



Academies Trust

The Co-operative Academies Trust

Financial Operations and Procedures Manual

September 2023

Contents

Page No.

| | | |
|----|---|---|
| 1. | Version control matrix | 5 |
| 2. | Introduction | 5 |
| 3. | Accounting Principles | 5 |
| | 2.1 General Accounting Policies and Procedures | |
| | 2.2 Internal Control Procedures | |
| 4. | Roles, Responsibilities and Financial Oversight | 6 |
| 5. | Internal and External Auditing | 7 |
| 6. | Financial Timetable | 8 |

Financial Process and Operations Manual

| | | |
|----|---|----|
| 1. | Financial Systems | 9 |
| | 1.1. Back-up Procedures | |
| | 1.2. Transaction Processing | |
| | 1.3. Transaction Reports | |
| | 1.4. Financial Reconciliations | |
| 2. | Business Planning (Including Budgeting and Reforecasting) | 11 |
| | 2.1. BP and Budget Planning | |
| | 2.2. SCA Capital Funding | |
| | 2.3. BP and Budget Preparation | |
| | 2.4. Academy Development Plan | |
| | 2.5. Balancing the Budget / Mitigation Planning | |
| | 2.6. Finalising the Budget | |
| | 2.7. Financial / Commercial Risk and Risk Management | |
| | 2.8. BP and Budget Approval Process | |
| | 2.9. BP and Budget Reforecasting including Approval Process | |
| 3. | Management Accounting (Including Reporting and Monitoring) | 17 |
| | 3.1. Budget Management | |
| | 3.2. Budget Reforecasts | |
| | 3.3. Unbudgeted Settlement Agreements | |
| | 3.4. PFI Reporting | |
| | 3.5. Urgent Emergency Expenditure | |
| | 3.6. Management Reporting and Monitoring | |
| 4. | Income and Credit Management | 21 |
| | 4.1. Types of Income | |
| | 4.2. Income Collection and Custody | |
| | 4.3. Processing Income | |
| | 4.4. Income Review | |
| | 4.5. Credit Management | |

| | | |
|-------|---|----|
| 4.6. | Accounting | |
| 5. | Payroll and Pension Administration | 30 |
| 5.1. | In-Year Changes to Staffing Establishment, and Structures | |
| 5.2. | Payroll Administration | |
| 5.3. | Pension Administration | |
| 6. | Revenue Expenditure (Including Approvals) | 33 |
| 6.1. | General Approval / Authority Levels | |
| 6.2. | Capital Investment | |
| 6.3. | IT Capital Expenditure | |
| 6.4. | Financial Commitment | |
| 6.5. | Payment Approval | |
| 6.6. | Credit Cards | |
| 6.7. | Routine Purchases | |
| 6.8. | Invoice Authorisation | |
| 6.9. | Payment of Suppliers | |
| 6.10. | Supplier Reconciliations | |
| 6.11. | SCA Capital Funding | |
| 7. | General Procurement and Accounts Payable Management | 39 |
| 7.1. | Trust Purchase Order System | |
| 7.2. | Purchase Orders | |
| 7.3. | Goods and and Services Received | |
| 7.4. | Invoices Received | |
| 7.5. | Invoice Payments (inc BACS Payments) | |
| 7.6. | Supplier Maintenance | |
| 7.7. | Routine Purchases less than £2,000 | |
| 7.8. | Routine Purchases greater than £2,001 and less than £5,000 | |
| 7.9. | Routine Purchases greater than £5,001 and less than £30,000 | |
| 7.10. | Routine Purchases greater than £30,001 | |
| 7.11. | Forms of Tendering | |
| 7.12. | Tendering Process | |
| 7.13. | Trading with Connected Parties (Related Party Transactions) | |
| 8. | Staff Expenses | 47 |
| 8.1. | Policy | |
| 8.2. | Use of Credit Cards | |
| 8.3. | Receipts | |
| 8.4. | Business Mileage | |
| 8.5. | HMRC Mileage Rates | |
| 8.6. | Completing Expense Forms | |
| 9. | Management of Assets (Fixed Assets and Capital Investment) | 49 |
| 9.1. | Asset Register | |
| 9.2. | Security of Assets | |
| 9.3. | Asset Additions | |
| 9.4. | Disposal of Land and Property (and other Assets) | |
| 9.5. | Leased Assets | |
| 9.6. | Loan of Trust Assets | |
| 9.7. | Capital Investment | |
| 9.8. | General Approval / Authority Levels | |

| | | |
|-----|--|----|
| 10. | Treasury Management (Including Cash Management) | 53 |
| | 10.1. Bank Accounts | |
| | 10.2. Deposits | |
| | 10.3. Payments and Withdrawals | |
| | 10.4. Administration | |
| | 10.5. Petty Cash | |
| | 10.6. Credit Card Management | |
| | 10.7. Cash Flow Management and Forecasts | |
| | 10.8. Management of Investments | |
| 11. | Integrated Curriculum and Financial Planning | 56 |
| 12. | Business Assurance and Risk Management | 57 |
| | 12.1. Linkages | |
| | 12.2. Suspected Fraud | |
| | 12.3. Insurance | |
| | 12.4. Risk Management Policy | |
| | 12.5. Security | |
| | 12.6. Staff Training (induction, refresher related to the Trust's internal controls) | |
| 13. | Corporation Tax and Value Added Tax (VAT) | 62 |

Appendices

1. Version control matrix

| Ver | Date | Section updated | Notes |
|------|----------|--|--|
| v0.1 | 26.10.22 | Original version | Sections moved from September 2021 Finance Regulations |
| v0.2 | 29.12.22 | Section 7 - General Procurement and Accounts Payable Management | Budget holders required to complete Goods Received Process to confirm purchase order received and agreed as ordered and thus no requirement to approve supporting invoice if details agree. |
| v0.3 | 08.08.23 | Add version control matrix Section 7 - General Procurement and Accounts Payable Management | No requirement to approve invoice for goods and services received, if supporting purchase order price is equal to or higher than the invoice. |
| v0.4 | 20.09.23 | Throughout - changes to Executive staff structure and general typographical amendments Introduction - changes to Internal Audit appointment Section 2 - Business Planning (including Budgeting and Reforecasting) Section 3 - Management Accounting (including Reporting and Monitoring) Section 7 - General Procurement and Accounts Payable Management | Updated for Academy Trust Handbook 2023 changes, notably Related Party threshold increase (7.13), sharing of management accounts (3.7) and change to 3YBFR deadline (from July to August) (2.4). Updated to reflect change in internal auditors from September 2023 (Introduction - 3.2). Updated throughout for change to Exec structure and introduction of CFO post and for general typographical corrections. Rewording of Section 7 to reflect introduction of electronic purchasing module. |
| v0.5 | 08.02.24 | Section 7.13 Section 9.1 Section 9.9 | Updated to introduce requirement for annual circulation of Register of Interest and for register to be checked prior to procurement / tender. Updated to reflect differential capitalisation thresholds for different categories of assets. Updated to introduce the requirement for academies and central to undertake annual asset / inventory verification counts. |
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2. Introduction

- 2.1. This document sets out for The Co-op Academies Trust (“the Trust”) the Financial Operations and procedures Manual (“the Ops Man”). Reference to the Trust includes its member organisations for the purpose of the authorities and procedures contained herein, except where otherwise stated.
- 2.2. The purpose of this Ops Man 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 and comply with all regulatory requirements.
- 2.3. The Trust must comply with the principles of financial control outlined in the Academy Trust Handbook published by the Education & Skills Funding Agency (ESFA) . This manual expands on that and provides detailed information on the Trust’s accounting policies and procedures.

3. Accounting Principles

General Accounting Policies and Procedures

- 3.1. The Trust’s statement of principal accounting policies can be found [here](#).

Risk and Control Framework

- 3.2. The Trust’s system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:
 - comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
 - regular reviews by the Board of Directors of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
 - setting targets to measure financial and other performance;
 - clearly defined purchasing (asset purchase or capital investment) guidelines;
 - delegation of authority and segregation of duties; and
 - identification and management of risks.
- 3.3. The Trust appointed an internal auditor (Beever & Struthers from September 2023) to undertake a review of internal controls within each academy and at a Trust level in order to provide a level of assurance on the operation of controls during the year.

The internal auditor carries out control checks on:

- Key Financial Systems (Accounts Payable, Receivable, General Ledger and Payroll);

- Safeguarding;
- Risk Management;
- ;Financial Procedures - Fraud Investigation: and
- Prior Year 'Follow up' Audit Actions.

3.4. Details of the Trust's internal control framework can be found in the Trust's Financial Regulations ("the Regs") can be found [here](#).

3.5. The Trust's Risk and Control framework is designed to comply with the Regulators 'Academies Accounts Direction' which is reviewed and updated annually (copy can be found [here](#)) and the Academy Trust Handbook (copy found [here](#)).

4. Roles, Responsibilities and Financial Oversight

4.1. The Trust has defined (within the Regs) the responsibilities of each person involved in the administration of the Trust finances to avoid duplication or omission of functions and to provide a framework of accountability for Governors and staff.

4.2. The Regs also contain the Financial Policies that the Board has adopted and provides the framework for how the Regs (including the Scheme) will be exercised.

4.3. The Regs provide an overview of the parameters that Board have set out to assist staff, Board, Governors and Academy Sub-Committee members to ensure that:

- A financial framework exists within which staff, Board, Governors and Committee members may properly act and are fully accountable for their actions;
- The Scheme of Financial Delegation details the financial limits on commitments and payments that should be applied within the Regs and describes the associated permissions and responsibilities related to disbursing the Trust's financial business and specifies the limits and ranges of delegation given with the Trust;
- It complies with the rules and objectives of the Trust together with any other statutory requirements, is lawful, reasonable and represents value for money; and
- The assets and other financial interests of the Trust are properly protected.

4.4. The Regs define the delegated financial authority levels for the Trust Board, Governors, Committee Members, CEO, leadership team and staff by detailing the policy by which individuals can commit and authorise expenditure within an approved budgeted framework.

4.5. Trust Board, Committees, Academy Governing Councils (AGCs) and staff are required to conform to the rules set out in these Financial Regulations. Any breach of these rules, whether inadvertent or otherwise, must be brought to the attention of the Chief Finance Officer (CFO) who will investigate the circumstances with the personnel concerned. The CFO will, in consultation with the CEO, decide whether the circumstances are such that they should be reported to the Trust Board. It is the responsibility of senior management to ensure their staff are made aware of the contents of these Financial Regulations, which form part of the overall regulatory framework and ensure that any local policies and procedures are consistent within this document.

4.6. The Chief Executive Officer (CEO) may from time to time make a direction in respect of a delegated officer that the authority of the person(s) specified in that direction to act as delegated officer for the purposes of the Scheme shall be:

- a) suspended;
- b) reduced;
- c) subject to conditions; and / or
- d) exercisable by another person (being an employee(s) of the Trust of the same or greater seniority).

- 4.7. The Trust has defined (within the Regs) the responsibilities of each person involved in the administration of the Trust's finances to avoid duplication or omission of functions and to provide a framework of accountability for governors and staff.
- 4.8. The specific roles and responsibilities of the Board, AGC, Audit & Risk Committee (ARC), Finance & Resources Committee (FRC), Accounting Officer, Regional Directors (RDs), CFO, Chief Operating Officer (COO), Central Team and the Academy Leadership can also be found in the Regs.

