VAT receipt

Receiving of Goods / Acknowledgement of Service

3.8 By approving an invoice for processing, a budget holder is confirming the correct goods/ service have been received. This will then be processed as ready for payment, on the financial accounting system by the FA, subject to invoice authorisation requirements.

Staff Appointments/Terminations

3.9 The Trust Board of Directors have approved a personnel establishment for the Trust. Changes can only be made to the establishment with the express approval of the Board who will also ensure that adequate budgetary provision exists for any changes.

3.10 The approval required for the appointment of staff or changes to contract is as follows:

CEO /Headteacher	The Trust Board
All other staff	CEO subject to the agreed establishment and budget constraints and in accordance with the Trust's recruitment and appointment policy
Chief Financial Officer	The Trust Board

3.11 All relevant forms and paperwork regarding the appointment of, or amendment to contracts of staff should be managed by the Trust's HR Manager. All personnel pre-employment checks should be completed, and relevant clearances obtained for all staff before they start their employment.

3.12 The Board has authority to approve individual staff severance payments and compensation payments as per section 3.3.5 of the Academy Trust Handbook, providing the non-statutory/ non contractual element is under £50,000. Above £50,000 prior approval must be sought for the non-contractual element from the DfE.

Payment of Additional Hours

3.13 Overtime work must be authorised in advance by a Line Manager and Headteacher, except in cases of emergency or unforeseen circumstances. Employees are expected to accurately record all hours worked, including overtime, using the designated timekeeping system or method.

Monitoring Salary Payments

3.14 It is the responsibility of the HR Manager to ensure that systems are in place to record all staff contract details and that they are regularly updated to take account of new appointments, amendments and terminations of employment. This will ensure that all information on the Trust's financial accounting system is correct and will avoid distortion of financial information.

Any special payroll transactions (excluding monthly salary payments) relating to the CEO will be authorised by the Trust Board.

Supply Staff

3.15 All supply staff will be appointed by the Headteacher/Principal or as otherwise directed by the Headteacher/Principal. At the same time the appropriate commitment for the estimated costs incurred will be entered on to the academy finance system. It is the responsibility of the FO to ensure this is done.

It is the responsibility of the individual member of staff to agree with their line manager the hours worked in the particular payment period. The line manager will then authorise the claim and forward it to the HR Manager. If a dispute arises over hours claimed, the Headteacher will be informed immediately.

Contract Approval

3.16 Any new contractual commitment with a term of longer than 24 months, including lease agreements, will require the approval of Finance and resources Committee.

3.17 The Board can only approve a finance lease agreement if it is included on the DfE approved list. Changes to leasing agreements for academy trusts - GOV.UK (www.gov.uk) Where a proposed finance lease is not on DfE's 'assets granted prior consent' list, the trust must seek specific Secretary of State consent before entering the agreement. Land and building leases may require separate consent.

3.18 Trusts must obtain DfE's prior approval before taking up a finance lease on any asset not on the DfE approved list for any duration from another party.

3.19 Trusts must obtain DfE's prior approval before taking up a leasehold or tenancy agreement.

Insurance

3.20 Insurance cover for the Trust will be arranged at Trust Board level. Insurance will cover will include:

- Buildings and Contents (Material Damage)
- Business Interruption
- Employer's Liability
- Third Party Public Liability
- Governors' /Trustees' Liability
- Professional Indemnity
- Employee and Third-Party Dishonesty
- Money
- Personal Accident
- United Kingdom and Overseas Travel
- Legal Expenses
- Cultural Assets
- Cyber Security

If maternity or staff absence insurance is required, this will be arranged at local academy level. Ill Health Liability Insurance will also be arranged at local level. Business continuity plans should be established in each academy by the CEO and CFO and reviewed annually**.**

4. FINANCIAL PLANNING AND REVIEW

Budget Planning / Setting

4.1 The Trust's overall budget plans (both one year annual and multiyear forward financial plans) will be prepared by the CFO in consultation with the CEO and Headteacher. The budget will be prepared having regard to all known needs of the Trust including

the Trust/ School Improvement / Development Plan and the Trust Asset Plan. It is the responsibility of the CFO to ensure that the budget is submitted to The Board in accordance with the published timetable.

4.2 Detailed records will be kept of all information used in preparing the budget, including estimations of staffing requirements and calculations of all costs, cross referenced to the assumptions made.

