

FINANCIAL REGULATIONS 2023-24

Responsible post holder	Group CFO
Approved by / on	Board of Trustees
Next Review	July 2024
Publication Method	SharePoint

Contents

1. Introduction	2
2. Status of the Financial Regulations	2
3. Financial Responsibilities	3
4. Strategic Planning.....	5
5. Budgeting.....	5
6. Procurement	6
7. Financial Information	9
8. Trust Financial Operations	9
9. Major Developments.....	19
10. Treasury Management Policy.....	19
11. Insurances	19
12. Contracts and Agreements.....	20
13. Audit.....	20
14. Financial Procedures	21
15. Security and Computer Security.....	21
16. Fraud Avoidance Policy	21
17. Receiving Gifts and Hospitality.....	22
18. Taxation.....	22
19. Patents and Intellectual Property Rights	23
20. Money Laundering and Proceeds of Crime	23
21. Bribery.....	23
22. Whistleblowing.....	24
23. Partnership Arrangements.....	24
24. Related Party Transactions.....	24
25. Trust Seal.....	25
26. Novel, Contentious and Repercussive Transactions	25
Appendix A – Authority Limits	26
Appendix B – Authorised Cheque Signatories and Authorisation of Electronic Payments	30
Appendix C – Tendering Procedures.....	31
Appendix D – Approval Authority for the Control of Debts.....	32
Appendix E – Fixed Asset Capitalisation and Depreciation.....	33
Appendix F – Definitions	34
Appendix G – Nolan Principles of Public Life	35

1. Introduction

- 1.1 London South East Academies Trust (the Trust) was incorporated in May 2014 as charitable company limited by guarantee. The Trust has two layers of governance: the Members of the Trust, who operate at a strategic level and the Directors who carry out work on behalf of the Members. Together, Members and Directors make up the Board of Trustees (the Board) and have the responsibilities delegated to them by the constitution of the Academy Trust. The constitution is set out in the Articles of Association, which have been agreed with the Secretary of State.
- 1.2 The Trust is a multi-academy trust. This means that a number of academies may sit within the Trust, with the Board of Trustees overseeing the strategic operation of each academy through a local Governing Body or Advisory Board.
- 1.3 The Trust is constituted as a charitable company limited by guarantee and registered with Companies House. Since the Academy Trust is both a company and a charity, the Directors are charitable trustees and therefore need to comply with obligations under company and charitable law.
- 1.4 The Board of Trustees is specifically responsible for ensuring the Trust's funds are used only in accordance with the company and charitable law. It is also responsible for the proper stewardship of Trust funds and for ensuring value for money through economy, efficiency, and effectiveness in their use. The Board must also ensure it uses its discretion reasonably and takes into account all relevant guidance on accountability and propriety.
- 1.5 The Master Funding Agreement between the Funding Body and Trust sets out the terms and conditions on which grant funding is made. The Board is responsible for ensuring that the conditions of grant are met. As part of this process, The Trust must adhere to the Academies Financial Handbook, which requires it to have sound systems of financial and management control. The financial regulations form part of this overall system of accountability.
- 1.6 In carrying out its duties the Trust and its Trustees will follow the Seven Principles of Public Life (Nolan Principles). The seven principles are listed below and more detail on these principles can be found in Appendix G.
 - Selflessness,
 - Integrity,
 - Objectivity,
 - Accountability,
 - Openness,
 - Honesty, and
 - Leadership

2. Status of the Financial Regulations

- 2.1 This document sets out the Trust's financial regulations. It translates into practical guidance and the Trust's broad policies relating to financial control and administration. It applies to the Trust and all of its Academies and subsidiary undertakings, except where distinctions are specifically made between sponsored and non-sponsored Academies.
- 2.2 These financial regulations are subordinate to the Trust's Memorandum and Articles and to any restrictions contained within the financial memorandum with the regulatory body.
- 2.3 The purpose of these financial regulations is to provide control over the totality of the Trust's resources and provide management and Trustees with assurances that the resources are being properly applied for the achievement of the Trust's strategic plan and business objectives:
 - financial viability
 - achieving value for money

- fulfilling its responsibility for the provision of effective financial controls over the use of public funds
- ensuring that the Trust complies with all relevant legislation
- safeguarding the assets of the Trust, and ensuring its solvency

2.4 **Compliance with the financial regulations is compulsory for all Members, Directors, and staff connected with the Trust. A member of staff who fails to remain within their budget, or breaches any of the clauses within these financial regulations, will be subject to disciplinary action under the Trust's disciplinary policy. Any breach by a Member or Director will be viewed as a breach of the code of Conduct and will be treated accordingly.** The Board will be notified of any material breach through the Audit Committee. It is the responsibility of Headteachers to ensure that their staff are made aware of the existence and content of the Trust's financial regulations.

2.5 The board is responsible for maintaining a continuous review of the financial regulations, through the Group Chief Financial Officer, and for making any additions or changes necessary.

2.6 In exceptional circumstances, the Members and Directors may authorise a departure from the detailed provisions contained herein. The Audit Committee may also authorise a departure from the detailed provisions herein. Any such departure must be reported to the board at the earliest opportunity.

2.7 The Trust's detailed financial procedures and policies set out precisely how these regulations will be implemented and are contained in separate policy documents, which are available to all staff.

2.8 These Regulations are additional to UK Public Procurement Notices and directives.

2.9 The financial regulations are an integral part of the Trust's risk management framework. Other important documents include the Financial Memorandum and the Risk Management Policy.

3. Financial Responsibilities

3.1 The Board is responsible for the overall financial management of the Trust. It may, however, delegate such powers as it considers appropriate to an authorised sub-committee set up within the terms of the Instruments and Articles of Government, or to a senior member of staff.

3.2 The Board will approve a written scheme of financial delegation which will be contained in these Financial Regulations. The Terms of Reference for the Board and sub-committees define their respective financial responsibilities.

3.3 A Member of the board is the designated Accounting Officer and is responsible for ensuring regularity, propriety, and value for money over the income and expenditure of the Trust, together with the financial administration of the Trust's affairs in accordance with the Master Funding Agreement. As the designated Accounting Officer, the relevant person may be required to justify any of the Trust's financial matters to the Public Accounts Committee at the House of Commons (or equivalent bodies in Scotland and Wales).

3.4 In particular, the Accounting Officer is charged with responsibility for dealing with all items of income and expenditure in accordance with legislation, the terms of the Trust's Master Funding Agreement, the Academies Financial Handbook, the financial policies of the Trust including spending public money for the purposes intended by Parliament. The Accounting Officer is also responsible for securing value for money and for avoiding waste.

3.5 Financial administration is controlled by the Group Chief Financial Officer (CFO) who will be appointed by the Board. The Group Chief Financial Officer will be responsible to the Trust for:

- preparation of annual capital and revenue budgets and financial plans
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations
- preparing the Trust's annual accounts and other financial statements and accounts which the Trust is required to submit to other authorities
- ensuring that the Trust maintains satisfactory financial systems
- providing professional advice on all matters relating to financial policies and procedures
- day-to-day liaison with internal and external auditors in order to achieve efficient processes.

3.6 The day to day responsibilities of the Group Chief Financial Officer will be transacted through the Group Director of Finance acting on behalf of the Trust.