5. Internal and External Auditing

- 5.1. The Trust Board will appoint External Auditors as required by statute, and in a way consistent with the requirements of the current guidance issued by the ESFA.
- 5.2. The CFO (or a nominated staff member) will arrange for the completion of the external audit, liaising with the external auditor on behalf of the Trust. The CFO, AFL, or a nominated staff member are responsible for ensuring that draft Trust accounts are considered by the Trust Audit and Risk Committee before the Trust Board and that the finalised financial statements are available for adoption at the Board, which is held within four months of the year end.
- 5.3. The CFO, AFL, or nominated staff member, will also arrange for the Management Letters (Audit Findings Report) to be considered by the Trust Audit and Risk Committee.
- 5.4. The external auditors should be given the opportunity, at least once a year, to meet the Audit and Risk Committee without any officers being present, to discuss issues that may have arisen during their work, or highlight areas of concern.
- 5.5. The CFO is responsible for ensuring there are adequate internal audit arrangements in place.
- 5.6. The internal audit function is carried out by the Board's appointed consultants, under the independent control and direction. The Trust CFO shall carry out a continuous examination of financial and other operations of all Academies within the Trust. An annual risk based programme of work will be set by the CFO in consultation with the Audit and Risk Committee.
- 5.7. All internal audit reports are available to members of the Audit and Risk Committee. A summary of audit findings is presented to the Audit and Risk Committee each quarter.
- 5.8. Where an external Audit Management Letter (Audit Findings Report) or internal audit report highlights weaknesses or improvements, management will provide a response within the report. For external and internal audit, it is the responsibility of the CFO to liaise with the appropriate staff to ensure that the response is provided. The response will include the following information:
- Whether the recommendation is accepted, and if not, why not;
 - Where not clear from the recommendation, details of what action is to be taken;
 - Who is responsible for completing the work required; and
 - A timescale for completing the work.
- 5.9. The External and Internal Auditors along with the CEO, or their authorised representative, shall have authority to:
- Enter at all reasonable times any of the Trust's premises or land;
 - Have access to all records, documents and correspondence relating to any financial or other transaction of the company;
 - Require and receive such explanations as are necessary concerning any matter under examination; and

- 5.10. Require any employee of the company to produce cash, stores or any other Trust's property under the employee's control.

6. Financial Timetable

- 6.1. The Trust has developed an annual financial timetable which covers the following key areas:

- Monthly Management Accounts
- Periodic Trust/ Academy Reforecasts
- VAT Returns
- Annual Business Planning Process
- Year End Accounts and Preparations for External Audit

The latest copies can be found [here](#).

Co-operative Academies Trust : Financial Operations and Procedures Manual - Financial Systems

| Policy / Process | Procedures | Controls |
|---|--|--|
| <p>1. Financial Systems</p> <p>1.1. Back-Up Procedure</p> <p>1.2. Transaction Processing</p> <p>1.3. Transaction Reports</p> | <p>All the financial transactions of the Trust will be recorded in the Trust's computerised financial accounting system 'Civica - Financials / Live'. This system is operated by the central finance team and by the finance / academy teams at each individual academies or Hub. The consolidated database is held on the servers hosted by the provider of the Trust's financial system.</p> <p>Entry into Trust's computerised financial information accounting system, is password restricted and the Trust finance team is responsible for implementing a system which ensures that passwords are changed on a regular basis.</p> <p>The Trust use an external company Civica to host (Cloud-based provision) the financial software called Financials / Live. Civica are responsible for ensuring that there is an effective cloud based system back-up.</p> <p>All journal entries will be documented on the appropriate journal form and authorised by the Academy Finance Lead (AFL) prior to being input to the accounting system. Where the AFL is also responsible for raising / posting the journal, then a review of summary journal entries should be carried out periodically by the Regional Finance Director (RFD). Bank transactions should be input by the finance team and the input should be checked, and signed to evidence this check, by the AFL. On a monthly basis the Academy Leader or nominated employee, will countersign / review the journals (or journal summaries).</p> <p>Standard Journal Template</p> <p>Cashbook Journal Template</p> <p>The AFL will obtain and review system reports to ensure the completeness and accuracy of transactions posted to the accounting system. Reports obtained and reviewed will include:</p> <ul style="list-style-type: none"> ● the monthly audit trail reports; ● reports for the payroll, creditors and debtors; and ● management accounts summarising expenditure and income against budget at budget holder level. <p>How to run audit report - Journals</p> <p>How to run aged creditors</p> <p>How to run aged debtors</p> | <p>Internal and external audits, periodic reviews by RFDs, Central Trust, and CFO.</p> <p>Internal audit</p> <p>Internal and External audits, Periodic reviews by RFDs, Central Trust, and CFO.</p> <p>Internal audit and Regular reviews by RFDs.</p> |

Co-operative Academies Trust : Financial Operations and Procedures Manual - Business Planning (Including Monitoring and Reforecasting)

| Policy / Process | Procedures | Controls |
|---|---|--------------------------------------|
| <p>2. Business Planning (Including Budgeting and Reforecasting)</p> <p>2.1. BP and Budget Planning</p> | <p>A systematic process of financial and operational planning will be undertaken on an annual cycle, culminating in the preparation of a 3 year Financial Plan for the Trust incorporating each individual Academies. The budget set for the next financial year will form the first year of the financial plan.</p> <p>Business plans must be prepared in line with guidelines set by the CFO, and will broadly consist of:</p> <ol style="list-style-type: none"> 1) Introduction / context; 2) Summary highlights; 3) Academy priorities and linkages to the overall Trust strategic objectives; 4) Financial highlights (included as appendices): <ol style="list-style-type: none"> a) Income and expenditure statement (Using the Trust's IMP business model) - within the narrative that accompanies each financial plan, details of individual expenditure over £20k for Secondaries, Colleges and Special Schools and £5k for a Primary should be given; b) Summary of pupil number projections; c) Staffing levels - both teaching and non-teaching levels and linked to each academy's Key Performance Indicators (curriculum planning); d) Key Performance Indicators (guidance will be provided each year); e) Business sensitivity analysis (further guidance will be provided each year); f) Balance sheet (further guidance will be provided each year); g) Capital investment plans; h) Cyclical maintenance plans (extracted from the 5 year maintenance programmes for non-PFI Academies); i) Monthly cash flow; | <p>ARC, FRC, and CFO.</p> <p>CFO</p> |

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| <p>2.2. SCA Capital Funding</p> | <p>j) Compliance statement re: Trust reserves policy (and where applicable - detailed mitigation plans);</p> <p>5) Summary key academy (operational) and Trust (strategic) risks; and</p> <p>6) A separate report taking the outputs from three year business plan and linking into a standard ICFP model (provided through the central team) and completed before the end of the Summer term.</p> <p>A copy of the latest (2022/23) Business Planning Framework and Assumptions - Trust business planning assumptions</p> <p>In addition to the above, the Trust, incorporating each individual academy, must include a section on 'Stress Testing' through the use of multivariate sensitivity analysis. This analysis is designed to test the robustness of financial assumptions used in the business planning process and their associated impact on academies' viability and compliance with the Trust's reserves policy.</p> <p>In order to ensure that all relevant risks are addressed by business plans, the business plan process will take account of the most recent Trust (and academy) risk maps.</p> <p>Individual academy business plans will be signed off by the Academy Leader and Academy leadership team, approved by the relevant AGC and recommended to the Trust Board for approval, prior to the financial year end in line with the business plan guidelines / timetable.</p> <p>A copy of a draft academy business template - Academy business plan report</p> <p>All business plans should, for consolidation purposes, be recorded and modelled through the Trust's IMP software.</p> <p>As part of the business planning process academies will be invited to make SCA capital funding applications, to fund identified academy capital schemes that cannot be funded from existing academy reserves. Funding applications are normally required to be submitted to the central finance team by mid-April to enable the Trust SLT to review and allocate funding in advance of final business plan submissions (early June). All capital funding applications must include a written business case.</p> <p>A copy of a draft SCA Business Case Application can be found here - SCA Business Case Template</p> <p>Business plans should be updated regularly throughout the year for any known material variations to the original budget (in the form of a reforecast) and submitted to the Trust as part of the request for</p> | <p>ARC, FRC, and COO.</p> <p>ARC, FRC, and CFO.</p> <p>ARC, FRC, and CFO.</p> <p>CEO, CFO and SLT.</p> <p>CFO and Finance SLT.</p> |
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| <p>2.3. BP and Budget Preparation</p> | <p>approval for a revised forecast where is deemed necessary.</p> <p>Business plans should also be updated (in the form of a revised forecast) as follows:</p> <ul style="list-style-type: none"> • Before being used as a basis for the 3YBFR (3-Year Budget Forecast Return), if there are known changes to the approved budget; • To reflect any significant change in business circumstances; • Upon a significant change in key financial assumptions (pupil numbers or projections, pupil premium, high needs income, lettings, catering costs, salary and pension contributions etc.) which will materially impact on overall finances; and • As required by the individual AGC, Trust Board or the CFO. <p>A reforecast will only become the baseline against which financial results will be measured when approved by the Trust Board; any reforecasts in the intervening periods are informative only and should not be deemed the to be an update to the approved budget.</p> <p>Additional performance reports will be made to the AGC of each Academy and to the Trust Board on an interim basis should the adjustments made in respect of any of the items listed above result in a material variation to the business plan previously approved by the Trust Board. The RFD can provide advice in respect of materiality based on Academy size and circumstances.</p> <p>When reaching the Board the business plans should be accompanied by recommendations on its acceptability and on its impact on overall finances.</p> <p>The CFO in consultation with other Trust SLT colleagues and senior managers is responsible for the coordination and preparation of the Trust’s consolidated annual business plan (including income and expenditure budgets, balance sheet, cash flow, ICFP statements and including multivariate sensitivity analysis).</p> <p>The AFL is responsible for preparing and obtaining approval for the annual business plan for the academy (including income and expenditure budgets, balance sheet, cash flow, ICFP statements and including multivariate sensitivity analysis for each member organisation).</p> <p>The business plan must be approved by the Academy Leader, academy-level Finance Committee (if established), AGC, and recommended to the Trust Board. The Trust CFO is responsible for preparing and obtaining approval for the annual budget for the Trust and consolidating the budgets for all the individual Academies. The Trust business plan must be approved by the Trust Board.</p> <p>Business plans are to be prepared in a form recommended by the CFO, agreed by the Trust Board and proposals contained within them are to be consistent with the Trust’s strategic plans and business objectives.</p> | <p>Board, ARC, SLT and CFO.</p> <p>CFO</p> <p>RFDs</p> <p>Board, ARC, SLT and CFO</p> <p>CFO</p> |
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| <p>2.4. Academy Development Plan</p> | <p>The Trust's business plans are prepared as part of the development planning process. The development plan indicates how the academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years.</p> <p>The development plan is concerned with the future aims and objectives of the academy and how they are to be achieved; that includes matching the academy's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.</p> <p>The form and content of the development plan are matters for the academy to decide but due regard should be given to the matters included within the guidance to academies and any annual guidance issued by the ESFA and the Trust's CFO.</p> <p>The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criterion against which achievement can be measured.</p> <p>The approved budget must be submitted to the ESFA by 31 August each year and The Trust's CFO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.</p> <p>The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.</p> <p>The budgetary planning process will incorporate the following elements:</p> <ul style="list-style-type: none"> ● forecasts of the likely number of students to estimate the amount of ESFA grant receivable; ● review of other income sources available to the academy to assess the likely level of receipts; ● review of past performance against budgets to promote an understanding of the academy cost base; ● integrated curriculum and financial planning including use of the school resource management self-assessment tool; ● identification of potential value for money savings; ● review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes; and ● compliance with the Trust's Reserves Policy. | <p>Academy Leaders</p> <p>CFO</p> <p>Academy Leaders</p> <p>Board, ARC, SLT and CFO</p> <p>CFO</p> <p>Board, ARC, SLT and CFO</p> |
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| | <p>If academy plans identify a shortfall (or deficit) in funding and this results in reserves falling below the Trust's Reserves Policy then the Academy Leader must, in conjunction with the RD, prepare a mitigation plan that will be incorporated into the academy plan that will bring the plan back in line with the Trust's Reserves Policy. The academy must not submit a plan to the AGC (or Board) that does not comply with the Trust's policy without prior approval of the CEO or CFO.</p> | |
| 2.5. Balancing the Budget / Mitigation Planning | <p>Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.</p> | CFO |
| 2.6. Finalising the Budget | <p>Once the different option / scenarios have been considered, a draft budget should be prepared by the AFL for approval by the Academy Leader, the RD, the Academy-level Finance Committee (if established) and the AGC. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary position and any constraints.</p> <p>Any proposal to change staffing structures as part of the budget-setting process must be explicitly reviewed by the RD. For teaching staff, this should be linked to ICFP and performance metrics.</p> <p>The academy business plan recommended to Board should be accompanied by a statement of assumptions. The budget should be seen as a working document which may need revising throughout the year as circumstances change, subject to the approval process outlined in this document.</p> | CEO, CFO and SLT |
| 2.7. Financial and Commercial Risk and Risk Management | <p>In order to ensure that all relevant risks are addressed by business plans, the business plan process will take account of the most recent Trust (and academy) risk maps.</p> | ARC, FRC and SLT |
| 2.8. BP and Budget Approval Process | <p>Individual academy business plans will be signed off by the Academy Leader and academy leadership team, considered by the relevant AGC and recommended to the Trust Board for approval, prior to the financial year end in line with the business plan guidelines / timetable.</p> <p>Each year the AGC of each individual academy will consider income and expenditure proposals for the following 3 years and approve (for recommendation to the Trust Board) the budget for the following year. In approving the budget, the AGC will make reference to the aims and objectives of the academy's business plan.</p> | CEO, CFO, and SLT |