4.3 The CFO will be responsible for ensuring that the Trust has budgets in place for all trading activities e.g. catering, uniform sales, lettings etc.

4.4 The budget will be reviewed by the FRC and submitted to The Board for final approval.

4.5 The approved budget should be promptly locked down in the financial accounting system.

4.6 Approved budgets are to be circulated to the Headteachers.

Budget Monitoring

4.7 The CFO will be responsible for monitoring actual income and expenditure against budget for each line item and producing and circulating appropriate reports, including management accounts, to the FRC and the Board on a regular basis. When monthly management accounts are not presented to trustees, due to timing of meetings, they will be circulated to the Chair of Trustees. Urgent budget issues will be reported to the FRC immediately.

4.8 Monthly management accounts, will include income and expenditure reports on an accruals basis, cash flow forecasts and balance sheets, together with a written explanation of significant variances against budget, and with a projection of income and expenditure to the year-end.

4.9 The CFO will prepare medium term financial forecasts and present them to the Board annually.

Resource Management

4.10 The Trust will ensure that it manages its resources effectively. To support with fulfilling this responsibility it will ensure that the following is carried out;

- Carrying out regular benchmarking with other trusts in a similar context

- Annually completing the Schools Resource Management Self-Assessment Checklist and preparing an action plan. The completed checklist must be submitted to the DfE by the required deadline
- Engaging with the DfE's approved frameworks when procuring goods and services
- Ensuring each academy's curriculum is integrated with the Trust's financial planning strategy
- Ensuring each academy's staffing structure is reviewing regularly and is integrated with the Trust's financial planning strategy
- Ensuring the Trust has an estate vision, strategy and asset management plan with appropriate provision in its budget to support this

Financial Returns

4.11 The CFO will be responsible for preparing all the financial returns required by the Department for Education. All returns will be completed in the required timescales.

4.12 In order to give a true and fair view the financial statements for the annual accounts must be prepared according to the requirements of the Companies Act 2006 and Regulations made under the Act, and applicable United Kingdom Accounting Standards. Academy Trusts must also prepare their accounts in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (revised) ('the SORP'). They must also be prepared in accordance with the accounting policies agreed by The Board. A copy of the SORP together with accompanying information sheets, other Charity Commission guidance and legislation are available to view and download from the Charity Commission website at:

http://www.charitycommission.gov.uk/Charity_requirements_guidance/Accounting_and_reporting/Preparing_charity_accounts/

4.13 The Trust Board is responsible for approving the Trust's Annual Report and Accounts and ensuring the annual accounts are audited and submitted to the Department for Education by the required deadlines. Details of the financial information required are as set out in the latest Accounts Direction for the year being reported.

4.14 In addition to submitting accounts to the Department for Education, under section 442 (2a) of the Companies Act 2006, accounts must be filed with Companies House within 9 months of the end of the accounting period.

4.15 The DfE requires the Trust to publish its Annual Accounts and Annual Report by 31st January. This will be done via the Trust's website.

4.16 The Trust's audited accounts must be provided to the members.

5. INTERNAL CONTROL

The objectives of Internal Control are to give the Trust confidence that as far as is reasonably possible:

a) the Trust's accounting records are accurate and complete

b) the financial procedures in operation minimise the risks of misappropriation of funds and assets

c) the Trust achieves best value

5.1 The FA is responsible for carrying out monthly bank statement reconciliations for all bank accounts within one week of receipt. All discrepancies are to be investigated immediately and reported to the CFO and, if appropriate, the bank.

5.2 The FA is responsible for ensuring that VAT transactions are recorded accurately, and the VAT control accounts reconciled to support in the preparation of a central trust VAT return.

5.3 The trust board are responsible for ensuring that internal scrutiny audits take place to provide assurance that the internal controls are robust. The Board will commission an external provider to carry out audit internal scrutiny audits. The Board and the Local Governing Bodies will ensure that an action plan is drawn up to address any weaknesses identified and will review this on a regular basis. All internal audit reports will be reviewed by the Board.

5.4 The Board or a delegated committee will approve the scope of the internal scrutiny work to be conducted per financial year. This will include financial and non-financial controls and a regular external review of governance.

5.5 The Board must submit to the DfE an annual summary of the internal scrutiny work that has been completed which includes areas reviewed, key findings, recommendations and conclusions by 31st December.