3.7 Headteachers are responsible for financial management for the Academies or activities they control. This includes the economic, effective and efficient use of resources allocated to them. They are advised by the Group Chief Financial Officer in executing their financial duties. Headteachers are responsible for establishing and maintaining clear lines of responsibility within their Academy for all financial matters. Where resources are devolved to budget holders, they are accountable to their Headteacher for their own budget.

Headteachers shall provide the Group Chief Finance Officer or their nominee with such information as may be required to enable:

- preparation of the Trust's financial statements
- preparation of the annual budget and in-year forecast outturns
- implementation of financial planning
- implementation of audit and financial reviews, projects and value for money studies.

3.8 All members of staff should be aware and have a general responsibility for the security of the Trust's property, for avoiding loss and for due economy in the use of resources.

- a) They should ensure that they are aware of the Trust's financial authority limits and the values of purchases for which quotations and tenders are required.
- b) They shall make available any relevant records or information to the Group Chief Financial Officer or their authorised representative in connection with the implementation of the Trust's financial policies, these financial regulations and the system of financial control.
- c) They shall provide the Group Chief Financial Officer with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the Board.
- d) They shall immediately notify the Group Chief Financial Officer whenever any matter arises which involves, or is thought to involve, irregularities concerning monies or property of the Trust. The Group Chief Financial Officer shall take such steps as necessary by way of investigation and report to the Audit Committee.

3.9 The Group Chief Financial Officer is responsible for reviewing the financial regulations and for presenting a revised version to the Board on an annual basis. Authority to implement administrative changes to the financial regulations (such as changes to post titles for responsible staff) is delegated to the Accounting Officer and Group Chief Financial Officer.

Substantive changes (such as delegated authority levels) require the approval of the Board.

- 3.10 The Group Chief Financial Officer is also responsible for ensuring that the financial information requirements of the regulator and the bank are met. Any failure to meet these deadlines must be reported to the Board, together with an explanation for the delay.

4. Strategic Planning

- 4.1 The Group Chief Financial Officer is responsible for preparing annually a rolling three-year financial plan for approval by the Board and for preparing financial forecasts for submission to the ESFA. Financial plans should be consistent with the strategic plans and property strategy approved by the Board.
- 4.2 On occasions, more regular updates of the plan will be required to support capital funding applications. It may also be necessary to extend the plan to five or more years.

5. Budgeting

- 5.1 Headteachers in consultation with the Group Chief Finance Officer are responsible to the Board for preparing the annual income and expenditure and capital expenditure budget. The annual budget shall be considered and approved by the Board prior to 31st July each year for the following financial year.
- 5.2 The Board shall not delegate the approval of the annual budget and will approve the budget by resolution.
- 5.3 The Group Chief Financial Officer or Group Finance Director are delegated to designate members of staff as Budget Holders upon recommendation from The Deputy CEO – Academies, Headteachers / Heads of School (or equivalent). Budget Holders shall be responsible for the control and monitoring of expenditure within budgets allocated to them **and any budget holder who fails to stay within their delegated budget may be subject to disciplinary action under the Trust's disciplinary policy.**
- 5.4 Headteachers will be designated authorised signatories and all additional signatories must be authorised by the Group Chief Financial Officer or Group Director of Finance.
- 5.5 The Deputy CEO – Academies, Headteachers / Heads of School, (or equivalent) shall be accountable to the Board for effective budgetary control within the approved revenue and capital budgets.
- 5.6 Budget Holders shall submit such information to the Group Chief Financial Officer or their nominee as is necessary to enable annual estimates of revenue income and expenditure and capital expenditure to be submitted by the Group Chief Financial Officer to the Board for their approval.
- 5.7 Pay budgets for teaching departments will be calculated and agreed by the relevant Headteacher and the Group Chief Financial Officer based on an estimate of Academy enrolments and required teaching resource. This budget will be reviewed following actual enrolment and appropriate adjustments then made to the original budget to reflect any changes.
- 5.8 The capital programme includes all expenditure on land, buildings, equipment, furniture and associated costs whether or not they are funded from capital grants or capitalised for inclusion in the Trust's financial statements. Expenditure of this type can only be considered as part of the capital programme approved by the Board.
- 5.9 All capital projects should be detailed separately in the annual capital budget. However, the capital budget may include general provisions for projects or items not specified at the time of the budget approval.

- 5.10 The Group Chief Financial Officer will also establish procedures for the approval of variations, including the notification of large variations to the regulator, as laid down in the Financial Memorandum and other guidelines.
- 5.11 Following completion of a capital building project over £0.5 million, or a capital building project where the final cost exceeds the authorised budget by more than 5% a post-project evaluation or final report should be submitted to the Board. This will include actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting the completion of the project. Post-project evaluations may also need to be sent to the regulator as laid down in their guidelines.
- 5.12 The control of income and expenditure within an agreed budget is the responsibility of the designated Budget Holder who must ensure that day to day monitoring is undertaken effectively. The Budget Holder will be assisted in this duty by management information provided by the Group Chief Financial Officer. Budget holders are responsible for establishing and maintaining clear lines of responsibility within their areas for all financial matters.
- 5.13 Budget holders may be granted permission to transfer (vire) monies between cost centres within the same department. Authority for this should be obtained in advance from the Group Chief Financial Officer or Group Director of Finance. Virement limits are set out in Appendix A to the regulations.
- 5.14 Budget holders are accountable for their budgets **and must under no circumstances exceed the total budget allocated to them. Any budget holder who fails to comply with this may be subject to disciplinary action under the Trust's disciplinary policy.**
- 5.15 Any potential departures from agreed budgetary targets must be reported immediately to the Group Chief Financial Officer or Group Director of Finance by the Budget Holders concerned and, if necessary, corrective action taken.
- 5.16 The Group Chief Financial Officer or nominee may authorise transfers between income and expenditure cost centres and capital projects provided that:
- (a) the budgeted operating surplus will not be reduced during the current financial year, and
 - (b) there will be no additional financial commitment, as a result, in subsequent financial years, and
 - (c) the amount transferred is less than 10% of the Trust's overall budgeted expenditure for the year, and
 - (d) virements of capital projects will be limited as specified in Appendix A of these regulations
- 5.17 Transfers greater than 10% require the authorisation of the Board.
- 5.18 Any increase in budgeted expenditure will be authorised as specified in Appendix A of these regulations. In urgent cases, the Chairman of the Board and any other Director have the power to act on behalf of the Board. Such action will be reported to the Board at the earliest opportunity.

6. Procurement

Procurement Principles and Procedures

- 6.1 The Trust must comply with general procurement principles in all procurements. These are: treating providers equally and without discrimination and acting in a transparent and proportionate manner (PCR 18) (“General Procurement Principles”).**

6.2 Below the prescribed contract value thresholds, there are no prescriptive requirements about how to comply with those principles, allowing the Trust a reasonable discretion, in relation to procedure.

6.3 Above the thresholds there is prescription determining the procedures and timescales for procurements [*“Public Contracts Regulations (PCR) Prescriptive Provisions”*].

Collaborative supply within the Group

6.4 Possible best value procurements from The Corporation of Bromley College, trading as London South East Colleges (“LSEC”) and/or The London and South East Region (Laser) Education Foundation (“LASER”), including through the London and South East Region Education Group (“the LASER Group”) Collaboration Agreement (“the LASER Group Collaboration Agreement”) need to be considered in that unique and/or quasi-in house (i.e. non-competitive market) context, which allows for the application of direct “Negotiated Procedure” procurement principles (see Paragraph 6).