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| <p>2.9. BP and Budget Reforecasting including Approval Process.</p> | <p>The Trust's senior management team will consider the detail of the consolidated budget with particular regard to the financial strategy, Reserves Policy and the 3-year Financial Plan, before recommending it to the Trust Board for approval.</p> | <p>Board and ARC</p> |
| | <p>A consolidated budget will be presented to the Trust Board for approval in advance of the new financial year and prior to the 3YBFR submission deadline (July for August submission).</p> | <p>Board and ARC</p> |
| | <p>When reaching the Board the business plans should be accompanied by recommendations on its acceptability and on its impact on overall finances.</p> | <p>Board and ARC</p> |
| | <p>Once approved, the individual academy and Trust (consolidated) budgets are to be used as the basis for authority to incur expenditure on individual budget headings up to the approved value and will form the basis on which comparisons to actual expenditure will be made, until it is revised and revisions formally approved by the Trust Board.</p> | <p>CFO</p> |
| | <p>Business plans should be updated regularly throughout the year for any known material variations to the original budget (in the form of a reforecast) and submitted to the Trust as part of the request for approval for a revised forecast where is deemed necessary.</p> | <p>CFO</p> |
| | <p>Business plans should also be updated (in the form of a revised forecast) as follows:</p> <ul style="list-style-type: none"> • Before being used as a basis for the 3YBFR (3-Year Budget Forecast Return), if there are known changes to the approved budget; • To reflect any significant change in business circumstances; • Upon a significant change in key financial assumptions (pupil numbers or projections, inflation, interest rates, salary/ pension issues etc) which will materially impact on overall finances; and • As required by the individual AGC, Trust Board or the CFO. | <p>CFO</p> |
| | <p>Additional performance reports will be made to the AGC of each academy and to the Trust Board on an interim basis should the adjustments made in respect of any of the items listed above result in a material variation to the business plan previously approved by the Trust Board. The RFD can provide advice in respect of materiality based on academy size and circumstances.</p> <p>Following the rollout of the new IMP system during 2023/24, consideration will be given to moving to a rolling forecast process as part of the management accounts preparation process from 2024/25.</p> | <p>CFO</p> |

| Policy / Process | Procedures | Controls |
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| <p>3. Management Accounting (including Monitoring and Reporting)</p> <p>3.1. Budget Management</p> | <p>The CFO is responsible for ensuring that adequate budgetary control mechanisms including a secure framework for budgetary delegation and effective variance reporting routines are in place across all areas of the Trust's business.</p> <p>The Trust's accounting timetables are highlighted below along with links to the latest versions:</p> <ul style="list-style-type: none"> ● Monthly management accounts timetable ; ● Key financial activities; ● Business planning activities; and ● Year audit timetable - to be issued separately when agreed with ARC. <p>The Trust's accounting timetables can be found here.</p> <p>All budgets must identify a budget holder responsible for the financial control of that revenue or capital budget. Although the budget holder has overall authority, other officers may be approved to authorise expenditure within the budget, and it is the responsibility of the budget holder to ensure that the approved officers are fully aware of their authority levels and limits (as set out in the Financial Authority Limits – Appendix B to these Financial Regulations). In particular, approved officers must be aware that no employee or member shall commit expenditure unless:</p> <ul style="list-style-type: none"> ● The item of expenditure is within budget and has been approved by the relevant AGC and Board; ● The individual concerned has authority to incur such expenditure; ● Any other regulation (e.g. procurement procedures) concerning the type of expenditure involved has been complied with; and ● To ensure value for money, goods and services should be purchased on the most advantageous terms in accordance with the Trust's procurement procedures. <p>Once approved the budget should be uploaded to the Trust's computerised financial information accounting system so that all budget-holders are aware of available funds.</p> <p>Strict budgetary control will be maintained by managers for all income and expenditure they are responsible for.</p> <p>Trust SLT and/or Academy Leaders will have overall responsibility for the income and expenditure of their Directorates or academies.</p> <p>The AFL (or nominated person) is responsible for the circulation to the Trust SLT, Academy Leaders and other senior managers of monthly statements / reports of income and expenditure.</p> | <p>CFO</p> <p>SLT/ CFO/ Academy Leaders</p> |

| <p>3.3. Unbudgeted Settlement Agreements/ Restructuring Costs</p> | <p>Approvals required for settlement agreements and restructuring costs are shown as follows:</p> <table border="1" data-bbox="618 319 1686 893"> <thead> <tr> <th data-bbox="618 319 1153 395">Settlement Agreements/ Restructuring Costs</th> <th data-bbox="1153 319 1686 395">Approval From</th> </tr> </thead> <tbody> <tr> <td data-bbox="618 395 1153 475">Up to £5,000 in total</td> <td data-bbox="1153 395 1686 475">Approval from - AGC Report to RD, HR and Regional Finance Director</td> </tr> <tr> <td data-bbox="618 475 1153 555">£5,001 to £10,000 in total</td> <td data-bbox="1153 475 1686 555">Approval from - AGC, RD and CPO Report to Regional Finance Director</td> </tr> <tr> <td data-bbox="618 555 1153 635">£10,001 to £25,000 in total</td> <td data-bbox="1153 555 1686 635">Approval from - Above plus Trust SLT Report to RFD</td> </tr> <tr> <td data-bbox="618 635 1153 715">£25,001 to £50,000 in total</td> <td data-bbox="1153 635 1686 715">Approval from - Above plus CEO Report to - Chair of Trust and ARC</td> </tr> <tr> <td data-bbox="618 715 1153 893">£50,001+ in total</td> <td data-bbox="1153 715 1686 893">Approval from - Above plus Chair of Board, Chair ARC Report to - Chair of Trust and ARCh For non-statutory / non-contractual amounts greater than £50,000 - prior approval required before any binding offer being made</td> </tr> </tbody> </table> <p>Note 1 - The Trust must obtain ESFA prior approval for staff severance payments of £100k or more which include a non-statutory / non-contractual element, and / or where the employee earns over £150k. These requests must be made via the CPO and the CFO and ESFA approval granted before any binding agreements can be made.</p> <p>Note 2 - The Trust must obtain ESFA prior approval for staff severance payments in respect of non-statutory / non-contractual amounts of £50k or more. These requests must made via the CPO and the CFO and ESFA approval granted before any binding agreements can be made.</p> | Settlement Agreements/ Restructuring Costs | Approval From | Up to £5,000 in total | Approval from - AGC Report to RD, HR and Regional Finance Director | £5,001 to £10,000 in total | Approval from - AGC, RD and CPO Report to Regional Finance Director | £10,001 to £25,000 in total | Approval from - Above plus Trust SLT Report to RFD | £25,001 to £50,000 in total | Approval from - Above plus CEO Report to - Chair of Trust and ARC | £50,001+ in total | Approval from - Above plus Chair of Board, Chair ARC Report to - Chair of Trust and ARCh For non-statutory / non-contractual amounts greater than £50,000 - prior approval required before any binding offer being made | <p>CPO / CFO</p> |
|---|---|--|---------------|-----------------------|--|----------------------------|---|-----------------------------|--|-----------------------------|---|-------------------|--|------------------|
| Settlement Agreements/ Restructuring Costs | Approval From | | | | | | | | | | | | | |
| Up to £5,000 in total | Approval from - AGC Report to RD, HR and Regional Finance Director | | | | | | | | | | | | | |
| £5,001 to £10,000 in total | Approval from - AGC, RD and CPO Report to Regional Finance Director | | | | | | | | | | | | | |
| £10,001 to £25,000 in total | Approval from - Above plus Trust SLT Report to RFD | | | | | | | | | | | | | |
| £25,001 to £50,000 in total | Approval from - Above plus CEO Report to - Chair of Trust and ARC | | | | | | | | | | | | | |
| £50,001+ in total | Approval from - Above plus Chair of Board, Chair ARC Report to - Chair of Trust and ARCh For non-statutory / non-contractual amounts greater than £50,000 - prior approval required before any binding offer being made | | | | | | | | | | | | | |
| <p>3.4. Budget Virement</p> | <p>Virement - the process of moving a budget or part of a budget to a different area having a nil effect on the total expenditure in the income statement. For example reducing the curriculum budget by £10k to increase expenditure in library books by £5k and staff training by £5k. A virement can also be used to reallocate budget to different cost centres - i.e. £5k reduction in maths curriculum expenditure to fund a £5k increase in science curriculum expenditure.</p> | <p>RFDs / CFO</p> | | | | | | | | | | | | |

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| <p>3.5. PFI Reporting</p> <p>3.6. Urgent / Emergency Expenditure</p> <p>3.7. Management Reporting and Monitoring</p> | <p>A virement cannot be used to fund permanent staff.</p> <p>Virements of capital budgets to fund revenue expenditure or vice versa must be approved by the CFO prior to entering into any financial commitments, and will consider the impact on Trust financial plans, conditions of funds to be reallocated, and Reserves Policy.</p> <p>The AGC and the Trust Board will also receive, during the financial year, any other reports or statements as it from time to time considers necessary to exercise proper financial control including, where appropriate, PFI performance reports.</p> <p>Nothing in these Financial Regulations shall prevent an officer from incurring expenditure which is essential to meet any immediate needs of the Trust created by an emergency. This is subject to their action being discussed beforehand with the CEO, relevant Trust SLT member or Academy Leader, and being reported immediately to the subsequent Trust Board meeting.</p> <p>Reports will be prepared as a minimum monthly by the AFL. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Academy Leader and the FRC. Reports will also include rolling 12 month cash flow and balance sheet projections.</p> <p>Any potential unbudgeted / forecast expenditure or overspend against the budget / reforecast must in the first instance be agreed with the AFL. The accounting system will not allow payments to be made against an overspent budget without the approval of the AFL. If the potential overspend is above £50,000 in total then approval must be obtained in line with the delegated financial authority limits highlighted in Appendix B of the Financial Regulations Link.</p> <p>The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to transfer uncommitted resources (virement) from one budget to another in line with the delegated approvals.</p> <p>For periods where the Trust Board does not convene, management accounts will be circulated electronically to the Chair of Trust Board and Chair of Finance Committee.</p> | <p>CFO</p> <p>SLT</p> <p>RFDs/ CFO</p> |
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| Policy / Process | Procedures | Controls |
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| <p>4. Income and Credit Management</p> <p>4.1. Types of Income</p> <p>Government and LA Grant Income</p> <p>Other Income</p> <p>Other Income - Student Related</p> | <p>The Trust has overall responsibility for ensuring that all income due to the Trust / academy is properly accounted for. The day-to-day responsibility for this is delegated to the AFL. Income, including valuations for donated services (or goods) is accounted for in accordance with the requirements set out in the Academy Trust Handbook published by the ESFA. Invoices or receipts are given for all amounts of non-grant income.</p> <p>Please refer to the Academy Trust Handbook for more information on requirements that trusts must follow.</p> <p>The main sources of income for the academy are the grants from the ESFA and Local AuthoAcademy Trust Handbook 2023.pdfrities (the latter particularly in relation to special schools). The receipt of these sums is monitored directly by the AFL who is responsible for ensuring that all grants due to the academy are collected.</p> <p>The Academies Revenue Funding Allocations guide published by the ESFA can be found here, this also includes a A-Z of common terms and acronyms</p> <p>The School Capital Funding guide published by the ESFA can be found here. Capital funding</p> <p>Other sources of income include:</p> <ul style="list-style-type: none"> • Student related, mainly for school meals, extended services and trips; and • the public, mainly for lettings of facilities. <p>Use of cash transactions should be minimised. Electronic payments and online payment systems (eg Parent Pay or equivalent system) should be encouraged where possible to reduce cash handling, costly processing and provide an electronic audit trail.</p> <p>Where possible, segregation of duties around income and cash should be maintained. Any physical cash should be counted and signed for when custody of that cash is being transferred, and in the presence of at least two people.</p> <p>The process of administering, recording and managing income related to specific students can be done manually or through the use of a payments management system (eg Parent Pay).</p> <p>A lead member of staff must be given responsibility to maintain a record for each student for each income stream (eg trips, paid-for school meals, extended day services, nursery fees) who have</p> | <p>Income and credit management controls</p> <p>Bank account reconciliation</p> <p>Sales ledger to general ledger reconciliation</p> <p>Provision for doubtful debts</p> <p>Intercompany accounts confirmation and reconciliation</p> <p>Balance sheet and reconciliations review</p> <p>Journal review</p> <p>Management accounts review including Income Statement by Academy Finance Lead, Academy Leader, Regional Finance Director, Trust finance team, AGC, Trust SLT, Finance and Resources Committee, Trust Board</p> <p>Code of Conduct</p> <p>Delegation of Authority Matrix</p> <p>Aged debtor review</p> <p>Write-off request process</p> |