5.6 It is a legal requirement for the Trust to prepare audited, consolidated accounts. The CEO and CFO will be required to ensure that up to date and accurate accounts are available and that year end processes are followed. The CFO and CEO will need to be available to support the statutory auditors in conducting their work.

5.7 The trustees will prepare an annual report that evaluates the performance of the external auditors, in accordance with the Academy Trust Handbook and makes a recommendation for the reappointment, retendering or dismissal of the auditors. Members are responsible for the appointment or removal of external auditors. The re-tender of external auditing services will take place at least every 5 years.

Separation of Duties

5.8 It is the responsibility of the CEO to ensure that key financial duties are properly separated between individuals. Functions to be separated between staff will include:

a) Execution – the placing of an order and receipt of goods and services, and the charging and receipt of a fee

b) Authorisation – the authorisation of a transaction such as a purchase order and the payment

c) Payment – the raising of BACS/ online payments, cheques (if used) / BACS signatories

d) Custody – the holding of goods and services

e) Recording – the completion of the accounting records

f) Post transaction management checking– reviewing previous transactions to identify errors or intentional manipulation

Accounting Arrangements

5.9 The financial transactions of the Trust must be recorded in accordance with the Trust's approved accounting policies and recorded on the accounting system. All transactions input into the accounting system must be authorised in accordance with the procedures specified in this manual.

5.10 Entry to the accounting system is password restricted.

5.11 Access to the component parts of the accounting system can be restricted and the CFO is responsible for determining access levels for all members of staff using the system.

5.12 The Trust uses the Academies Chart of Accounts. Requests to set up new ledger codes need to be made to the CFO.

5.13 The CFO is responsible for ensuring there is effective back up procedures for the accounting system.

5.14 The FA is responsible for ensuring the following reconciliations are carried out on a monthly basis and account balances reviewed.

- Debtor control accounts
- Creditor control accounts
- VAT control accounts
- Payroll control accounts
- Bank
- Sundry creditors/accruals
- Sundry debtors/prepayment
- Suspense accounts
- Intra-company accounts
- Fixed asset accounts
- Any other balance sheet accounts as appropriate

Any unusual or long-standing reconciling items should be brought to the attention of the Chief Finance Officer.

6. ASSETS AND INVENTORY

The FA should ensure that all items which have a useful life and value lasting more than one year and which is above the de minimis level set in the Trust's accounting policies (currently £5,000) are recorded on a fixed asset register and capitalised in the accounting system. The asset register should include the following information.

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding
- expected useful economic life
- depreciation
- current book value
- location
- supplier
- warranty information

Condition of the items should be reviewed annually, and adjustments made to the register if required.

Inventory

6.2 Each academy in the Trust will keep an inventory to: -

- Ensure proper physical control of academy equipment
- Provide a basis for insurance cover and claims if equipment is damaged or destroyed
- Provide an up-to-date record of the equipment available for teaching purposes
- Help the academy plan its equipment replacement programme

The following categories of inventory will be entered in the inventory register at the time of acquisition by the academy: -

- All items valued at £500 (but less than £5,000) or more at the time of acquisition or purchase, either individually or as a set
- Items below the value noted in (i) above but which are considered attractive and portable
- Items considered by the Headteacher as being worthy of inclusion
- Items hired to or leased by the academy, that match any of the above criteria will be included but identified accordingly

The inventory register will record the following information:

- Item description
- Serial/ model numbers where relevant
- Date acquired
- Acquisition cost
- Asset location
- Date of last physical check

The FA is responsible for maintaining the inventory register.

All inventory items recorded in the register will be checked regularly by the CFO and certified as correct. Any adjustments arising from the physical check must be

authorised as laid down in 3.6 above. Evidence of the annual check taking place will be by date and signature of the person responsible for the check on the inventory sheets used for the check. These sheets will be retained on file for at least 24 months to provide an audit trail for changes made to the register as a result of the check.

All authorised disposal of inventory must be recorded, showing the method of disposal and the authority for such action (see Section 3.5).

A separate 'Off Site Register' shall be kept for all items loaned to members of staff and pupils. In the event of any items not being on site when the inventory is checked, reference shall be made to this on the documentation used for the inventory check.

7. BANKING ARRANGEMENTS

7.1 All decisions with regard to choice of banking service provider and subsequent banking arrangements will be made by the Board.

7.2 The LGB must ensure that the Trust bank accounts never become overdrawn. Any concerns regarding cash flow should be reported to the CFO.