6.5 Any possible, distinct market supply by LSEC, or LASER, outside the LASER Group Collaboration Agreement, would be subject to the application of standard fair competition procurement principles.

6.6 Additionally, all supplies from LSEC, or LASER, must comply with the Academies Financial Handbook Related Party Transaction, the College Financial Handbook, ESFA advance consent obligations and the at-cost principle. This requires planning so the formalities of ESFA engagement are complete by the beginning of each financial/academic year.

Joint Procurement within the LASER Group

The LASER Group Collaboration Agreement provides opportunities for best value supplies to be secured through the efficiencies, cost-savings and increased resources available through joint procurement by LSEAT, LSEC and LASER, as the LASER Group.

Procedures for below threshold and Light Touch Regime procurements

6.7 Commentaries and guidance on procurement can tend to equate proper procurement procedure with a formal competitive tender process. However, for relatively simple and low value contracts and contracts for particular types of service, a tender process will/may be impractical and/or disproportionate and counterproductive in terms of truly securing best value.

6.8 This is recognised through the Public Contracts Regulations (PCR) being non-prescriptive for below threshold and Light Touch Regime procurements.

6.9 This allows The Trust to set internal guidance, consistent with:

(a) the general procurement principles and

(b) the requirement to publish a notice of an above threshold Light Touch Regime opportunity on the Find a Tender Service website

6.10 Trust personnel shall follow such internal guidance and focussing exclusively on best value, shall in all cases apply objective, reasonable, and proportionate approaches to procurements. These may:

(c) set standard and/or particular processes, which may, to some extent, follow the outline of a tender process;

(d) recognise cases where direct purchasing and negotiated procedure principles are appropriate; or

(e) recognise cases where a full, formal, competitive tender process is appropriate.

6.11 Typical processes, which may be set, may include publication of the opportunity on Trusts website and/or requesting three price and service level quotations.

6.12 Long-term supply relationships may be established, with reasonable consideration of the desirability for periodic review and market-testing.

Negotiated Procedure without prior publication of any notice (PCR 32)

6.13 The Negotiated Procedure, without prior publication of any notice, is a possible formal procurement procedure and the Negotiated Procedure principles may be applied to any procurement.

6.14 This means direct purchasing from a supplier, on reasonable terms and conditions, is permitted, in circumstances where:

(f) the supply can only be obtained from a particular supplier, because the service is unique, or otherwise not subject to competition, or includes exclusive rights, for example intellectual property rights;

(g) unforeseen urgency does not allow the time for a competitive procedure;

(h) for goods, to maintain necessary technical continuity and compatibility;

(i) to the winner of a prior design contest;

(j) the supply repeats new services, or works, within the contemplated scope of an original project.

6.15 A question about the uniqueness of a supply may be resolved by a market-testing public notice inviting any alternative capable and interested parties to declare themselves. If none do, within 15 days, the Negotiated Procedure may be applied. In procurement language this is a "Voluntary Ex-Parte Transparency Notice".

6.16 A question about the uniqueness of a supply may be resolved by a Prior Information Notice, requesting expressions of interest, to which only one supplier responds.

6.17 The LASER Group constitutes a unique, mutual, collaborative relationship between LSEAT, LSEC and LASER, which is likely to underpin the uniquely beneficial inter-group preferential and inter-connected supplies. However, such an assessment cannot be assumed, or pre-judged and each possible inter-company supply within the LASER Group, must be considered and approved in accordance with due process and applicable regulation relating to Related Party Transactions.

Potential Conflict of Interest and ESFA RPT regime

6.18 Any proposed contract with LSEC, or LASER, needs to be considered with reference to the LASER Group Collaboration Agreement and the ESFA RPT regime, as a potential conflict of interest and should be referred immediately to the Group Chief Financial Officer., who shall consider whether the matter should be referred to the College Corporation.

Any proposed contract with an individual connected with LSEC, LSEAT or an LSEAT Academy ("*LSEAT Individual*"), or with any family member, or individual close associate of such an individual ("*Connected Individual*"), or with any organisation with which any LSEC Individual, or Connected Individual, is connected, raises a potential conflict of interest, or loyalty, which must be considered and if

appropriate managed in accordance with the College Conflict of Interest Policy and the ESFA RPT regime. Any such situation of potential conflict should be referred immediately to the Group Chief Financial Officer.

7. Financial Information

7.1 Annual Financial Statements

- 7.1.1 A Statement of Accounts is to be prepared in accordance with the requirements of the statement of recommended practice (SORP) for the sector.
- 7.1.2 The Accounts are to be prepared and reported to a Board meeting and provided to the ESFA no later than four months after the year-end.
- 7.1.3 Any significant adjustments found as a result of the external auditors' work, are to be reported to the Audit Committee.

7.2 Management Accounts

- 7.2.1 Management accounts are to be prepared on a monthly basis by the Group Director of Finance. Detailed management accounts for Schools must be distributed to The Deputy CEO – Academies, and Headteachers / Heads of School (or equivalent) as appropriate, with a summary provided to the Board at each meeting.
- 7.2.2 A forecast outturn will be undertaken at the six month and nine month points of the financial year. The results of which will be reported to the Board.
- 7.2.3 An annual statement comparing the actual financial results with the forecast outturn will be presented to the Board.

8. Trust Financial Operations

8.1 Income

- 8.1.1 The Group Chief Financial Officer is responsible for ensuring that appropriate procedures are in operation to enable the Trust to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use must have the approval of the Group Chief Financial Officer or nominee.
- 8.1.2 Budget Holders shall furnish such particulars of charges for work done, goods supplied, or services rendered on behalf of the Trust and all amounts accruing due, as the Group Chief Financial Officer or nominee may require in order to ensure that there is a prompt recording of all sums receivable by the Trust.
- 8.1.3 Monies due shall be requested on Trust invoices issued by the Trust Finance Service. Other staff or officers are not permitted to deal directly with this matter unless agreed by the Group Chief Finance Officer or their nominee.
- 8.1.4 **Appropriate debt recovery procedures shall be determined by the Group Chief Financial Officer. The Trust will only consider accepting losses and write-offs after careful appraisal of the facts, including whether all reasonable action has been taken to effect recovery, and should be satisfied that there is no feasible alternative such as debt collection procedures being exhausted, or for these not to be financially viable. Appendix D sets out the specific matters to be considered before making a write off.**
- 8.1.5 The Group Chief Financial Officer will submit details of any write-off of any individual bad debts in excess of £45,000 to the Secretary of State (through the ESFA) for authorisation. Individual debts below this level may be written off in accordance with the limits specified in Appendix D

to these regulations, **except where the value of the write off takes the total value of debts written off to over £250k for the financial year.**

- 8.1.6 Headteachers are responsible for ensuring that the arrangements for monies received including banking and security comply with the procedures issued by the Trust.
- 8.1.7 Every sundry remittance or sum of money, in excess of £5, received by an officer of the Trust must be acknowledged by the issue of an official receipt. The Trust Finance Service shall issue official receipt books on request. Cheque payments must be supported by cheque cards and the card number noted on the back of the cheque.
- 8.1.8 All tuition fees, charges, rents and lettings shall be reviewed annually in consultation with the Group Chief Financial Officer and recommendations relating thereto shall be incorporated in the proposed annual budget presented to the Board.
- 8.1.9 Since both the Trust and its Academies operate in the public sector, it has adopted the Nolan Principles of Public Life. In order to ensure such Principles are followed for all rents, lettings, and sundry income must be authorised by the Board or the Group Chief Financial Officer before entering into a contract or agreement.