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| <p>Other Income - Childcare / Nursery</p> | <p>committed to a trip / paying for a school meal / session. This record should show the amounts charged, paid and amounts due for each student. A copy of these records must be given to the Finance Team.</p> <p>The Trust Charges and Remissions Policy must be followed, as this complies with all relevant external legislation and Charging for School Activities guidance published by the ESFA which can be found here: statutory guidance. The Policy can be found here: Link</p> <p>All childcare or paid-for nursery bookings that require staffing resource are subject to a standard agreement, setting out the terms and conditions of the booking including the agreed charges by session, sessions booked, notice period and consequence of non-payment.. All bookings should be accompanied by a form completed by the parent/carer to confirm their acceptance.</p> | |
| <p>Other Income - Lettings, Commercial Income and Services Provided to External Organisations</p> | <p>All lettings are subject to a standard letting agreement, setting out the terms and conditions of the academy letting, including the agreed charge and length of commitment. All letting bookings should be accompanied by a hire form, completed by the hirer to confirm their acceptance. All other external (non-Trust, non-student related) sources of income providing access to facilities or services provided by the academy / academy staff should be invoiced as per the external agreement signed by both parties.</p> <p>All hiring of academy equipment and facilities are recorded via a lettings system or manually through a lettings planner/diary and managed by a lead member of staff.</p> <p>Details of organisations using the facilities should be shared with the AFL. The AFL must establish a sales ledger account and produce sales invoices. The lettings records are reviewed by the AFL on a monthly basis to ensure all lettings have been invoiced.</p> <p>The academy must ensure that relevant insurance is in place for each letting.</p> <p>If an academy seeks to enter into an agreement with any party to manage the lettings of its premises, approval must be obtained from the AGC for the period of the agreement. Further extensions of the agreement or new agreements should be re-approved by the AGC following a review of the service provider's performance</p> | |
| <p>4.2. Income Collection and Custody</p> <p>Remittances - Grants and Donations</p> | <p>Remittances should be obtained and retained to support the receipt of grant income and external donations.</p> | |

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| <p>Invoices - Lettings, Commercial Income and Services Provided to External Organisations</p> | <p>Invoices should be raised using the Trust finance system. Invoices should be raised no less than termly. Credit terms allowed to debtors (ie the period between invoice and payment) should be no more than 30 days.</p> <p>Instructions for creating a sales invoice and creating and allocating a sales credit note can be found using the relevant links below.</p> <p>Creating a new debtor - all new customers / debtors created on the finance system should be reviewed by the AFL and evidence retained to support that approval. Academy leadership should be aware of all customers that are using academy facilities. This should be done by providing a list of all lettings on a termly basis for the Academy Leader to review, sign and evidence of this review should be maintained. If lettings are invoiced via the Trust finance system a debtor enquiry report can be run - link to instructions below.</p> <p>Create a debtors invoice Debtors Statement</p> | |
| <p>Payments Management Systems / Receipts - Student Related Income</p> | <p>Students / carers should make payments via the payments management system, at cash collection machines, at the academy finance / administration desk or to the class teacher where practical eg in primary academies. A receipt / acknowledgement must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment. Payments should be made in advance.</p> <p>When taking physical cash and cheques, official, pre-numbered academy receipts should be issued for all cash and cheques received where no other formal documentation exists. Any physical cash should be counted and signed for when custody of that cash is being transferred and in the presence of at least two people. All cash and cheques must be kept in an academy safe prior to banking. Banking should take place every week or more frequently if the sums collected exceed the insurance limit on the Finance Team safe. Cash collections should be undertaken by a third party wherever possible to avoid staff members carrying academy cash outside of academy premises.</p> <p>Vending Machines managed by the academy should be regularly emptied by two members of staff. Both should count and agreed the cash and sign a collection record sheet</p> <p>A summary breakdown of all banking by income stream should be approved by the AFL or, in a Primary academy, the Headteacher and provided to the Finance Team.</p> | |
| <p>VAT Treatment</p> | <p>VAT guidance on supply of goods/services can be found in section 13.</p> | |

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| <p>4.3. Processing Income</p> | | |
| <p>Grant Income and Donations</p> | <p>Grant income and donations receipts should be processed using a cashbook journal. Relevant remittances should be attached to the journal.</p> | |
| <p>Invoiced</p> | <p>Instructions on how to post and allocate receipts in the Trust Finance systems can be found using the link below.</p> | |
| <p>Student Related Income</p> | <p>Any income via payments management services (eg Parent Pay) is usually sent net of any cash processing fees. Income received via this process should be processed gross, using a cashbook journal. Gross means the amount sent by the parent / carer. Invoices for cash collection service fees deducted should be obtained and processed via the purchase ledger as manual / direct debit payment. The gross receipt and the payment of the service fee should be “matched” as a net receipt (ie the amount remitted into the bank account). Remittances should be retained in the finance system (see links to Civica instructions).</p> <p>Cash deposited in the bank due to manual collections should be processed via a cashbook journal. A summary of amounts banked (by income stream) should be signed by the AFL, or Headteacher in Primary academies, and entered as a cashbook journal. An example template for academy completion can be found in this link.</p> <p>Monies collected must be banked in their entirety in the appropriate bank account. Money collected must not be used as a petty cash float.</p> | |
| <p>Childcare Vouchers</p> | <p>Payment for nursery or extended services via childcare vouchers should be recorded as if they were cash - ie a receipt issued, the gross amount applied to the students account as received, a remittance / record retained and attached to the cashbook journal recognising the income. Electronic payment systems should automatically issue a receipt.</p> | |
| <p>4.4. Income Review</p> | | |
| <p>External</p> | <p>Lettings income is evaluated against the additional costs school incurs in allowing the letting. This is to check that lettings are being charged at a rate which fully recovers any additional costs.</p> | |
| <p>Student Related Income</p> | <p>Trips</p> <p>A complete costing of the trip should be prepared and given to the RFD for approval. Any subsidy by the academy must be approved by the Academy Lead in advance of booking being made.</p> | |

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| <p>Childcare</p> <p>Gift Aid</p> | <p>Vending Machines</p> <p>Vending stocks are recorded and checked regularly, stocks put into the machine recorded, and the record signed and dated by the person carrying out the input. Sales are evaluated against income. This check provides a control on the cash collection process and also on stock and the performance of the machine against predetermined targets eg profits, level of business.</p> <p>Uniform Sales</p> <p>A nominated staff member is responsible for uniform sales. Sales must be listed in a stock book and the totals banked must match with the items and revenue listed on a manual spreadsheet or system. A termly stock count must be carried out and any discrepancies between the stock book and actual stock levels brought to the attention of the Finance Team. Online ordering using Parent Pay or equivalent system linked to an online uniform shop should be encouraged where possible to reduce cash handling in the office and reduce the need for stock levels to be maintained in school. Parents / carers without access to the internet should make payment at the time of placing their order.</p> <p>Dinner Numbers Reconciliation</p> <p>Where academies meet the cost of catering, appropriate reconciliations must take place. The academy administration team will provide the kitchen with the daily numbers of meals to be provided. The catering team meal records must be cross-checked against the academy records for the week. Any discrepancy between the numbers provided and the number of meals taken must be investigated immediately to ensure all the children who are entitled to meals (free and paid) are taking them and that children not registered for meals are not taking them. This will also ensure that external caterers are invoicing for the correct number of meals provided</p> <p>Nursery (including 15 / 30 hour paid-for places) and extended services income should be evaluated against all costs of running the provision, including staffing. A notice period should be applicable if a parent / carer changes their booking to ensure the academy has sufficient time to amend resource allocation. Extended day services and nursery provisions should not be provided at a loss such that utilises mainstream funding.</p> <p>To ensure the academy is in a position as an exempt charity to receive all monies it is entitled to the AFL will:</p> <ul style="list-style-type: none"> • Reconcile income against records to confirm expected amounts have been received by 'donor'; and | |
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| <p>4.5. Credit Management</p> <p>Dinner Money</p> <p>Sales / Debtors Ledger Reconciliation</p> | <ul style="list-style-type: none"> • Ensure the tax reclaimable from HMRC has been obtained and any relevant business use deductions have been made. <p>The Trust / academy will pursue all income due. Responsibility for debt collection rests with individual academies and will be co-ordinated by the AFL. The following section applies to all customers / debtors - whether external companies or parents / carers.</p> <p>On at least a monthly basis an ageing debtors report / list of income streams by student should be produced, reviewed by the AFL and any debts overdue should be chased. If invoices have been issued, a debtors statement can be provided with any communication.</p> <p>Evidence of this review must be maintained with supporting notes as to the status of that debt / account. A periodic review is made of all outstanding debts to ensure that further credit is not given to a bad debtor.</p> <p>If the academy are using a payments management system it should allow all parents / carers using the system to see the status of their account at any time. If the payments system does not allow this, statements should be issued if there are amounts owed to / by the parent / carer.</p> <p>Debts that are greater than 3 months must be highlighted to the Academy Leader and payments chased. Debts over 6 months must be considered for potential write-off and debts over 12 months should be written-off subject to proving all efforts have been taken to collect the debt. Any proposed write-offs are subject to AGC approval. In addition, for any potential write-off over £1,000 (individually or cumulatively for the financial year) the Trust CFO must be informed in advance to ensure that the requirements and reporting / consent limits set by the ESFA are met. All requests for write off and approval are documented – see attached form.</p> <p>All appropriate efforts will be made to collect outstanding debts in respect of dinner money.</p> <p>A process and timeline of chasing and escalating issues of outstanding debts should be agreed by the academy and, if appropriate, the external caterer. Academy Lead discretion can be applied should the process of chasing dinner money not be appropriate to the circumstances of the pupil. If this is the case a discussion should take place to ascertain whether the pupil should be eligible for free school meals. Dinner money arrears cannot be written off without approval as noted above.</p> <p>A reconciliation should be performed as part of the month end process by the AFL between the general ledger (trial balance) and debtors sub-ledger. Notes as to how to run the reports required to perform this can be found here: notes. Any differences should be investigated and listed as part of the reconciliation. Differences should be resolved as soon as possible. Any reconciling items over 3 months old should be escalated to the RFD.</p> | |
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| <p>Cash Reconciliation</p> | <p>Where sales ledger reconciliations are not prepared as no debtors exist, supporting evidence should be maintained ie run and save the sub-ledger debtors report showing no debtors. This should be documented as not applicable or included on the monthly balance sheet reconciliations template.</p> <p>The Finance Team is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the AFL.</p> <p>A record of any discrepancies should be maintained which identifies the date and amount involved. All discrepancies are investigated and brought to the attention of the Academy Lead / AFL. If discrepancies require writing-off the process at section 4.5 should be followed.</p> | |
| <p>Payments System Reconciliation</p> | <p>If income is remitted by a payment management system, a reconciliation should be undertaken to compare the amounts received in the bank to amounts paid by parents/carers (net of processing fees) as per the payments management system and as noted in 4.3.</p> | |
| <p>4.6. Accounting</p> | <p>The Trust Chart of Accounts gives guidance on the coding of all income streams.</p> <p>FRS 102 / UK GAAP requires that income be recognised at the point when it is due (ie receivable by the academy) regardless of whether or not any cash associated with the transaction has actually been received (accruals accounting). There will be certain grant and non-grant income that will need to be accounted for in a different period to which the income is received. Income will either need to be accrued (an entry to account for income when it has not yet been received) or deferred (an entry to account for income that has been received in advance) on the balance sheet.</p> | |
| <p>Accrued Income</p> | <p>The most common category of income to be accrued is Pupil Premium Grant which is received quarterly in arrears.</p> <p>Example: Pupil Premium Grant is received in January (£30k for the quarter) for the period October to December inclusive. Income is accrued cumulatively - 1 month's income in October, 2 months' income in November and 3 months' income in December. When the cash is received the accrual is released and a cash book entry recognised.</p> <p>Monthly income recognition / General ledger journal:</p> <p>October: DR Accrued income (B/S) £10k, CR Pupil Premium Income (I&E) £10k November: DR Accrued income (B/S) £10k, CR Pupil Premium Income (I&E) £10k <i>(now a cumulative £20k)</i> December: DR Accrued income (B/S) £10k, CR Pupil Premium Income (I&E) £10k <i>(now a cumulative £30k)</i></p> <p>On receipt of cash / Cashbook journal:</p> | |