7.3 The finance administrator is responsible for carrying out monthly bank statement reconciliations for all bank accounts within two weeks of receipt. Any un-reconciled payments older than six months, and unreconciled receipts older than one month, must be investigated and appropriate action taken.

7.4 Trustees will wish to maximise income as far as possible and, where appropriate, a high interest or deposit account will be maintained, in addition to the normal current account. The LGB needs to ensure compliance with the Trust's Investment Management Policy.

7.5 Direct Debit or Standing Order payment arrangements must be authorised by two of the authorised signatories and retained on file for reference.

A current bank mandate must be retained on file, and the mandated signatories should be consistent with those detailed above.

7.6 BACS facilities and online payment facilities have replaced cheques, although cheques are still permitted. The principles and authorisation remain the same as for cheque payments.

7.7 BACS/ online payment facilities procedures and control are as follows:

On initial set up the supplier provides written confirmation of their bank details

On receipt of their bank details (or subsequent changes thereto) the FA will telephone the company to verify their bank details and will write/sign on the letter/ printed email that this has been completed

The bank details are then input into the online banking system and /or Financial Accounting System. The CFO will check and evidence the new bank details on the invoice attached to the payment detail report generated from the bank.

On a monthly basis an audit trail report will be generated to show any suppliers bank details that have changed- all changes on this report are to be checked off against bank details provided by the supplier and authorised by the CFO. This signed evidence is to be retained for audit purposes.

A payment detail report will be produced for every payment. Payment detail reports will be signed by 2 approved signatories, in accordance with the bank mandate and the financial regulations, to confirm authorisation for payment. If a payment is below £2,000 then only 1 signature is required. The supporting invoices will be kept with the payment detail reports; these will be evidenced as agreeing to the payment detail reports by a tickmark.

In the instances where a purchase order has not been produced, the invoice will also be signed by the by the CFO/Headteacher as evidence of authorisation to pay.

The BACS bureau procedures will be completed, ensuring the separation of duties are maintained. Payment advices are to be sent to each supplier.

The trust will pay undisputed invoices within 30 days of receipt and will require suppliers to apply the same 30-day term throughout their supply chains.

7.8 When banking money received (either cash or cheques) the bank paying in slips will be completed in full, clearly showing the split between cash and cheques, and each cheque will be listed separately.

8. PURCHASING AND PAYMENT PROCEDURES

8.1 A contract register will be maintained that details the contracts, service level agreements and any indemnities that each academy has in place. Trustees will have oversight of the register(s) and be given the opportunity to challenge each academy's plans for replacing goods and services that are due to expire shortly.

8.2 The Trust is able to enter into indemnities which are within the normal course of business. Any indemnities which are not within the normal course of business will require DfE approval. The Trust will risk assess any indemnity clauses within contracts

prior to entering into the contracts and will record details of these in the contract register(s).

8.3 Budget holders/ requisitioners will be responsible for requesting the purchase of items or services from their own budgets and in accordance with their delegated limits.

This will be done by the completion of a purchase requisition within the Financial Accounting System.

8.4 Funds must not be used to purchase alcohol except for religious services.

8.5 Once a purchase requisition is approved by the budget holder, the FA will convert this into a purchase order. If a budget is overspent, the CFO will be alerted. All purchase orders need to be approved by the Headteacher/CFO in the financial accounting system. Reference will be made as appropriate to the procurement standards laid down by the Trust. Purchase orders for charge card purchases should be made on a paper form and authorised by the budget holder and the Headteacher/ CFO.

8.6 Orders are to be authorised in accordance with the 'Authorisation Limits' set out in the front of these Regulations and section 3.1 of these Regulations.

8.7 The Procurement Policy details exemptions to the requirement for completing a purchase order.

8.8 All invoices received will be checked against the original order for accuracy (and delivery notes where appropriate) and entered promptly on the Trust's financial system.

8.9 The cheque signatories are any two from the bank mandate.

8.10 The FA is designated to control BACS/ cheques and must ensure that:

a) A current bank mandate is kept on file and that the mandated signatories are consistent with those noted in 7.5 above

b) BACS/ payments reports are kept on file with the invoices and are signed by the correct number of signatories

c) All blank cheques are securely stored and properly accounted for

d) Blank cheques are not pre-signed

e) All BACS/ online/ cheque payments are entered correctly on the financial accounting system

8.11 The CEO must ensure that all prime financial records are retained for six financial years plus the current year and are stored in a secure and logical manner.