8.2 Expenditure

- 8.2.1 Official orders shall be issued for all works, goods and services except for such items as recurring charges for public utilities, periodic payments, credit card purchases, petty cash purchases and any other exceptions approved by the Group Chief Financial Officer or Group Finance Director.
- 8.2.2 Only items of expenditure relating to the business of the Trust may be procured. Items such as vouchers, gifts, and flowers must not be procured unless they are part of an approved learning activity or scheme. Refreshments and food must not be purchased for staff unless this forms part of an annual all-staff event, part of a learning activity for pupils, or where staff are working through traditional break times to support or supervise learners. Refreshments and food may be supplied for meetings attended by someone external to the Trust or Academy.
- 8.2.3 Training or conferences for Headteachers or equivalent, who report directly to the CEO or Deputy CEO - Academies must be authorised by the CEO, CFO, or Deputy CEO - Academies of the Trust.
- 8.2.4 Official orders shall not be raised and expenditure shall not be incurred for any personal or private purchases, nor shall personal or private use be made of Trust contracts.
- 8.2.5 Where expenditure is approved by the Board and minuted accordingly, authority to raise appropriate purchase orders is automatically delegated to the Chief Executive Officer, Deputy Chief Executive Officer, or the Group Chief Finance Officer. Purchase Orders and invoices may be authorised by a Chief Executive Officer, Group Chief Financial Officer, or a Headteacher without further reference to the Board.
- 8.2.6 No employee shall supply goods or services to the Trust, or engage any supplier of goods or services in which they have a pecuniary, family, or other interest, direct or indirect, without first seeking the prior written approval of a CEO or Group Chief Financial Officer. A duly completed Value for Money Form (VFM1) must be provided to the Group Chief Financial Officer in all such cases, and the CEO or CFO must be satisfied that the transaction is conducted on terms which provide value for money and protect the probity of public funds.
- 8.2.7 Any employee of the Trust who has any pecuniary, family or other interest, direct or indirect, in any supplier of goods or services to the Trust, shall be responsible for making a declaration of the interest to the Director of Finance.
- 8.2.8 Official orders must be authorised by Budget Holders as appropriate. The Finance Director shall maintain a register of authorised Budget Holders, together with specimen signatures and

authorisation codes as appropriate.

- 8.2.9 Headteachers of Academies undertaking capital projects are responsible for ensuring that the appropriate approvals and funds are in place (including where necessary from the ESFA) before commitment is made. This should be in consultation with the Director of Finance.
- 8.2.10 The placing of orders by telephone is generally prohibited. However, in an emergency, subject to the approval of the Director of Finance, orders may be given orally or by other means provided an official order number is quoted to the supplier and the order is confirmed in writing on the appropriate order form on the same or following working day.
- 8.2.11 Each order must clearly indicate the nature and quantity of the supplies or services required, the estimated price including VAT and any agreed discounts and other relevant details.
- 8.2.12 All contracts or orders entered into on behalf of the Trust must be signed by an authorised signatory and authorised as specified in Appendix A of these regulations.
- 8.2.13 Any combination of items which form a scheme or project must be treated as an individual contract or order for authorisation purposes. Where there is any doubt as to whether any combination of items constitutes a scheme or project, then the direction of the Group Chief Financial Officer or a Member must be sought.
- 8.2.14 Upon receipt of a purchase order requisition the Trust Finance Service is responsible for:
- (a) Ensuring that the requisition has been authorised by the Budget Holder or other authorised signatory
 - (b) Confirming that there are sufficient budget funds available to cover the order
 - (c) Raising an official order
 - (d) Sending the order to the supplier
- 8.2.15 Goods and services purchased by the Trust should be obtained expeditiously and economically. Budget holders shall ensure that purchases are made at the most favourable rate by obtaining estimates on the basis that the acceptance of any estimate other than the lowest is permitted only where better value for money is offered by a competing product or service.
- 8.2.16 The procedures and financial limits for obtaining estimates shall be as stated below. The value thresholds referred to throughout the financial regulations are inclusive of VAT:

For Supplies of Goods and Services	
Value of Purchase Order	Requirements
Up to £12,500 for Estates and £7,500 for other departments	Budget Holder shall comply with the requirements of the Procurement Policy.

Up to £210,000	<p>Three written quotations are required unless agreed by the Group Chief Financial Officer or nominee. This requirement can be waived where there is only a single supplier for the goods / services.</p> <p>Where possible at least one of which should be obtained using a supplier on a framework agreement with the Crescent Purchasing Consortium (CPC) a Buying for Schools Framework, or another relevant purchasing consortium.</p> <p>These quotations must be retained by the Budget Holder. In each case, a VFM1 Form must be completed and sent to the Finance service with the purchase order request.</p>
Over £210,000	Post-Brexit Public Procurement Notes (PPN) apply. (Advice should be sought from the Group Chief Financial Officer or nominee).

For Works	
Value of Purchase Order	Requirements
Up to £12,500	Budget Holder shall comply with the requirements of the Procurement Policy
Up to £210,000	<p>Three written quotations are required unless agreed by the Group Chief Financial Officer or nominee.</p> <p>Where possible at least one of which should be obtained using a supplier on a framework agreement with the Crescent Purchasing Consortium (CPC) a Buying for Schools Framework, or another relevant purchasing consortium.</p> <p>These quotations must be retained by the Budget Holder. In each case, a VFM1 Form must be completed and sent to the Finance service with the purchase order request.</p>
£210,001 to £5,300,000	A minimum of three competitive tenders shall be obtained unless the Board approves that the invitation of tenders be waived. (The tendering procedures are outlined in Appendix C.)
Over £5.300,000	Post-Brexit Public Procurement Notes (PPN) apply. (Advice should be sought from the Group Chief Financial Officer or nominee).

8.2.17 When applying the above limits, the "value of purchase order" for those orders which relate to the continuous supply of goods or services over several years will be the total value over the period of supply.

8.2.18 Orders or purchases must not be broken down into a series of smaller transactions in order to

stay below an authority limit or the VFM1 threshold.

8.2.19 The Group Chief Financial Officer shall be responsible for the arrangements for the examination, verification and certification of invoices for payment and for the allocation of expenditure to the relevant budget.

8.2.20 All invoices shall be authorised by the relevant Budget Holder. A record of specimen signatures shall be maintained and held by the Director of Finance.

8.2.21 All invoices in respect of capital building projects shall be authorised by the Trust project manager or the Director of Finance.

8.2.22 Group Chief Financial Officer will be responsible for the payment of all invoices. Payments will not be made against documents other than invoices. Payment will only be made against invoices as follows:

(a) Subject to paragraph 8.2.1, invoices for which an official order has been raised and the invoice does not exceed the order value.

(b) Which have been certified for payment by the appropriate Budget Holder. By certifying an invoice for payment, the Budget Holder is stating:

(i) that the goods or services have been received;

(ii) that the goods comply with the details on the Trust's order;

(iii) that the goods are of acceptable quality;

(iv) that the invoice details (quantity, price, discount) are correct;

(v) that the invoice is arithmetically correct;

(vi) that the invoice has not previously been passed for payment (i.e. that it is not a duplicate request for payment);

(c) Which quote the appropriate cost centre and account code.