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| Deferred Income | <p>January: DR Cashbook (B/S) £30k, CR Pupil Premium Income (I&E) £30k</p> <p>Release / Reversal of accrual / General ledger journal:</p> <p>January: DR Pupil Premium Income (I&E) £30k, CR Accrued income (B/S) £30k</p> <p>The main categories of income to be deferred are:</p> <ul style="list-style-type: none"> • Universal Infant Free School Meals (UIFSM) - Primary • National Non Domestic Rates (NNDR) - All phases • PE/Sports Premium - Primary <p>As with accrued income the amount deferred depends upon timing of the receipt and the period to which it relates. As an example NNDR income covers the 12 month period April to March. If this income is received in July then the relevant income to defer is the 8 months worth of income relating to August - March period (i.e. the amount received in advance).</p> <p>Assuming a receipt of £24k for 12 months, accounting entries as at the end of July would be:</p> <p>On receipt of cash / Cashbook journal:</p> <p>July: DR Cashbook (B/S) £24k, CR NNDR Income (I&E) £24k</p> <p>Deferral of income / General ledger journal:</p> <p>July: DR NNDR Income (I&E) £16k, CR Deferred Income (B/S) £16k being the 8 months advance payment ($£24k/12 = £2k$ per month)</p> <p>Monthly recognition income / General ledger journal:</p> <p>August - March: DR Deferred Income (B/S) £2k, CR NNDR Income (I&E) £2k (each month)</p> <p>It is often the case that deferred income may have been accrued income prior to its receipt.</p> <p>From time to time academies will be in receipt of ad-hoc funding, the terms and timing of payment will determine the recognition and accounting treatment which will be communicated by the Trust Finance Team.</p> | |
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Co-operative Academies Trust : Financial Operations and Procedures Manual - Payroll and Pension Administration

| Policy / Process | Procedures | Controls |
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| <p>5. Payroll and Pension Administration</p> <p>5.1. In-year Changes to Staffing Establishment, Structures, and Appointments.</p> | <p>The Trust Board approves the staffing establishment annually as part of the business planning process.</p> <p>The main elements of the payroll system and processes are:</p> <ul style="list-style-type: none"> ● In-year changes to staffing establishment, structures, and appointments; ● Payroll administration; ● Payroll payments; ● Staff expenses; and ● Severance payments. <p>In-year Changes to Staffing Establishment and Structures</p> <p>The CEO and RD must be consulted in connection with proposals to change established staffing structures outside of the annual budget-setting process. They will then determine the process to approve the proposal, reflecting its scale including its impact on pupil outcomes and budgets.</p> <p>Changes considered as part of the business planning / budget setting process will require the approval of the RD, AGC and Trust Board as part of that process.</p> <p>Staff Appointments</p> <p>The RD and AGC approve the personnel establishment for each academy as part of the budget setting process.</p> <p>All requests for recruitment should follow the appropriate process as communicated by Trust Human Resources Team, including the completion and approval of a recruitment authorisation form.</p> <p>Approval for roles that are not included in a Trust approved budget or reforecast should follow the process for unbudgeted / forecast expenditure. This would also include any unbudgeted retention costs.</p> <p>When ascertaining whether staffing is included in a budget / reforecast, consideration should be given to both role and cost.</p> | <p>Board / SLT</p> <p>CEO / RD / Internal Audit</p> |

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| <p>5.2. Payroll Administration</p> | <p>The Academy Leader has authority to appoint staff within the authorised and budgeted establishment, except for Vice Principals/ Deputy Headteachers and Assistant Headteachers whose appointments must follow consultation with the RD and governors. The Academy Leader must maintain personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the AFL immediately.</p> <p>The payroll is administered through one payroll provider.</p> <p>All staff are paid monthly through the payroll provider. A master file is created for each employee which records:</p> <ul style="list-style-type: none"> ● Salary; ● Bank account details; ● Taxation status; ● Personal details; and ● Any deductions or allowances payable. <p>All amendments made to the monthly payroll will be authorised by the Academy Leader or AFL. Any changes to the Academy Leader's or the AFL's salary will be approved by the AGC. Any amendments relating to the Trust staff will be approved by the Trust Board.</p> <p>The Finance Team will prepare and distribute a timetable for payroll processing specifying key dates each month in question including:</p> <ul style="list-style-type: none"> ● Sicknesses and absences; ● New appointments; ● Leavers; ● Contract amendments; ● Expenses; and ● Overtime and other payments. <p>Before payments are dispatched a printout of all data will be obtained from the payroll provider and checked against source documentation by the academy's Finance Team and reviewed and initialled by the AFL and / or Academy Leader. If the AFL is responsible for processing monthly payroll this must be reviewed by the Academy Leader.</p> <p>All salary payments are made by BACS. The Finance Team are responsible for reconciling the NI and pension deductions and ensuring the relevant amounts paid over.</p> <p>After the payroll has been processed the nominal ledger will be updated. Postings will be made both to the payroll control account and to individual cost centres. The Finance Team will review the</p> | <p>CPO / CFO</p> |
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| <p>6.3 IT Capital Expenditure</p> <p>6.4 Financial Commitment</p> <p>6.5 Payment Approval</p> | <ul style="list-style-type: none"> • Improvement programmes (including major repairs); and • Procurement of other fixed assets (eg furniture, equipment, motor vehicles and IT expenditure) . <p>Development and Improvement Programmes will be managed by the relevant Academy Leader (following budget approval of the Trust Board) and their respective senior management teams.</p> <p>The management and control of the Trust's IT capital expenditure is the responsibility of the COO. Establishing and agreeing the Trust's IT capital expenditure programmes will be delivered as part of the annual business planning process and be based on a fully costed project plan. Overall approval of Trust IT expenditure will be made by the Trust Board on the recommendation of the Trust's SLT and incorporated into the Trust's annual business plan.</p> <p>Financial commitment should be incurred under the terms of a contract which has been previously entered into under the Trust's procurement policy and procedures.</p> <p>Authority to approve financial commitment / contracts and or purchase orders is delegated to officers specified is shown in Appendices A and B to the Financial Regulations above.</p> <p>Only those members of staff relevant to a specific project have delegated financial authority for that project</p> <p>The authority to approve payments in this context refers to the categories of Capital Expenditure and is delegated to officers specified in Appendices A and B to the Financial Regulations above</p> <p>The approval of payments refers to the authorisation to make payments for goods / services committed. This will be achieved by the officer ensuring that the goods received note / interim certificate is in order, matches with the works order or other relevant contractual documentation and that work has been carried out / goods or services delivered in line with the contract terms.</p> <p>Only those members of staff relevant to the specific project have delegated financial authority for that project. Projects should not be artificially split to allow the approval at a lower level of delegated authority. Limits should be cumulative per project.</p> <p>Capital Investment projects not approved within the Trust's business plan or that do not meet the approved financial and commercial criteria will be subject to detailed scrutiny by the relevant AGC and approval will be dependent on a number of factors including the Trust's financial capacity (current and future).</p> <p>Capital Investment overspends that are not included in the Trust's approved business plan or Reforecast, will be subject to the approval of the appropriate AGC and/ or Trust Board and are in line with the delegated financial authority limits highlighted in Appendix B above.</p> | <p>Internal Audit / CFO</p> |
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| <p>6.6 Credit Cards</p> <p>6.6.1 Policy and Procedures</p> <p>6.6.2 Record Keeping</p> | <p>The current credit card service provider in use by the Trust is Lloyds Bank Mastercard.</p> <p>Cardholders are responsible for ensuring that the cards are used for the purpose intended and exclusively for expenditure directly relating to CAT business.</p> <p>The policy and procedures relating to credit card expenditure can be found here: Link.</p> <p>Monthly credit card expense form</p> <p>A credit card Travel & Expenses Claim Form should be completed by each cardholder each month detailing each transaction and its purpose.</p> <p>Travel & Expenses Claim Form - Link</p> <p>The form must be supported by receipts / invoices and statements authorised by the Academy Lead / AFL.</p> <p>NB. Supporting evidence must be in the form of a VAT receipt where appropriate, and in all cases must provide a description of the expenditure incurred. A credit card slip is NOT supporting documentation as it does not detail the specific goods/services purchased.</p> <p>All documentation should be attached to the credit card statement and authorised by the Academy Lead / authorised signatory to verify that the transactions are:</p> <ul style="list-style-type: none"> ● Legitimate; and ● Comply with the Trust's Financial Regulations and Credit Card Policy. | <p>Credit Card Policy</p> <p>Checking of receipts for expenditure linked to academy business</p> |
| <p>6.6.3 Financial Transactions</p> | <p>Payment of Credit Card Statement</p> <p>Payment of outstanding credit card balances will be taken directly from the academy bank account on a monthly basis by direct debit. The accounting entries are as follows:</p> <p>The bank account: Dr Credit Card control account xxx-998/18500 Cr Bank Account</p> <p>The statement: Dr: Academy cost centre and detail expenditure code</p> | <p>RFDs / CFO</p> |

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| <p>6.6.4 Unrecognised Transactions</p> | <p>Cr: Credit Card control account xxx-998/18500</p> <p>The authorised expense claim and accompanying receipts should be attached to the journal as supporting documentation and files retained for six years.</p> <p>The cardholder is responsible for all entries appearing on their statement. If an unrecognised transaction appears the cardholder must notify the Central Finance Team immediately who will contact Lloyds Bank - the credit card service provider - to start an investigation.</p> <p>finance.team@coopacademies.co.uk</p> | |
| <p>6.6.5 Lost or Stolen Cards</p> | <p>The card is to remain in the possession of the cardholder at all times or alternatively be kept in a suitable safe within the department. In the event of the card being lost or stolen, cardholders must immediately contact the Central Finance Team:</p> <p>finance.team@coopacademies.co.uk</p> | |
| <p>6.6.6 Leaving Employment</p> | <p>The cardholder must notify the Central Finance Team when:</p> <ul style="list-style-type: none"> • Submitting notice of resignation; or • No later than one month prior to the final date of employment. <p>The cardholder must ensure all credit card expense forms have been submitted, agreed and any queries are cleared before they leave.</p> <p>The AFL will destroy the card and notify the Central Finance Team who will instruct the credit card service provider to cancel the card.</p> | |
| <p>6.7 Routine Purchases</p> | <p>The annual budgets are approved in accordance with the Financial Regulations. Following approval, budget holders will be informed of the budget available to them. Revenue expenditure or operating expenditure are costs related to the day to day running or functions of the academies.</p> <p>The role of the budget holder is to:</p> <ul style="list-style-type: none"> • Ensure that all commitment and expenditure against the approved budget is within budget limits and within the limit of their delegated authority; • Notify the RFD of any potential overspend or variation to the approved budget; • Complete and authorise a purchase order for all commitments; and • Ensure that invoices for expenditure against the budget are for goods or services | <p>Controls with Civica Finance system</p> |

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| | <p>procured correctly, have been received and are of satisfactory standard.</p> <p>Finance reports detailing actual spend against budget with explanations for variances are issued to Academy Leads and presented to the AGC on a termly basis.</p> | |
| 6.8 Invoice Authorisation | <p>Budget holders are responsible for all spending against their budget. Payments or deductions are authorised by signing the document or emailing the AFL confirming their approval.</p> | |
| 6.9 Payment of Supplier Invoices | <p>Payment of supplier invoices will be made by the academy / Central Finance Team through their local bank account, in accordance with Trust Purchasing Terms & Conditions, by BACS, faster payment, cheque or direct debit as appropriate. The standard payment terms are 30 days from invoice date. Payment terms can be amended to suit more specific supplier terms.</p> <p>Where invoices are being queried or in dispute with a supplier, details should be retained with the invoice and indicated as disputed against the record in Civica Financials.</p> <p>The RFD will oversee the arrangements regarding BACS payments to suppliers. The AFL / Central Finance team will raise a batch of payments through the Civica Financials software. An accompanying report with invoices attached will be approved by the Academy Lead. Once approved, the BACS payment will require a 2 step approval process via Lloyds Commercial Banking Online.</p> <p>The Lloyds Bank generated payment report and invoices are filed and details kept with the bank statement reports to support the bank reconciliations.</p> <p>A control record should be maintained for manual cheques detailing the cheque number, sequence of all cheque books received and the date of receipt. Cheque books should be kept in a safe when not in use and access to cheques must be strictly controlled. All cheques that have not been presented at the bank within six months of production are investigated and written back into the account where appropriate.</p> <p>Direct Debit Payments</p> <p>Suppliers that are paid by direct debit will be entered on the purchase ledger as payment by "direct debit", so that these do not appear on the supplier payment run.</p> | <p>Reconciliation of supplier statements on a regular basis</p> <p>Aged creditor reports Creditor control account</p> <p>Bank reconciliation</p> <p>Regular review by RFDr</p> |
| 6.10 Reconciliations | <p>Supplier statements</p> <p>Reconciliations to supplier statements should be undertaken on a regular basis. Payments from local bank accounts can be reconciled to</p> | |