8.12 The Trust will pay undisputed invoices within 30 days of receipt and will require suppliers to apply the same 30-day term throughout their supply chains.

8.13 If discounts are available for prompt payment, then payments can be made immediately, having taken into account any loss of interest that might arise.

8.14 A copy of the computer-generated remittance advice relating to the cheque / BACS payment will be affixed to the original invoice.

8.15 Copy invoices are not to be paid unless verified that payment has not previously been made. References back to the original order are to be made in every case. Once the checks have been made, the invoice should be signed to confirm this and endorsed "copy invoice not previously passed for payment".

8.16 Under no circumstances are payments to be paid against statements.

8.17 Where appropriate, adequate checks are to be made that the contractors employed for buildings work have Public Liability Insurance Cover, minimum value £5,000,000. It is the responsibility of the CEO to ensure that this is complied with.

8.18 **Route 1:** For all procurement activities, the Trust will first check the DfE's approved frameworks and see if an appropriate framework is already in place. If there is not an appropriate framework in place, the following processes will be followed.

Route 2: For any order or purchase which is estimated to be **low value** (less than £10,000), for the supply of goods, materials or services, the budget holder must ensure value for money is obtained.

Route 3: Orders and purchases which are estimated to be **low to medium value** (between £10,000 and £50,000), will be subject to the receipt of at least 3 competitive quotations. Documentary evidence of the various quotations must be obtained and attached to the purchase order and appropriately authorised. The FRC authorises these purchases.

Route 4: Orders and purchases which are estimated to be **high value** (above £50,000) and are below the Procurement Act 2023 thresholds should be advertised and a compliant tender process run.

Route 5: Orders and purchases which are estimated to be **high value** (above £50,000 and are above the Procurement Act 2023 and associated Regulations thresholds should be advertised and a compliant tender process run using the government's Find a Tender (FTS). Issue an assessment summary to each bidder before publishing the Contract Award Notice on Find a Tender. The Contract Award Notice then triggers a minimum 8 working day standstill before contract signature.

Note: Procurement thresholds stated are VAT-inclusive for sub-central authorities.

Some services for education are covered by the 'light touch regime' which has a different threshold and process. Review the government's guidance ahead of procurement to see if this approach applies.

In accordance with agreed procurement standards, approval of contracts over £50,000 will only be made after following the appropriate tendering procedure. The Board will oversee all tendering processes on behalf of the Trust.

Online Purchases

8.19 At all times, the same rigour of internal control must be placed on online purchases as is normally applied to standard procurement with regard to separation of duties, authorisation controls and independent management checking.

8.20 Budget holders are be authorised to place online purchases once the appropriate authorisations have been secured. The online order must be raised in the name of the Trust with the academy's address, not to an individual.

8.21 Where possible the purchase order number should be quoted on the online order as a cross reference.

8.22 It is the responsibility of the FA to ensure the internet is the most appropriate means for procurement.

8.23 The preferred method of payment for online purchases will be the request of an invoice from the supplier, which can be paid via the Trust's normal payment route.

8.24 Payment by an individual's personal credit card should only be considered when all other options have been exhaustively attempted and failed. The correct authorisation procedure for purchases should still be adhered to (section 8.4), and the trust retains the right to refuse to reimburse the individual if the academy's procedures are not followed.

8.25 Reimbursement to individuals should be made in the normal manner upon production of an original invoice / receipt.

8.26 Supplier invoices, delivery notes and all relevant documentation should be obtained for all online purchases and retained within the normal filing system (section 8.4). This is especially important if the Trust is to recover any VAT element.

8.27 All purchases should only be made from secure websites. The use of online auction websites is not recommended.

Charge Cards

8.28 Charge cards may be issued by the Trust to key staff members to purchase items for the academy instead of using petty cash. More detail is in the Charge Card Policy.

- Cards are issued in the Trust's name
- The CEO / CFO authorises new issuances of charge cards
- Cards are kept in the academy safes/ on the employee when not in use
- Card purchases are subject to the Trust's purchase/expenditure limits/procedures as detailed above
- Personal use is not permitted
- Prime documents will be retained for 6 years + current
- Monthly statements are authorised by the Headteacher. Any charge card in the name of the Headteacher will be signed by the CEO.

Tendering Procedures

Introduction to Tendering

8.29 Approval of contracts over £50,000 will only be made following the Trust's tendering procedure. The correct tendering process to follow depends on whether the purchase will fall below or above the PCR thresholds.