8.2.23 The Group Chief Financial Officer will be responsible for ensuring that adequate controls are in place for electronic payments (BACS, CHAPS), for credit cards and that cheques are stored securely and for maintaining a register of used and unused cheques.

8.3 Late Payment of Debts (Interest) Act 1998

8.3.1 The Late Payment of Debts (Interest) Act 1998 (as amended in 2002) was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:

- small businesses can charge interest on overdue invoices
- interest is chargeable on sales made after 1 November 1998
- the rate of interest is currently 8% per annum above the official daily rate of the Bank of England
- the Act also applies to overseas organisations
- the Trust can be sued for non-payment.

8.3.2 In view of the penalties in this Act, the Board requires that invoices must be passed to the

Finance Service for payment as soon as they are received.

8.4 Accounting Arrangements

- 8.4.1 The Trust's financial year will run from 1 September until 31 August of the following year.
- 8.4.2 The consolidated financial statements are prepared on the historical cost basis as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.
- 8.4.3 The financial statements are prepared in accordance with the Academies Accounts Direction, and in accordance with the provisions of the Companies Act.
- 8.4.4 The coding structure (cost centre, account and project codes) will be provided by the Group Chief Financial Officer with a view to the preparation of appropriate and efficient management information to all users.
- 8.4.5 The opening of new account codes or cost centres shall be actioned by finance service staff after approval by the Group Chief Financial Officer or nominee.

8.5 Salaries and Wages

- 8.5.1 Headteachers / Heads of School shall be responsible for the appointment of all staff other than all senior post holders who will be appointed by the Board.
- 8.5.2 The Group Chief People Officer through the Trust Director of HR shall be responsible for the maintenance of all personnel records and for the provision of relevant information to enable all salaries, wages, pensions and other emoluments to be paid.
- 8.5.3 The preparation of payrolls and the payment of salaries, wages and other emoluments to employees of the Trust shall be undertaken in accordance with arrangements approved by the Group Director of Finance. All remuneration payments must be made through the Trust payroll unless an alternative arrangement has been agreed in writing with the Group Chief Financial Officer or nominee.
- 8.5.4 All advances and loans will be authorised by the Group Chief Financial Officer who will agree the deductions from the employee's pay. These will only be approved in exceptional circumstances and written consent for these deductions will be obtained from the employee before payment of any advance or loan.
- 8.5.5 The Group Chief Financial Officer is responsible for day to day pension administration including:
 - (i) paying of contributions to authorised pension schemes.
 - (ii) preparing the annual returns to the pension scheme.
- 8.5.6 Time records or other pay documents shall be in a form agreed by the Group Chief Financial Officer and shall be certified by the appropriate line manager and Budget Holder.
- 8.5.7 All Trust employees shall be paid according to the salary scales approved by the Board. The Board is responsible for the authorisation of any annual pay award which will result in a change to the salary scales.
- 8.5.8 Amendments to remuneration of support staff and teaching staff including Main Scale changes, TLR's, and SEN payments must be ratified by the Group Chief Financial Officer and Trust Director of HR, before being approved.
- 8.5.9 Pay increases and performance-related payments for the Deputy CEO - Academies, Headteachers / Heads of School, or equivalent, must be approved by the Board of Trustees in accordance with the Executive Pay Policy.

- 8.5.10 Staff recruitment must be undertaken in accordance with the Policies and Procedures for Recruitment, Selection and Appointment in force when such recruitment takes place.
- 8.5.11 All offers and letters of appointment, employment contracts, or variations in conditions of service must be issued by Headteachers / Heads of School or the Trust HR Director. The Trust Director of HR will ensure that there are satisfactory arrangements in place to notify the Payroll Manager of all commencements, variations and terminations.
- 8.5.12 The engagement of agency workers must only be undertaken by the Headteacher, Group Chief People Officer, Trust HR Director, or their nominee.

Severance Payments

- 8.5.13 Severance payments shall only be made in accordance with the relevant legislation. Professional advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. All such payments shall be authorised by the Group Chief Executive Officer and calculations checked by the Group Chief People Officer or Trust Director of HR. Any individual non-contractual / non-statutory amounts in excess of £30k require approval by the Chair and Vice Chair of the Board. In any event, all non-contractual settlements to be reported to the Chair and annually to the Board through the Regularity Questionnaire presented by the Group Chief Finance Officer.
- 8.5.14 If the Trust is considering making a special staff severance payment which is above the statutory or contractual entitlement, the Trust must consider whether such payment is justified. This should be based upon a legal assessment of the Trust successfully defending the case at a Tribunal. If there is a significant prospect of losing the case, a settlement may be justified, especially if the costs of defending the case are likely to be high. If the legal assessment suggests the trust is likely to be successful, a settlement should not be offered. If the settlement is justified, the Trust would need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an employment tribunal) is likely to award.
- 8.5.15 The Trust can approve individual special staff severance payments provided that the non-statutory/non-contractual element of the payment is under £50,000. Where the non-statutory/non-contractual element of the payment exceeds this value, prior approval must be obtained from the ESFA.
- 8.5.16 Additionally, in accordance with HM Treasury's Guidance on Public Sector Exit Payments, the Trust must obtain prior ESFA approval before making a staff severance payment where:
- a) an exit package which includes a special severance payment is at, or above, £100,000; and/or
 - b) the employee earns over £150,000.

Compensation Payments

- 8.5.17 Compensation payments provide redress for loss or injury and may be necessary from time to time. If the Trust is considering a compensation payment, it must base its decision on a careful appraisal, including legal advice where relevant, and ensure value for money. In addition, a business case must be documented setting out why the payment is appropriate, the legal/ HR advice received, the approval process, and the appropriate level of payment.
- 8.5.18 The Trust can approve individual compensation payments provided that the non-statutory/non-contractual element of the payment is under £50,000. Where the non-statutory/non-contractual element of the payment exceeds this value, prior approval must be obtained from the ESFA.
- 8.5.19 All matters referred to an industrial tribunal shall be notified to the Board at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

8.6 Expenses

- 8.6.1 Claims for expenses incurred by Members, Directors, or staff of the Trust in carrying out official duties, shall be paid in accordance with the Expenses Policy in force when the expenses are incurred. All expense claims must be submitted using the expense claim forms contained in the Trust's Expenses Policy.
- 8.6.2 Expense claims will only be reimbursed against receipts. Visa slips are not considered to be receipts.
- 8.6.3 Expense claims (or credit card logs) shall be authorised by the relevant line manager and Budget Holder. No employee may authorise his/her own expenses.
- 8.6.4 The expense claims (or credit card logs) of Headteachers / Heads of School (or equivalent) must be authorised by the CEO, Deputy CEO - Academies, or Group Chief Financial Officer before payment is made. Expense claims of Headteachers, and other staff reporting to the Deputy CEO – Academies may be authorised by the Deputy CEO.
- 8.6.5 Expense claims (or credit card logs) of the Group CEO should be approved by the Chair or Vice Chair of the Trust, except where such approval may give rise to a conflict of interest. In such circumstances, the expense claim should be approved by either the Clerk (Director of Governance) or Chief Financial Officer.
- 8.6.6 Expense claims submitted by Members must be authorised by the Clerk or Group CEO on the delegated authority of the Chair. Expense claims of Directors must be authorised by the CEO, Deputy CEO - Academies, Group Chief Financial Officer, or the Clerk.
- 8.6.7 Further details on the arrangements for claiming expenses are included in the Trust's Expenses Policy.