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| 6.11 SCA Capital Funding | <p>clear the supplier account.</p> <p>Bank reconciliation</p> <p>Printed bank statements are received from the bank on a monthly basis, with online access available at all times. The RFD is responsible for overseeing the reconciliation of all accounts undertaken by their academies and the Central Finance Manager oversees the central Trust bank reconciliation. The reconciliation must be done at least on a monthly basis. Once the items on the bank statements have been cleared, the list of unreconciled items is reviewed and examined for old expenditure items and outstanding income items. Outstanding income items are investigated and chased through the bank, where appropriate. Once the reconciliation process has been completed, the 'bank reconciliation' reports are retained.</p> <p>The Trust receives annual ESFA capital funding in relation to School Condition Allocations (SCA). The Trust's process for managing, reviewing and allocating funds is contained within Business Planning Framework and Assumptions found here: Trust business planning assumptions (section 5 in the 2023/24 framework).</p> | <p>Regular review and sign off by RFD</p> <p>Regular review by Trust Finance Manager and CFO</p> |
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Co-operative Academies Trust : Financial Operations and Procedures Manual - General Procurement and Accounts Payable Management

| Policy / Process | Procedures | Controls |
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| <p>7. General Procurement and Accounts Payable Management</p> | <p>The Trust aims to achieve the best value for money for all purchases. This means the correct quality, quantity to meet the timescale and at the best price possible. A large proportion of purchases will be paid for with public funds and there is therefore a need to maintain the integrity of these funds by following the general principles of:</p> <ul style="list-style-type: none"> • Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy; • Accountability, the academy is publicly accountable for its expenditure and the conduct of its affairs; and • Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis. <p>The Trust expects all its suppliers to have adopted an approach which is consistent with the provisions of the Modern Slavery Act 2015.</p> | <p>Board / ARC / CFO</p> |
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| 7.1. Trust PO System (NEW) | The Trust is rolling out the new PO system and further details will be provided | CFO |
| 7.2. Purchase Orders | <p>All orders must be made, or confirmed, in writing using an official order form or electronically through the purchasing system. Orders must bear the signature or electronic approval of the budget holder and must be forwarded to the Finance Team who will check to ensure adequate budgetary provision exists before placing the order, or checked via online budget information where available.</p> <p>Approved orders/requisitions will be recorded in the purchase order module of the financial system which allocates a reference number. Orders will be dispatched to the supplier from the Finance Team or electronically from the purchase ordering system.</p> | RFDs / CFO |
| 7.3. Goods and Services Received | <p>The budget holder must make appropriate arrangements for the delivery of goods to the academy where relevant. On receipt, the budget holder or other staff member must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the Finance Team or the supplier of the goods without delay.</p> <p>If any goods are rejected or returned to the supplier because they are not as ordered or are of substandard quality, the Finance Team should be notified. The Finance Team will keep a central record of all goods returned to suppliers.</p> | RFDs / CFO |
| 7.4. Invoices Received | <p>All invoices should be sent to the relevant academy Finance Team. Invoice receipts will be recorded by the Finance Team (and the invoice scanned) into the financial system purchase ledger module. The following will be evidenced through the finance system:</p> <ul style="list-style-type: none"> ● Goods / services received; ● Goods / services as ordered; ● Prices correct; ● Invoice arithmetically correct; ● Invoice posted to purchase ledger; ● Invoice authorised for processing and ready for payment; ● Payments authorised; and ● VAT treated correctly. <p>The first two items listed above will be completed by the budget holder, making a detailed check against the goods/services against the order and, if provided, the GRN. The finance team will complete the remaining checks. If an order does not exist or there is an increase in the price invoiced compared to the price approved at the order stage, the invoice will then be sent to the budget holder to also confirm the price is correct, the invoice is accurate and the invoice is</p> | RFDs |

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| <p>7.5. Invoice Payments (inc BACS etc)</p> | <p>authorised for payment. Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt. This is based on term time.</p> <p>If a budget holder is pursuing a query with a supplier the Finance Team must be informed of the query and periodically kept up to date with progress. Resolution is the responsibility of the budget holder, and where a reduction or cancellation of an invoice is agreed a credit note should be obtained from the supplier.</p> <p>When the budget holder has confirmed satisfactory receipt of goods / services, they must confirm in the Trust Finance System. If this last step cannot be completed by the budget holder or if invoice approval is required and the budget holder has agreed items noted above, evidence of this approval should be recorded and sent with the invoice to the Finance Team who will process / post the invoice onto the Trust's financial system via the purchase ledger. On a monthly basis the Finance Team will produce a list of outstanding invoices from the purchase ledger for review.</p> <p>Once invoices have been approved, the Finance Team will:</p> <ul style="list-style-type: none"> • Input payments to be made into the purchase ledger and generate a BACS payments list for review and authorisation; • Obtain necessary approvals from two authorised signatories for the BACS payment (and associated paperwork) via the online finance portal / system; and • Upload (when approved) the payments file into the Trust's banking system via the online banking portal / system. <p>There may be occasions when suppliers will be paid by cheque and these will be signed by two of the nominated signatories.</p> <p>Periodically the RFD will review individual BACS payments to ensure the above process and procedure has been followed.</p> | <p>RFDs</p> |
| <p>7.6. Supplier Maintenance</p> | <p>All changes to suppliers' bank details must be validated by the AFL. The academy Finance Team should obtain authorisation from the AFL prior to making any such changes and the change should be validated by contacting the supplier by reference to contact information held on file. All changes should follow the Trust's procedures for changes to supplier details including bank details. Link</p> | <p>AFL / Trust Finance Manager</p> |
| <p>7.7. Routine Purchases up to £2,000</p> | <p>Routine purchases up to £2,000 can be ordered by budget holders. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list, the reasons for this</p> | <p>Internal Audit / RFDs</p> |

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| | decision must be discussed and agreed with the AFL. | |
| 7.8. Routine Purchases between £2,001 and £5,000 | At least two verbal or emailed quotations or estimates must be obtained and the process recorded on the accounting system together with the name of the budget holder who has made the procurement decision. Where verbal quotes are obtained, details must be included on the purchase order or purchasing records. | Internal Audit/ RFD's |
| 7.9. Routine Purchases between £5,001 and £30,000 | At least three written quotations must be obtained for all orders between £5,001 and £30,000 to identify the best source of the goods / services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable in cases of pressing need, subject to approval by the AFL / RFD and / or Academy Leader. The options for different forms of tender (paragraph 7.11) can be applied to orders over £5,000 and up to £30,000. | Internal Audit/ RFDs |
| 7.10. Routine Purchases greater than £30,000 | All goods / services ordered with a value over £30,000, or for a series of contracts / SLAs / agreements which in total exceed £30,000 must be subject to formal tendering procedures. Government procurement rules and thresholds are contained within the Public Contract Regulation 2015 (as updated). Guidance on Government procurement thresholds is given in the Academy Trust Handbook. The Trust SLT will be informed of all formal tenders above £50,000. All projects or individual capital items over £50,000 that have not previously been approved by the Board as part of the business planning process or a Trust reforecast must be approved by the Board prior to capital commitments / orders being placed. This does not prevent firm cost estimates being obtained to give Board assurance on project / capital costs. How to attach quotes | Internal Audit/ RFD's |
| 7.11. Forms of Tendering | | |
| 7.11.1. Open Tender | This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with either the RFD or CFO how best to advertise to potential suppliers eg general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds. | Internal Audit / CFO |
| 7.11.2. Restricted Tender | This is where specific suppliers are invited to tender. Restricted tenders are appropriate where: <ul style="list-style-type: none"> • There is a need to maintain a balance between the contract value and administrative costs; | CFO |

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| <p>7.11.3. Negotiated Tender</p> | <ul style="list-style-type: none"> ● A large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements; and ● The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering. <p>The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:</p> <ul style="list-style-type: none"> ● The above methods have resulted in either no or unacceptable tenders; ● Only one (possibly a specialised supplier eg Alternative Provision, Examination Fees, PFI costs (inc FM services), Rates, or Specialised Teaching Services) or very few suppliers are available; ● Extreme urgency exists; or ● Additional deliveries by the existing supplier are justified. | <p>CFO</p> |
| <p>7.12. Tendering Processes</p> | | |
| <p>7.12.1. Preparation for Tender</p> | <p>Full consideration should be given to:</p> <ul style="list-style-type: none"> ● Objective of project; ● Overall requirements; ● Technical skills required; ● After-sales service requirements; and ● Form of contract. <p>It may be useful, after all requirements have been established, to rank requirements (eg mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.</p> | <p>CFO</p> |
| <p>7.12.2. Invitation to Tender</p> | <p>An invitation to tender should include the following:</p> <ul style="list-style-type: none"> ● Introduction / background to the project; ● Scope and objectives of the project; ● Technical requirements; ● Implementation of the project; ● Terms and conditions of tender; and ● Form of response. | <p>RFDs</p> |

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| <p>7.12.3. Tender Acceptance Procedure</p> <p>7.12.4. Tender Opening Procedures</p> | <p>Aspects for Consideration</p> <p>Financial</p> <ul style="list-style-type: none"> • Like should be compared with like, and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision; • Care should be taken to ensure that the tender price is the total price (clarify inclusive or exclusive of VAT) and that there are no hidden or extra costs; and • Is there scope for negotiation? <p>Technical/ Suitability</p> <ul style="list-style-type: none"> • Qualifications of the contractor; • Relevant experience of the contractor; • Descriptions of technical and service facilities; • Certificates of quality / conformity with standards; • Conformity with Trust policy requirements, such as Modern Slavery Policy, GDPR, etc • Quality control procedures; and • Details of previous sales and references from past customers. <p>Other Relevant Considerations</p> <ul style="list-style-type: none"> • Pre-sales demonstrations; • After-sales service; and • Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after-sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc. <p>The invitation to tender should state the date and time by which the completed tender document should be received by the academy or Trust. Tenders should be submitted in plain envelopes, clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.</p> <p>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:</p> <ul style="list-style-type: none"> • For contracts up to £40,000 - two of the following: budget holder, Academy Leader, RD, | <p>RFDs</p> <p>RFDs</p> |
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| <p>7.12.5. Tender Review and Evaluation Procedures</p> | <ul style="list-style-type: none"> Executive Head, and RFD; and • For Contracts over £40,000 - the Academy Leader, Executive Head, RD, RFD or CFO. <p>A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.</p> <p>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.</p> <p>Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.</p> <p>Full records should be kept of all criteria used for evaluation and for contracts over £30,000 a report should be prepared for the FRC highlighting the relevant issues and recommending a decision. For contracts under £30,000 the decision and criteria should be reported to the FRC.</p> <p>Contracts over £50,000 will have been previously approved by the Trust Board in accordance with the requirements set out above.</p> <p>Where required by the conditions attached to a specific grant from the ESFA, the department's approval must be obtained before the acceptance of a tender.</p> <p>The accepted tender should be the one that is economically most advantageous to the academy. All parties should then be informed of the decision.</p> | <p>RFDs</p> |
| <p>7.13. Trading with Connected Parties (Related Party Transactions)</p> | <p>Connected parties arise where one party has control or influence over the other, or where the parties are subject to common control. This includes parent companies and their subsidiaries, key management personnel including company directors, their close family members and other entities in which these parties have a controlling interest. Accounting standards require transactions between related parties to be disclosed in company financial statements as connected party transactions. Such transactions are permitted under company law, charity law and under the Academy Trust Handbook provided that open and transparent procurement procedures have been followed and any potential conflicts of interest are adequately and appropriately managed.</p> <p>The ESFA's Academies Accounts Direction sets out that, for academy trusts, connected parties include:</p> <ul style="list-style-type: none"> • Parties with control over, or controlled by, the entity (for example parent and subsidiary companies); | <p>SLT / CFO</p> |