8.30 Legal advice should be sought when the procurement will be over or near to the Procurement Act 2023 thresholds.

8.31 For more specialist or complex works and purchases, the Trust may choose to appoint a professional third party to carry out the tender process on their behalf i.e. consultant, architect etc.). If a third party is used, it is expected to apply these regulations with the same rigour and ensure that the principles of Cabinet Office Procurement Policy Notes and Procurement Act 2023 guidance are adhered to.

The Tender Process

8.32 The procedure for running a tender process is broadly in line when the value is below or just over the Procurement Act 2023 and associated Regulations. The following procedure should be followed for both types of tender, however where there are differences in the two processes, these have been highlighted.

8.33 **Step 1: Research and assess the market (soft market testing)**

Undertake some initial research into the market and consider the following points:

- Is there a DfE approved framework that could be used?

- How many possible suppliers are there?
- How can the trust advertise the tender process?
- Speak to potential suppliers (ensure that any information provided to them at this stage is given to everyone else who bids later and that your specification does not unnecessarily favour the suppliers you have spoken to)
- Ask other trusts/schools what they have done
- Consider asking suppliers to submit an expression of interest
- Consider publishing a Planned Procurement Notice (PPN) on Find a tender (FTS)

8.34 **Step 2: Decide whether to run an open or restricted process (Route 5 only)**

A decision should be made about whether to run an open or restricted process:

- Open process – allow as many suppliers as possible to bid
- Restricted process (selection stage) – select which suppliers the trust will assess bids from (at least 5 must be selected)

The restricted process should be used if the trust believes a lot of suppliers will respond to the advert, suppliers require specific skills, qualifications or experience or if the bid would be particularly complicated or costly to write.

The government's standard selection questionnaire should be used. Potential suppliers should complete the questionnaire. The score from the questionnaire will determine who will be invited to tender for the contract.

8.35 **Step 3: Prepare the Tender Documentation**

The tender documentation that will be sent to suppliers should include:

- A covering letter
- A timeline
- How to ask questions
- How to submit a bid
- The tender specification
- A list of items that require pricing
- The award criteria
- The contract terms – including the level of service required and any contract management arrangements, such as regular meetings
- Any mandatory requirements for suppliers and, if needed, an invitation for suppliers to provide a demonstration
- The standard selection questionnaire **(Route 5 only)**
- The proposed contract drafted as far as possible

- A disclaimer that the trust has the right to abandon the process at any time without liability to the bidders

Timelines:

The following deadlines should be outlined within the tender documentation:

- The clarification period – when suppliers can ask you questions
- The deadline for suppliers to submit their bid
- The standstill period
- The date the contract will be awarded

There are specific timescales that need to be applied. For the latest guidance review the Procurement Act 2023 and associated Regulations and seek legal advice.

Award Criteria:

Award criteria are used to determine which bidder is best placed to deliver the contract.

The award criteria should be specific to the requirements of the tender specification and to aid assessment to determine which bid is the most economically advantageous (the one that combines price and quality).

Each criteria should be given a:

- Range of scores (e.g. 1-5 with 5 highest)
- Weighting (a figure you multiply the score by depending on how important the criteria is, e.g. if price is important then you might give it a higher weighting)

For example:

Supplier 1

Award Criteria	Score (1 low to 5 high)	Weighting (1 low to 5 high)	Overall Score
Price	4	5	20
Delivery time	5	2	10

Supplier 2

Award Criteria	Score (1 low to 5 high)	Weighting (1 low to 5 high)	Overall Score
Price	2	5	10

Delivery time	1	2	2

8.36 **Step 4: Advertise the Tender Opportunity**

Route 4: Advertise somewhere suppliers will look, such as:

- The government's Find a Tender service
- Newspapers
- Education publications or websites
- Trade magazines

Follow Cabinet Office guidance for below-threshold procurements and notices on FTS.

Route 5: A contract notice must first be published on the government's Find a Tender Service and can then be advertised elsewhere in line with the Route 4 suggestions.

The advert should:

- Clearly explain what the trust wants
- Tell suppliers what information the trust needs
- Explain how to get the tender documentation
- The timeline for the process
- Explain the trust is using award criteria to give the contract to the 'most economically advantageous tender'
- If using the restricted tender process, explain that there are two stages (selection stage where the questionnaire is completed and then the award stage when bids are assessed) **(Route 5 only).**

8.37 **Step 5: The Clarification Stage**

The tender process includes a clarification stage which is a time when suppliers can ask questions.