8.7 Overseas Travel

- 8.7.1 Every proposed overseas business trip requires the approval of the Group CEO or Group CFO prior to the visit (and prior to any costs associated with the visit being committed). The Group CEO or Group CFO will be asked to approve the purpose of the visit and the estimated cost.
- 8.7.2 The Trust will not meet the cost relating to the spouse/partner of an employee who accompanies the employee on a business trip.
- 8.7.3 Further information on overseas travel is included in the Trust's Expenses Policy.

8.8 Banking and Petty Cash

- 8.8.1 The board is responsible for the appointment of the Trust's bankers for the day to day banking services upon the recommendation of the Group Chief Financial Officer.
- 8.8.2 The Group Chief Financial Officer is permitted to make banking arrangements and open bank accounts for treasury management purposes, provided that such accounts comply with the Treasury Management policy in force at the time when the account is opened.
- 8.8.3 All arrangements with the Trust's bankers concerning the bank accounts and the control and issue of cheques, shall be made by the Group Chief Financial Officer. No other Trust bank accounts shall be permitted.
- 8.8.4 All cheques drawn on behalf of the Trust shall be signed in accordance with Appendix B of the regulations. Any changes in authorised signatories shall be approved by the Group Chief Financial Officer and notified to the Board at the first available opportunity.
- 8.8.5 Petty cash floats shall be operated in accordance with the float's procedures approved by the

Group Chief Financial Officer. Petty cash holders shall be responsible for the safe custody of the float.

- 8.8.6 All payments from petty cash, which shall not exceed £20 (unless one of the exceptions below applies), must be supported by appropriate vouchers and records, which shall be available for inspection at any time. Payments must not be broken down into a smaller series of transactions where the intention is to stay below the £20 threshold as to do so would be a deliberate and serious breach of these regulations, which will result in disciplinary action under the Trust's disciplinary policy.
- 8.8.7 In exceptional circumstances, Headteachers / Heads of School may approve petty cash transactions of up to £400, for student trips, or for other urgent matters where cash is the only available option for payment. In all such cases, the transaction must be reported to the Group Finance Director and Group Chief Financial Officer either on the same day, or the next working day.
- 8.8.8 The school Business Managers, or equivalent may, in exceptional circumstances and where there are no alternative means of payment, approve petty cash transactions up to £100. Such approvals should be documented and shared every month with the Headteachers / Heads of School, including a clear statement for each approval as to why petty cash was the only practicable option.
- 8.8.9 Petty cash transactions above £400 must be approved in advance by the Group Finance Director or Group CFO.
- 8.8.10 The Group Chief Financial Officer is responsible for ensuring that all bank accounts are subject to at least monthly reconciliation and that large or unusual items are investigated as appropriate.
- 8.8.11 Where appropriate, the Group Chief Financial Officer may approve the issuing of Trust credit cards to nominated staff. Such credit cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. The Group Chief Financial Officer will be responsible for setting in place a system to control and monitor the use of Trust credit cards and account for expenses charged through them.
- 8.9 Assets and Property
- 8.9.1 Headteachers shall be responsible for the care and custody of all Trust assets and property within their Academy. In this regard, reference to assets and property includes any items purchased by or donated to the Trust and includes fixed assets, equipment, stocks, materials, etc. In addition, waste products from items purchased from Trust/School resources which have a recycling or scrap value are also considered to be Trust property and assets.
- 8.9.2 Headteachers shall maintain appropriate procedures for the receipt, safe custody, issue and disposal of all goods.
- 8.9.3 Where surplus materials or waste which has a scrap value and/or can be sold for recycling, Headteachers / Heads of School are responsible for ensuring proper stocks of such materials are maintained and that arrangements are in place to ensure accurate and up-to-date records are kept of such assets, collections and, disposal values. **In addition, each and every third-party waste collection or disposal must be approved by the Headteacher / Head of School and be in compliance with the Group Sustainability Policy.**
- 8.9.4 The Group Chief Financial Officer must be provided with copies of all contracts, leases, deeds, agreements and similar legal documents.
- 8.9.5 Assets purchased by the Trust shall, so far as practicable, be effectively marked to identify them as Trust property.
- 8.9.6 Lessees and/or other prospective occupiers of Trust land or property shall not be allowed to take possession or enter the land or property until a lease or agreement, in a form approved by

the Trust Solicitors, has been approved by the Board. All sublease agreements must comply with the terms of the head lease granted to the Trust and comply with the terms of the lease.

- 8.9.7 Headteachers are responsible for ensuring the proper security of all buildings and other assets.
- 8.9.8 No Trust assets shall be subject to personal use by an employee without the authority of the relevant Headteacher.
- 8.9.9 The disposal of fixed assets or surplus materials shall be authorised as specified in Appendix A of these regulations. No Trust assets, materials, equipment, (whether donated or purchased) waste or other product can be disposed of to a member of staff, or other worker without the prior written approval of either the Deputy CEO - Academies, Group Chief Financial Officer, or Group Director of Finance.
- 8.9.10 The disposal of fixed assets must be documented on an assets disposal form and approved in accordance with Appendix A. Disposal forms are not required where such disposal is approved by the Board and minuted accordingly.
- 8.9.11 The Group Chief Financial Officer shall determine arrangements for establishing and maintaining Fixed Asset Registers.
- 8.9.12 The Trust's accounting policies in relation to capitalisation and depreciation are set out in Appendix E and the Fixed Asset Policy.
- 8.9.13 Capital procurement must comply with any ESFA/DFE requirements, these regulations, and the Procurement Policy and Procedures (which are available to all staff).
- 8.9.14 Headteachers are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their Academy. The systems used for stores accounting must have the approval of the Group Chief Financial Officer. Headteachers are responsible for ensuring that regular inspections and stock checks are carried out.
- 8.9.15 Those Headteachers whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Group Chief Financial Officer and that instructions are issued to appropriate staff within their area.
- 8.10 Loans, Leasing and Hire Purchase
- 8.10.1 All overdraft facilities shall be approved by the Secretary of State (through the ESFA). If such facility is agreed, the Group Chief Financial Officer may draw against the facility as required, for revenue or capital expenditure within the agreed budget limits.
- 8.10.2 All loans will be approved by the Board for specific purposes before approval of the ESFA will be sought. Funds may be drawn against the loan only for the approved purpose.
- 8.10.3 Authorised borrowing or re-borrowing of monies and all other matters in connection with the raising or repayment of authorised loans (including arrangements for securing loans) shall be subject to the supervision and control of the Group Chief Financial Officer who shall periodically report to the Board. The Group Chief Financial Officer is responsible for obtaining the necessary borrowing consents from the ESFA.
- 8.10.4 Purchases involving an operating lease shall be authorised as specified in Appendix A of the regulations.
- 8.10.5 Purchases involving a finance lease or hire purchase agreements will require approval of the Secretary of State (through the ESFA). This is in addition to the authorities specified in Appendix A of these regulations.
- 8.10.6 After the daily aggregation of all balances in the accounts of the Trust's approved Bank, any

transfer of amounts between these accounts will be the responsibility of the Group Chief Financial Officer.

8.10.7 Any other surplus monies shall be invested in accordance with the Treasury Management Policy approved by the Board from time to time in an account in the name of the Trust and shall be confirmed in writing by the institution with which the deposit is made.