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| | <ul style="list-style-type: none"> ● Parties having significant influence over the entity; ● Key management personnel of the entity, including any director, whether executive or otherwise close family members; and ● others subject to control or significant influence by any individual referred to above. <p>The Trust wherever possible trading with connected parties should be avoided because of the following:</p> <ul style="list-style-type: none"> ● The potential risk to public funds because transactions cannot be demonstrated to be properly entered into or reasonable; ● That the transaction may be considered irregular because it does not comply with legislation, with the terms of the Trust's funding agreement and / or the Academy Trust Handbook, and / or comply with internal Trust policies; ● That the transaction may be considered improper because it fails to meet the requirement that expenditure and receipts must be dealt with in accordance with Parliament's intentions and the principles of parliamentary control. This covers standards of conduct, behaviour and corporate governance; and ● That the transaction may bring the Trust into disrepute because it could be viewed negatively by the community or stakeholders. <p>The Trust / academies must obtain ESFA prior approval, using ESFA's related party online 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 September 2023 where a contract or other agreement exceeds £40,000 in the same financial year ending 31 August.</p> <p>For the purposes of reporting to, and approval by, ESFA, contracts and agreements with related parties do not include salaries and other payments made by the Trust to a person under a contract of employment through the Trust's payroll.</p> <p>This approval requirement does not apply in the following circumstances:</p> <ul style="list-style-type: none"> ● contracts and other agreements for the supply of goods or services to a trust by the following educational establishments: <ul style="list-style-type: none"> ○ colleges, universities and schools which are sponsors of the academy trust ○ state funded schools and colleges, including academies. <p>This concession does not apply to transactions with a subsidiary of such a related party.</p> <ul style="list-style-type: none"> ● the provision of services to an academy trust with a religious designation, for essential functions fundamental to the academy trust's religious character and ethos which can only be provided by their religious authority. <p>A list of recorded interests of Trustees / Board Members and SLT will be circulated to Academy Finance Leads annually. This must be consulted prior to entering into any contract, and prior to</p> | <p>CoSec / CFO</p> |
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| | issuing an invitation to tender for procurement above the tendering threshold. Academies must notify the Central Trust Finance Team or RFD of any proposed contract with a Related Party in advance, and of any intention to invite a Related Party to participate in a tendering exercise, to ensure overall compliance with the Academies Trust Handbook. | AFLs / RFDs / CFO |
| Co-operative Academies Trust : Financial Operations and Procedures Manual - Staff Expenses | | |
| Policy / Process | Procedures | Controls |
| 8. Staff Expenses | <p>Staff business expenses (including travelling expenses / claims and subsistence) will be paid in accordance with the Trust's Expenses Policy. Expenses will only be paid in respect of costs incurred while on academy / Trust business.</p> <p>Trust Expenses Policy - Link.</p> <p>Trust Expenses Form - Link</p> | Board / CFO |
| 8.1. Policy | Staff expenses eg travel expenses, subsistence, professional subscriptions, etc should be reimbursed through the payroll system following the appropriate approval in accordance with the Financial Regulations. | CFO |
| 8.2. Use of Credit Cards | Personal debit / credit cards should not be used to purchase goods / services for the academies or Trust. All pay-related expenses must be processed through the payroll system. Pay-related expenses must never be paid via petty cash, or via the creditor payment system. | RFDs |
| 8.3. Receipts | When approving reimbursement of staff expenses all <u>original</u> receipts will be provided to support the claim prior to entering into the payroll system. | RFDs |
| 8.4. Business Mileage | For tax reasons, mileage can only be claimed for the excess mileage in travelling to an academy or other location from their workplace. Where any approval is received to pay expenses for any journeys from home to the academy, the claimant will clearly record these and these will be treated as taxable. | RFDs |
| 8.5. HMRC Rates | The rates at which mileage and subsistence allowances are paid do not exceed the maximum level of the HMRC Authorised Mileage Rate. | CFO |

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| <p>8.6. Completing Expense Forms</p> | <p>HMRC website - Link. Mileage</p> <p>HMRC website - Link. Benefits</p> <p>All expense claims must be supported by adequate evidence (see 8.3 above) that the cost has actually been incurred. In exceptional circumstances or where it was not possible to obtain a receipt and the value is less than £5, claimants should discuss with their Academy Lead / Line Manager.</p> <p>Procedure for Completing an Expense Claim Form:</p> <p>Claimants should:</p> <ul style="list-style-type: none"> • Complete the relevant expense form (Link to Template Expenses claim form above) and attach supporting evidence of expenditure eg receipts / invoices; • Attach all relevant receipts / proof of purchase in order and numbered to match the expense form; • Ensure all required fields are populated including the specific reason for the claim; • Mileage claims - mileage to base of work is deducted from mileage expense calculations. For example, if the usual commute to base of work is 8 miles each way and a total of 38 miles has been travelled that day, 16 miles would be deducted from the claim • Sign and date the claim form prior to being authorised in line with Financial Regulations eg relevant Academy Lead / Line Manager within authorisation limits. Where expense forms cannot be manually signed, they can be electronically signed. All name, date and signature fields must be completed and the Line Manager will need to submit confirmation of the approval by email. • Forward the approved Expense Claim Form and supporting documents to the AFL / Central Team payroll processing officer for processing. <p>Timescales:</p> <ul style="list-style-type: none"> • Authorised expense claims to be submitted to the relevant AFL / payroll processing officer by working day 5 to be received in monthly pay on 26th of the same month. • Authorised claims received after working day 5 will be processed in the following month's payroll • Claims should be made regularly and within three months of incurring expenditure. <p>Personal debit / credit cards should not be used to purchase goods / services for the academies or Trust. All pay-related expenses must be processed through the payroll system. Pay-related expenses must never be paid via petty cash, or via the creditor payment system.</p> | <p>RFDs</p> |
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| Co-operative Academies Trust : Financial Operations and Procedures Manual - Management of Assets (Fixed Assets and Capital Investment) | | |
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| Policy / Process | Procedures | Controls |
| <p>9. Management of Assets</p> | <p>The COO, CFO, and any other Trust SLT members, Adamy Leaders and senior managers are responsible for safeguarding the assets of the Trust and managing them in a manner consistent with maximising Trust value.</p> <p>A register or registers of all properties owned or leased by the Trust will be kept in a form approved by the COO (in compliance with regulatory requirements) recording location, extent and plan reference, purchase details and particulars or nature of the Trust's interest and rents payable and particulars of tenancies granted.</p> <p>All acquisition of assets must be in accordance with the Trust's procurement policy and procedures, the development scheme appraisal procedure, the system of delegated authority and the annual budget provision.</p> <p>The COO, or nominated staff member, will make arrangements to ensure the safe custody of all title deeds.</p> <p>A register of furniture, fittings, equipment, plant and machinery and other capital equipment owned or leased by the Trust will be maintained, in a format determined by the COO, or nominated staff member.</p> <p>Assets capitalised in the balance sheet are to be depreciated in line with policies set by the Trust Board. The CFO, or nominated staff member, will review the depreciation policies on an annual basis to ensure that they remain appropriate. An annual impairment review of all properties will be carried out and where appropriate will be written down to their residual value.</p> | <p>Board / COO / CFO</p> |
| <p>9.1. Inventory / Asset Register</p> | <p>Items purchased with a value below the academies' capitalisation threshold should be recorded on the Parago inventory system.</p> <p>All items purchased with a value over the academies' capitalisation limit must be entered in an asset register using the format and system defined by the CFO.</p> <p>Capitalisation limits are as follows:</p> <ul style="list-style-type: none"> ICT Equipment: £180 per individual item (with each item recorded as a separate asset) | <p>RFDs/ COO</p> |

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| | <ul style="list-style-type: none"> ● Plant & Machinery: £1,000 ● Fixtures, Fittings & Other Equipment: £1,000 ● Building improvement: £10,000 (based on value of project if individual invoice below this threshold) <p>The asset register should include the following information:</p> <ul style="list-style-type: none"> ● Asset description; ● Asset/ serial number; ● Date of acquisition; ● Asset cost ; ● Expected useful economic life; ● Depreciation; ● Current book value; and ● Location (where possible); <p>The asset register:</p> <ul style="list-style-type: none"> ● Ensures that staff take responsibility for the safe custody of assets; ● Enables independent checks on the safe custody of assets, as a deterrent against theft or misuse; ● Helps manage the effective utilisation of assets and to plan for their replacement; ● Enables the external auditors to draw conclusions on the annual accounts and the academy's financial system; and ● Supports insurance claims in the event of fire, theft, vandalism or other losses. <p>9.1 Asset Register & Fixed Asset Schedule</p> | RFDs / COO / CFO |
| 9.2. Security of Assets | Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores. | |
| 9.3. Additions | <p>All items in the asset register should be permanently and visibly marked as the academy's property and there should be a regular (at least 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 AGC. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.</p> <p>The link below covers the responsibilities of (and further links for) the academies and Central Trust regarding fixed asset additions:</p> | RFDs / COO / CFO |

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| <p>9.4. Disposal of Land and Property and other Assets</p> | <p>9.3 Fixed Assets Additions Operations Manual</p> <p>The disposal or write off of assets are approved only where they are in accordance with the Financial Regulations and procedures relating to assets. Any disposal of assets must be at the best sale value, in accordance with delegated authorities.</p> <p>All sales or disposals of land and property over the value of £25,000 will be authorised by the Trust Board and must include any regulatory approvals / consents.</p> <p>Items which are to be disposed of by sale or destruction must be authorised for disposal by the AFL and, where significant, should be sold following competitive tender. The academy must seek the approval of the ESFA in writing if it proposes to dispose of any land, buildings or heritage. Where relevant, approval must be obtained prior to entering into any commitment to dispose of an asset.</p> <p>Disposal of equipment to staff is discouraged, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the academy would need to ensure licences for software programmes have been legally transferred to a new owner.</p> <p>All disposals of land must be agreed in advance with the Secretary of State.</p> <p>The link below covers the responsibilities of (and further links for) the academies and Central Trust regarding fixed asset disposal</p> | <p>RFDs / CFO</p> <p>RFDs/ CFO</p> |
| <p>9.5. Leased Assets</p> | <p>9.4 Fixed Assets Disposals Operations Manual</p> <p>The Trust is not able to enter into finance leases (with the exception of PFI contracts which may, depending on specific terms, be deemed finance leases for accounting purposes). All proposed leases for the use of assets must be identified and confirmed as operating leases by the AFL.</p> <p>Operating leases relating to land and buildings should be referred to the Trust CFO who will establish if ESFA approval is required.</p> | <p>RFDs / CFO</p> |
| <p>9.6. Loan of Assets</p> | <p>Items of academy property must not be removed from academy premises without the authority of the Academy Leader. A record of the loan must be recorded in a loan book and the asset booked back into the academy when it is returned.</p> <p>If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Trust auditors.</p> | |

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| <p>9.7. Capital Investment</p> | <p>This category of contract expenditure relates to the Investment Programme which is delivered and managed through the Trust's and academies' business plans and includes the following key elements:</p> <ul style="list-style-type: none"> ● Development programmes (including new build schemes); ● Improvement programmes (including major repairs); and ● Procurement of other fixed assets (eg furniture, equipment, motor vehicles and IT expenditure). <p>Development and Improvement Programmes will be managed by the relevant Academy Leader (following budget approval of the Trust Board) and their respective senior management teams.</p> <p>The management and control of the Trust's IT capital expenditure is the responsibility of the COO. Establishing and agreeing the Trust's IT capital expenditure programmes will be delivered as part of the annual business planning process and be based on a fully costed project plan. Overall approval of Trust IT expenditure will be made by the Trust Board on the recommendation of the Trust's SLT and incorporated into the Trust's annual business plan.</p> | <p>RFDs / COO</p> |
| <p>9.8. General Approval / Authority Levels</p> | <p>Financial commitment should be incurred under the terms of a contract which has been previously entered into under the Trust's procurement policy and procedures.</p> <p>Authority to approve financial commitment / contracts and or purchase orders is delegated to officers specified is shown in Appendices A and B of the Financial Regulations (links below).</p> <p>Only those members of staff relevant to the specific project have delegated financial authority for that project.</p> <p>The authority to approve payments in this context refers to the categories of Capital Expenditure as detailed above and is delegated to officers as specified in Appendices A and B of the Financial Regulations.</p> <p>Link to Appendix A - Link</p> <p>Link to Appendix B - Link</p> <p>The approval of payments refers to the authorisation to make payments for goods / services committed. This will be achieved by the officer ensuring that the goods received note / interim certificate is in order, matches with the works order or other relevant contractual documentation and that work has been carried out / goods or services delivered in line with the contract terms.</p> | |