No matter who asks the question, in most cases the Trust will then send the question and answer to all the bidders in an anonymised fashion to protect the identity of the supplier who asked the question.

Copyrighted or sensitive information should not be revealed.

Suppliers should be asked if they are happy to have their question and answer published. If they decline, consideration should be given to their request and allow them the opportunity to withdraw their question if you do not agree with their request.

Suppliers should be asked to email their questions into the Trust and a log of these and the answers provided should be maintained.

8.38 **Step 6: Deciding the Winning Bid**

The bids received should be assessed using the awards criteria previously agreed and advertised.

No bids should be opened before the deadline.

All bids must be treated fairly and equally; record how decisions were made so they can be defended if required.

Keep confidential, secure, auditable records.

Award the contract to the highest scoring bidder.

Who should assess the bid?

At least two people should assess each bid independently. The more people involved at this stage, the harder it can be to reach an agreed score. It may be appropriate to include a specialist in this process if expert knowledge is required to assess criteria.

A moderation process should then take place where they compare scores and discuss any differences to then reach an agreed score.

Records of all scores, comments and moderation decisions should be maintained.

8.39 **Step 7: Communicating the Tender Outcome**

Telling successful bidders

A letter should be sent to the successful bidder to advise them:

- That they have been successful
- The award criteria that were used
- Their scores
- Why their bid was the most economically advantageous
- When the standstill period ends

The letter is an invitation to finalise the contract. It should make it clear that there are no commitments and that no work should begin until both parties have signed the

contract and that the contract will only be awarded if no challenge occurs during the standstill period.

If for any reason the successful bidder decides not to go ahead with the contract, it can be awarded to the second highest scoring bidder, or the process can be re-run.

Telling unsuccessful bidders

A letter should be sent to each unsuccessful bidder at the same time to advise them of:

- The name of the winning bidder
- The award criteria that were used
- The scores for the winning bid
- The reasons for the decision including characteristics and relative advantages of the successful tender
- Their scores and feedback

If an unsuccessful bidder asks for the actual cost of the winning bid, this should be provided to them, if it will not give away any commercially sensitive information. There is no obligation to provide a detailed breakdown.

If an unsuccessful bidder asks for feedback on their proposal, there is no obligation to provide a detailed breakdown and only comment on their unsuccessful bid, do not share details of anyone else's bid (other than the successful bid, if this has been requested). Feedback meetings are to be avoided.

8.40 **Step 8: The Standstill Period**

Following notification of the successful bidder, the 'standstill period' comes into effect which allows any legal challenges from other parties to be made.

If an unsuccessful bidder challenges the fairness of the contract award decision or process, legal advice should be sought.

8.41 **Step 9: Awarding the Contract**

If there have been no legal challenges, the contract with the successful bidder should be finalised and signed.

Terms and conditions should be signed. The last copy of the terms and conditions sent by either side is the one that is legally binding so the trust should be the last party to sign them.

A contract award notice must be placed on the government's Find a Tender Service within 30 days of awarding the contract. **(Route 5 only)**

If an advert was placed in the government's Contracts Finder, a notice should be placed there too. here should be no changes made from what was included in the original invitation to tender.

8.42 **Abandoning the Process**

On rare occasions, the tender process may need to be stopped. A notice must be placed on the government's Find a Tender Service. **(Route 5 only)**

If the process is stopped whilst suppliers are preparing or submitting their bids, they should be provided with an explanation including why this decision has been taken.

The later in the process a decision to abandon takes place, the greater the risk of receiving a legal challenge where bidders may seek reimbursement of their bid costs.

The process cannot be abandoned because the highest scoring bidder is not the supplier the trust wants.

9. PETTY CASH

9.1 Minor items of expenditure can be paid for or reimbursed to staff through the academy's own petty cash system. The amount to be held (imprest) for petty cash disbursements should be agreed by the FRC but must not exceed £400.

9.2 Expenditure paid through petty cash should not exceed £40 on any one claim; claims above this amount will be paid through bank transfer.

9.3 All reimbursements made through petty cash, regardless of size, should be authorised by the Headteacher. Purchases made by the Headteacher must be authorised by the Chair of Trust Board.