8.10.8 The Group Chief Financial Officer shall be responsible for maintaining appropriate records of all deposits/investments.

8.11 Ex-Gratia Payments

8.11.1 Ex gratia payments are a type of transaction which goes beyond statutory or contractual obligations or administrative rules. Examples of such payments include those to meet hardship caused by official failure or delay, and payments to avoid legal action on the grounds of official inadequacy.

8.11.2 Ex gratia payments are separate to other classes of special payments such as staff severance payments and compensation payments. Statutory and contractual payments made to academy staff in accordance with the Trust's pay and conditions policy would not be ex gratia. Ex gratia transactions must always be referred to ESFA for prior authorisation. HM Treasury approval may also be needed dependent on the nature of the transaction.

8.12 Financial Records

8.12.1 The Group Chief Financial Officer will advise on the format and content of financial records to be maintained by the Trust and the period of time that they need to be retained.

8.12.2 The Group Chief Financial Officer shall ensure that all financial records are kept securely for six years plus the current year. Payroll records are to be kept for seven years plus the current year.

9. Major Developments

9.1 Approval of the Board is required where it is proposed that the Trust should establish a subsidiary company. In such cases, the Board must be provided with business plans or budgets in order to establish the risk to the Trust.

10. Treasury Management Policy

10.1 The Board is responsible for approving a Treasury Management Policy statement setting out a strategy and policies for cash management, long-term investments and borrowings. The Board also has a responsibility to ensure the implementation, monitoring and review of such policies.

10.2 All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated by the Board to the Group Chief Financial Officer and an appropriate reporting system established. All borrowing shall be undertaken in the name of the institution and shall conform to any relevant funding body requirements.

10.3 The Treasury Management Policy is prepared by the Group Chief Financial Officer and is presented to the Board for approval in accordance with the term of such policy.

11. Insurances

11.1 The Group Chief Financial Officer is responsible for annually reviewing the insurance cover arrangements for the Trust. Such insurance cover must be adequate in view of all business

risks.

- 11.2 The Group Chief Financial Officer shall be responsible for effecting such insurance cover in the name of the Trust as may be necessary to safeguard the Trust against loss and shall keep a register of all insurances effected by the Trust and the property and risks covered thereby.
- 11.3 The Group Chief Financial Officer shall report all insurance arrangements and notify any major claim to the Board.
- 11.4 Headteachers shall inform the Group Chief Financial Officer, or nominee promptly of any event which may involve the Trust in a claim, or an intended activity or acquisition of an asset in their area which may involve the Trust in a risk not already covered by insurance or necessitate an extension of the amount of the insurance cover.
- 11.5 The Estates Service (including the duly appointed insurance broker) shall negotiate all claims made against or by the Trust and shall consult the Trust Solicitors where necessary.
- 11.6 All staff using their own vehicles on behalf of the Trust shall maintain appropriate insurance cover for business use.

12. Contracts and Agreements

- 12.1 All contracts for the purchase of works, goods and services entered into on behalf of the Trust will be signed by an authorised signatory in accordance with Appendix A of these regulations.
- 12.2 Contracts for the employment of staff other than the holders of senior posts will be authorised and signed by the Deputy CEO - Academies, relevant Headteachers / Heads of School, Group Chief People Officer, or the Trust Director of HR. Contracts for the employment of Headteachers / Heads of School will be authorised and signed by the Chief Executive Officer.
- 12.3 Contracts for the acquisition, disposal or leasing of land and property will be authorised as specified in Appendix A of these regulations.
- 12.4 All proposed agreements for the leasing of plant or equipment, or services require approval of the Group Chief Financial Officer. Only operating leases are permitted.
- 12.5 The Clerk to the Board is responsible for the safekeeping of official and legal documents relating to the Trust. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Clerk. All such documents shall be held in an appropriately secure location.

13. Audit

- 13.1 The internal audit process will be determined annually by the Members, unless this is subsequently delegated to the Board.
- 13.2 The external audit of the Trust's annual accounts will be provided by a firm with relevant experience and expertise appointed by the Trust.
- 13.3 The external audit service must be retendered at least every 5 years.
- 13.4 Auditors appointed shall have the following rights:
 - access to all records, documentation and assets which they consider necessary to fulfil their duties
 - access to Trust premises at all reasonable times
 - require such explanations as are necessary concerning any matter under consideration
 - require any employee of the Trust to account for cash, stores or other Trust property under their control

- access to Trust records held by third parties when required.
- 13.5 The above provisions cover both internal and external audit, together with any other auditors such as the ESFA appointed funding auditors, National Audit Office, and HM Revenue & Customs.

14. Financial Procedures

- 14.1 The Group Chief Financial Officer has the responsibility for procuring the finance service on behalf of the Trust, for maintaining and updating Financial Systems and Procedures which shall be available to all staff to ensure the efficient and effective financial management of the Trust.

15. Security and Computer Security

- 15.1 Headteachers will be responsible for maintaining the security of all Trust assets, cash and property within their Academy.
- 15.2 The Trust must comply with the requirements of the Data Protection Act 1998 insofar as it applies to information stored within the premises for which the Trust is responsible.
- 15.3 The Group Chief Financial Officer will ensure that all numbered or 'valuable' stationery, such as cheques, invoices, paying-in books, purchase orders, receipt books, etc, are securely stored.
- 15.4 Headteachers shall be responsible for ensuring that disaster recovery plans are reviewed at least on an annual basis and are feasible.
- 15.5 Headteachers shall be responsible for ensuring that computer and data security rules and procedures are adequate and in particular:
- (a) Access to computer databases shall be limited to authorised users.
 - (b) User access and privileges shall be periodically reviewed.
 - (c) All new users must have authorisation from their line manager.
 - (d) Manager access shall be restricted by the use of passwords.
 - (e) Only authorised software may be used on the Trust computer systems.
 - (f) Software or data may not be transferred by data storage device or any other method from the Trust without prior permission.
 - (g) Staff should not use their own computers for Trust/Academy work and files should not be transferred from a home computer to one owned by the Trust. In exceptional circumstances where this is necessary, prior approval must be sought from the relevant Headteacher, and such approval will only be granted where up-to-date virus-checking software is installed on the home computer. Headteachers must obtain approval from the CEO or Deputy CEO - Academies.
 - (h) Personal external storage devices should not be used to copy files onto a computer owned by the Trust unless approval has been granted in accordance with (g) above.

16. Fraud Avoidance Policy

- 16.1 The Trust requires all staff at all times to act honestly and with integrity to safeguard the public resources for which the Board is responsible. Fraud is an ever-present threat to resources. All members of Trust staff must therefore remain alert to the risk that fraud or other irregularity

could occur in their area of responsibility.

- 16.2 The Audit Committee is responsible for approving the Trust's Fraud Avoidance Policy. An annual review of areas susceptible to fraud is to be prepared by Headteachers. The Trust Fraud Register is maintained by the Clerk to the Board and any changes are to be presented to each meeting of the Audit Committee.
- 16.3 Any individual or cumulative instances of fraud above £5,000 must be reported by the Trust to the ESFA. In addition, any unusual or systematic fraud must also be so reported.
- 16.4 The Fraud Avoidance Policy is available to all staff.