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| <p>9.9. Asset / Inventory Validation</p> | <p>Only those members of staff relevant to the specific project have delegated financial authority for that project. Projects should not be artificially split to allow the approval at a lower level of delegated authority. Limits should be cumulative per project.</p> <p>Capital Investment projects (summarised in 12.0 above) not within the Trust's business plan or that do not meet the approved financial and commercial criteria, will be subject to a detailed scrutiny by the relevant AGC and approval will be dependent on a number of factors including the Trust's financial capacity (current and future).</p> <p>A copy of a draft Academy business template can be found here: Academy business plan report</p> <p>Capital investment overspends that are not included in the Trust's approved business plan or reforecast will be subject to the approval of the appropriate AGC and / or Trust Board in line with the delegated financial authority limits highlighted in Appendix B of the Financial Regulations (link above).</p> <p>On an annual basis and as part of the financial year-end process, an annual asset and inventory count should be undertaken for every academy and the central team. A two-way count should be conducted to verify:</p> <ul style="list-style-type: none"> • That all assets recorded in the asset register and inventory system are confirmed to be physically present in the location determined in the register • That all physical assets present in the academy (or centrally) have been recorded on either the asset register or inventory (depending on value) <p>Registers should be updated for any differences identified in the course of this review (following either additions or disposals guidance above).</p> <p>This validation exercise should be conducted for all categories of assets other than land & buildings.</p> | |
| <p>Co-operative Academies Trust : Financial Operations and Procedures Manual - Treasury Management (Including Cash Management)</p> | | |
| <p>Policy / Process</p> | <p>Procedures</p> | <p>Controls</p> |
| <p>10. Treasury Management</p> | <p>The Trust adopts key recommendations of the ESFA Good Practice Guide.</p> <p>The Board is responsible for the implementation and monitoring of its treasury management policies and practices (TMPs), and delegates responsibility for the execution and administration of treasury management decisions to the CFO or nominated staff member, who will act in accordance with the</p> | <p>Board / CFO</p> |

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| | <p>Trust's policy statement and TMPs and the ESFA's Good Practice Guide to Treasury Management.</p> <p>Treasury systems and procedures will be developed by the CFO to manage the key risks of cost, liquidity and maximisation of investment returns, whilst reducing risk to an acceptable level. These systems and procedures will be in line with the Trust's Investment Management Policy.</p> <p>Investment Management Policy</p> | |
| 10.1. Bank Accounts | <p>The opening of all accounts must be authorised by the Trust Board. Any bank account in which any money of the Trust (insofar as it relates to the academy) is deposited shall be operated by the AGC in the name of the Trust. Signatories for bank accounts will be established on mandates signed in line with the Trust Scheme of Financial Delegation.</p> | CFO |
| 10.2. Deposits | <p>Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:</p> <ul style="list-style-type: none"> • The amount of the deposit; and • A reference, such as the number of the receipt or the name of the debtor. | CFO |
| 10.3. Payments and Withdrawals | <p>All cheques, direct debits, BACS payments and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two staff members in line with the bank mandate.</p> <p>Further guidance on the BACS payment procedure can be found here. BACS Payment Procedure.</p> <p>All new requests for direct debits must be authorised by the RFD and made by using the following form. New DD request form</p> <p>The completed New DD request form, and the completed Direct Debit mandate must be sent to finance.team@coopacademies.co.uk</p> | RFDs / CFO |
| 10.4. Administration | <p>This provision applies to all accounts, public or private, operated by or on behalf of the AGC of the academy. Authorised signatories must not be the sole signatory of a cheque relating to goods or services for which they have also authorised the expenditure.</p> <p>The AFL must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:</p> <ul style="list-style-type: none"> • All bank accounts are reconciled to the Academy's ledger; • Reconciliations are prepared by the relevant Finance Team; | Regular bank reconciliations |

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| <p>10.5. Petty Cash Management</p> | <ul style="list-style-type: none"> ● Reconciliations are subject to an independent monthly review carried out by the AFL (where prepared by the AFL a review should be carried out regularly by the RFD); and ● Adjustments arising are dealt with promptly. <p>The Trust is in the process of moving away from the use of petty cash for all types of purchases. Where possible, expenses should go through either the Civica purchase ordering system or the academy purchasing card (in accordance with relevant policies). Petty cash should not be used for staff expenses - further guidance on staff expenses is provided at section 8.</p> <p>The Trust maintains a maximum cash balance of £500 per academy (unless agreed in writing by the CFO). The cash is administered by the relevant Finance Team and is kept in the office safe.</p> <p>The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.</p> <p>In the interests of security, petty cash payments will be limited to £50. higher value payments should be made directly with the supplier via a Trust purchasing card or, if not available, by cheque directly from the main bank account as a cash book payment.</p> <p>The academy Finance Team (via the AFL) is responsible for entering all transactions into the petty cash records on a regular basis and regular as well as unannounced cash counts should be undertaken by the Trust to ensure that the cash balance reconciles to supporting documentation.</p> <p>Petty cash should be held in a locking cash box which is put in the safe overnight.</p> | <p>RFD's</p> |
| <p>10.6. Credit Card Management</p> | <p>Credit card usage must adhere to the Trust's Credit Card Policy. Section 6 includes further guidance regarding the operational management of credit cards.</p> <p>Credit Card Policy</p> | <p>RFDs</p> |
| <p>10.7. Cash Flow Forecasts (Projections)</p> | <p>The AFL is responsible for ensuring that the academy has sufficient funds available to pay for day to day operations. The Trust CFO has this responsibility for central Trust funds. To ensure that the Trust (and all academies) have sufficient funds to meet current and planned needs, a rolling 12 month cash flow forecast must be maintained on a monthly basis and sent with the management accounts to the Trust. In conjunction with the Trust CFO, and if required, the AFL will identify any need for cash support from the Trust. Trust plans should be made from within the Trust to cover</p> | <p>RFDs / CFO</p> |

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| <p>12.1 Insurance</p> | <p>The Trust has a number of strategy and policy statements which outline its stance on anti-fraud and corruption and provide information and guidance on fraud and corruption related issues. The Anti-Fraud and Anti Bribery Policy brings together these statements in one place. The policies contained within the framework document are:</p> <ul style="list-style-type: none"> ● Anti-Fraud and Corruption Strategy; ● Fraud Response Plan; ● Anti-Bribery Plan; ● Whistleblowing Policy; and ● Anti-Money Laundering Policy. <p>Whenever a matter arises that is thought or suspected to involve irregularities concerning cash, property or the exercise of the functions of the Trust or any academy within the Trust, the member of staff who becomes aware of it should immediately notify their line manager. The issue should be reported immediately thereafter to Academy Leader or Trust SLT and in all instances, this should be reported to the CFO, and they will decide whether the issue is serious enough to refer to the CEO.</p> <p>Link</p> <p>If the suspected irregularities potentially involve the Academy Leader or Trust SLT member, then the CEO should be notified.</p> <p>The SLT member who becomes aware of the irregularity (and other senior officers) will then continue to act in accordance with agreed procedures as may be detailed in the Terms and Conditions of Employment. Having been notified of the potential irregularity, the CEO / CFO shall take further steps as they consider necessary by way of investigation, action and report to the ARC and Trust Board.</p> <p>If the suspected irregularities potentially involve the CEO then the Trust Director (or SLT member) who becomes aware of the potential irregularity should consult the Trust Chair or the Chair of the ARC, who will take action they consider appropriate.</p> <p>As stipulated in the ESFA Academy Trust Handbook, there is a regulatory requirement to submit a report and annual report on net losses from fraudulent activity.</p> <p>The Trust will ensure it complies with all financial regulations defined by the ESFA and Companies Act, and members and staff will cooperate in full with reviews by the ESFA including external and internal audits.</p> <p>The CFO or nominated staff member, shall affect all insurance cover and negotiate all claims either in consultation with, or by delegation to other offices where appropriate.</p> | <p>CFO</p> |
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| <p>12.2 Risk Management</p> | <p>Other officers shall promptly notify the CFO or nominated staff member, of all matters which might affect the Trust's insurance, including new risks, losses, possible claims for accident or damage, and will give such assistance as the director may require formulating claims or dealing with matters arising.</p> <p>With effect from September 2021 all Co-op Academies became members of the Department for Education (DfE) RPA (Risk Protection Arrangement). This arrangement will continue during 2023/24. Each Academy is a member and registered on the DfE portal.</p> <p>Contact:</p> <p>An insurance email address for each academy has been created in the following format insurance@coopacademy.co.uk . Each academy will have access to this inbox through named delegates for the purposes of claims and DfE contact.</p> <p>Claims:</p> <p>Each academy is responsible for raising any claims on the DfE portal - link below. The Member's Unique Reference Number (URN) / membership number and relevant contact details will be required to notify a claim.</p> <p>https://www.rpaclaimforms.co.uk/</p> <p>Upon becoming aware of a potential claim through loss, liability or damage or other cause, the member of staff involved will, as soon as is practically possible, notify the CFO or nominated staff member, who will submit a claim to the Trust's insurance brokers / advisors or direct to the insurer, following agreed procedures for such claims.</p> <p>The CFO or nominated staff member shall annually, or more regularly if appropriate, review all insurance in consultation with other Trust SLT colleagues, and arrangements will be made to ensure the Trust's assets and activities are properly insured in accordance with good practice.</p> <p>Trust SLT and other staff shall consult the CFO and, if felt appropriate, the Trust's solicitors regarding the terms of any indemnity which the Trust is requested to give.</p> <p>The Trust, through the ARC, will maintain a comprehensive Risk Management Framework including:</p> <ul style="list-style-type: none"> • A risk management strategy, approved by the Board; • A risk register for the key risks facing the Trust; | <p>Board / COO</p> |
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- An assessment of the likelihood of the risk crystallising and the potential impact;
- Proposals of risk mitigation; and
- Identification of risk owners.

Where new projects or initiatives, including property acquisitions and developments are proposed, the project appraisal will include an assessment of the appropriate risks involved.

Approvals required to add, amend, and remove risks to/ from the Trust's risk registers are as follows:

| New Risks (per risk item) | Approval From |
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| Academy (Operational) Risks | The EHd / RD and reported to the AGC. |
| Academy Health and Safety Risks | The EHd / RD in consultation with Trust Property and Estates Manager and reported to the AGC. |
| Academy Governance Risks | The EHd / RD in consultation with Trust Governance Manager and reported to the AGC. |
| Academy HR Risks | The EHd / RD in consultation with Trust Regional HR Manager and reported to the AGC. |
| Academy Finance Risks | The EHd / RD in consultation with RFD and reported to the AGC. |
| Trust Risks (All) | CEO and reported to the Board via sub-committees |
| Academy (Operational) Risks | The EHd / RD and reported to the AGC. |

Risk management reports including presentation of detailed risk registers are to be reported to Board, SLT and AGC in line with the Trust's Risk Management Policy which can be found [here](#).

All Risk Registers must be maintained in the Trust Risk Management System, 4Risk

The purpose of the risk register is to identify and record risks providing an overview of our risks, controls and assurance.

4Risk captures all risks by objective (identified through the completion of a questionnaire) and by academy, and includes details of the controls relied upon to reduce those risks crystallising. The system provides an overview of the Trust's risk, controls and assurance environment in real time.

Board / COO

Co-operative Academies Trust : Financial Operations and Procedures Manual - Corporation Tax and Value Added Tax (VAT)

| Policy / Process | Procedures | Controls |
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| <p>13. Corporation Tax and Value Added Tax (VAT)</p> | <p>The CFO, or nominated staff member, shall be responsible for ensuring that the Trust complies with the Corporation Tax and VAT legislation whilst at the same time endeavouring to minimise, so far as the law permits and so far as in the best interests of the Trust and its individual academies, its liability to taxation.</p> <p>The CFO, or nominated staff member, shall be responsible for making all Corporation Tax and VAT returns on behalf of the Trust and for ensuring so far as is possible that penalties are not incurred.</p> <p>Sample VAT Template - A version will be issued quarterly to be completed</p> | <p>CFO</p> |