9.4 All payments made must be supported by a VAT receipt for the goods purchased where applicable.

For the VAT to be recovered the VAT receipt needs to be scanned and attached to the journal entry to support in the completion of the central VAT return. In the absence of

a scanned VAT receipt the expenditure needs to be coded as out of scope for VAT purposes.

9.5 All petty cash will be kept in a locked box in the safe, and the FA will be responsible for its security.

9.6 The amount of petty cash held in the academy must be kept to a minimum and should never exceed £400 at any one time. The maximum amount of cash held in the academy at any time must never exceed the insured limit for the safe as set by the academy's insurance cover.

9.7 The FA will be responsible for the prompt entry of transactions onto the accounting system. The FA will be responsible for the monthly reconciliation of the petty cash. Expenditure plus cash in hand should equal the imprest. Documented reconciliations will be signed by the CFO.

10. PAYROLL AND PERSONNEL PROCEDURES

10.1 All staff appointments, amendments to an employee's terms of employment and terminations of employment are to be made in accordance with the arrangements laid down in 3.9.

10.2 Neither the CEO, CFO, Headteacher nor the Deputy Headteacher can authorise amendments concerning their own pay and contract conditions. Changes to the CEO, CFO, Headteacher's pay and contract conditions must be authorised the Board.

10.3 The Board must ensure its decisions around executive pay follow a robust evidence-based process and are reflective of an individual's role and responsibilities. As per the Academy Trust Handbook the following process should be followed;

- The procedure for determining executive pay is agreed by the Board in advance and documented
- Decisions around executive pay reflect independence and objective scrutiny and conflicts of interest are avoided
- Factors in determining the level of pay are clear
- Benchmarking has been carried out to ensure the level of pay reflects value for money and is relative to the public sector market
- The process and rational are all clearly documented.

10.4 The Trust will publish on its website, in a separate readily accessible form, the number of employees whose benefits exceeded £100k, in £10k bandings, as an extract from the disclosure in its financial statements for the previous year ended 31 August.

10.5 The CFO has responsibility for checking and reconciling actual monthly payroll payments and deductions to those expected and committed.

10.6 After the month end accounting entries have been made to the financial accounting system, any balance remaining in the payroll control accounts must be reconciled, and appropriate explanations documented. It is the responsibility of the CFO to ensure that this is done.

10.7 Each month the FA will reconcile back to the bank statement all payments for salaries, BACS, and other salary related payments.

11. INCOME

General

11.1 It is the responsibility of the FA to ensure that all income due to the Trust/academy has been received, banked and reconciled to its financial accounting system.

11.2 All income received should be entered onto the Trust's financial accounting system. The collection record should contain the amount received, the name of the person / organisation making the payment, and the date the payment is received.

11.3 Any cash/ cheque income received by the Trust/academy should be banked at a minimum monthly and in full. The insurance policy cover for cash and cheques held on site must not be exceeded. However, if a high level of income is expected e.g. proceeds from a fete, the insurer must be informed to obtain additional short-term cover, and the income must then be banked as soon as is practicable**.**

11.4 When banking money received (either cash or cheques) the bank paying in slips will be completed in full, clearly showing the split between cash and cheques, and each cheque will be listed separately.

11.5 Income received by the academies from parents is input into online payment system and an email receipt is generated. Reconciliations are undertaken monthly between the on-line payment system and amounts received in the bank, which are weekly.

11.6 All cash and cheques must be kept in the safe prior to banking.

11.7 When setting up a contract with a new supplier for provision of an on-line payment system, consideration should be given to the following areas:

- Basis of fees payable to the company
- Complete audit trail and facility of income reconciliation of totals received
- Reminder facilities to chase up overdue amounts

Any contract for the services of an online parental payment system will be reviewed regularly to ensure that the Trust is getting value for money and that the provider is giving an adequate service. A copy of the contract should be held in the academy.

12. RISK MANAGEMENT

12.1 The Board has overall responsibility for risk management and must not delegate overall responsibility to a committee. A risk register must be maintained. The CFO will support the Trust's risk management strategy by ensuring that they prepare a local risk register which is regularly maintained and submitted for monitoring to the Board. It should identify significant risks and the member of staff responsible for managing it. A copy of the register should be presented to the ARC at every meeting. Annually a copy should be reviewed by the Board.

12.2 Where risks arise that threaten the reputation of the Trust or the financial viability of an academy, they should be notified to the Board immediately.