17. Receiving Gifts and Hospitality

- 17.1 It is an offence under the Prevention of Corruption Act 1906 for members of staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all Directors and members of staff must be:
- the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest
 - the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.
- 17.2 Thus, members of staff and Trustees should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business, or educational decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the Trust would be likely to provide in return.
- 17.3 Gifts or donations of equipment or, materials goods to the Trust or individuals must be declared on the gifts / hospitality register, and advice sought from the Group CFO or Group Director of Finance on how such items should be used or distributed. No such gifts or donations can be disposed of or subject to personal use by any member of staff without the approval of the Group CFO or Group Finance Director.
- 17.4 When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the relevant Headteacher or Group Chief Financial Officer. For the protection of those involved, the Clerk to the Board will maintain a register of gifts and hospitality received where the value is in excess of £100. Members of staff and Trustees in receipt of such gifts or hospitality are obliged to notify the Clerk to the Board. The Trust Gifts and Hospitality Register is presented to the Audit Committee annually.

18. Taxation

18.1 Value Added Tax (VAT)

- 18.1.1 The Trust will not be registered for VAT and the Group Chief Financial Officer shall ensure that all VAT paid is reclaimed from H M Revenue & Customs (HMRC).

18.2 Corporation Tax

- 18.2.1 The Trust has charitable status and, therefore, will generally not be liable for Corporation Tax on the activities that it undertakes. However, liabilities for Corporation Tax may arise from the

activities of Trust subsidiary companies. The Group Chief Financial Officer will be responsible for ensuring that any liabilities arising are identified and reported accurately to HMRC.

19. Patents and Intellectual Property Rights

- 19.1 Certain activities undertaken within the Trust including research and consultancy may give rise to ideas, designs and inventions, which may be patentable. These are collectively known as intellectual property. As specified in the Trust's standard contracts of employment, all intellectual property belongs to the Trust.
- 19.2 In the event of the Trust deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the intellectual property procedures issued by the Trust.

20. Money Laundering and Proceeds of Crime

- 20.1 The Proceeds of Crime Act 2002 criminalises money laundering and the Money Laundering Regulations 2007, which came into force from 15 December 2007, place obligations on those involved in 'relevant businesses' to establish procedures to reduce the likelihood of financial irregularity.
- 20.2 The Trust may be regarded as a 'relevant business' and the Group Chief Financial Officer is responsible for ensuring compliance with Proceeds of Crime and Money Laundering Regulations. The Group Chief Financial Officer is also the 'Nominated Officer' for the purposes of the Money Laundering Regulations 2007.
- 20.3 If staff have concerns regarding any financial transaction, they should contact their Headteacher for advice. Where possible this should be done before the transaction takes place. In accordance with Money Laundering Regulations, the employee may be required to prepare a suspicious activity report (SAR) for the Group Chief Financial Officer.

21. Bribery

- 21.1 The Bribery Act 2010 (The Act) makes bribery or attempted bribery a criminal offence. Bribery usually takes place in order to secure or retain business, or in order to gain a financial or business advantage. Bribery does not always involve a financial incentive or advantage.
- 21.2 In order to be found guilty of an offence under The Act, bribery does not actually need to take place as offences under the act include, but are not limited to the following:
- Offering, promising, or giving a bribe
 - Requesting, agreeing to receive, or accepting a bribe.
- 21.3 These offences apply regardless of whether they take place in the UK or abroad. Extra care must be exercised in non-UK jurisdictions where custom and practice may actually be an offence under The Act. These offences also apply to agents or other third parties acting on behalf of the Trust, even if the Trust (or its employees) did not know that bribery had taken place.
- 21.4 The Trust and its employees (or any other 3rd party acting on behalf of the Trust) must not offer, promise, or give any financial or other advantage in order to secure or retain business. In addition, the Trust and its employees must not request, agree to receive, or accept any financial or other advantage from a third party which may be construed to be a bribe.
- 21.5 Any breach of the above by an employee of the Trust is likely to be regarded as gross misconduct, which may lead to the employee being dismissed without notice or payment in lieu of notice.

22. Whistleblowing

- 22.1 Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) who has a reasonable belief that malpractice in the workplace has or is likely to take place and that the disclosure has a public interest aspect to it. A whistleblower can raise concerns about criminal or civil offences (including negligence or, breach of contract), miscarriages of justice, dangers relating to health and safety or the environment and/or any cover-ups believed to have been involved. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.
- 22.2 Normally, any concerns about a workplace matter at the Trust should be raised at an early stage, verbally, with their Headteacher / Heads of School who should make a record of the key details and provide a confidential copy to the Group Chief People Officer or Trust Director of HR. However, the Trust recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.
- 22.3 A member of staff may also, make their disclosure directly known to a Director or the Chair of the Board.
- 22.4 After following the Trust's Public Interest Disclosure Policy & Procedure, the discloser may raise the matter confidentially with any person or organisation mentioned in the Public Interest Disclosure Act 1998. However, before referring any matter to an external body (prescribed regulator) staff are strongly advised to discuss the matter with their Headteacher, or a Director of the Trust.

23. Partnership Arrangements

- 23.1 Where partnership arrangements are considered necessary, a contract defining respective roles and responsibilities is required. A signed contract **must** be in place before any partnership work can commence and before payments or receipts are made. All such contracts must be signed in accordance with Appendix A of these regulations.

24. Related Party Transactions

- 24.1 Trust policy is that its Directors and Local Governing Body / Advisory Body members are not remunerated for their work in governing the Academy. However, such officers may be reimbursed for incidental expenses incurred in carrying out such duties. Such incidental expenses may include (but is not limited to) the travel cost to an externally hosted event attended on behalf of the Trust.
- 24.2 Owing to the nature of the Trust's operations and the composition of the Board and Local Governing Body / Advisory Body being drawn partly from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board or and Local Governing Body / Advisory Body may have an interest. All transactions involving such organisations must be conducted at arm's length and in accordance with the Trust's normal procurement procedures.
- 24.3 The Board of Trustees must ensure that the requirements for managing connected party transactions are applied across the Trust. The Chair of the Board of Trustees and the Accounting Officer must ensure that their capacity to control and influence does not conflict with these requirements. They must manage personal relationships with connected parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the seven principles of public life.
- 24.4 Where transactions take place with the Sponsor of the Trust, the requirements of the Academy Trust Handbook (ATH) apply regarding related party transactions and value for money. Where applicable, such procurements must be through an open and transparent process, and all such transactions must be at cost with no element of profit being made by the sponsor. Therefore,

all transactions with the sponsor must be referred to the Group CFO. The Group CFO will ensure that the procurement meets the requirements of the ATH, and that ESFA approval is requested where required.

- 24.5 The Group Chief Financial Officer must ensure that any sponsor fees or consultancy rates represent value for money and contain no element of profit.

25. Trust Seal

25.1 In accordance with the Memorandum of Association, any document that requires the application of a Trust Seal, can be authenticated, either by two Trustees or one Trustee and the Clerk. Alternatively, by the approval deemed in these Financial Regulations, documents can be authenticated by the CEO and/or Group Chief Financial Officer.

25.2 Where a deed or document which requires the Trust Seal, it must be sealed by the Clerk or in their absence, the CEO or Group Chief Finance Officer of the Trust.

25.3 The Clerk to the Board is responsible for submitting a report to the Trust Board detailing the use of the Trust Seal.

26. Novel, Contentious and Repercussive Transactions

26.1 When entering into any transaction or making operating decisions, the Trust must consider whether the transaction or decision could be considered to be novel, contentious and repercussive. The DfE defines such transactions as follows:-

- Novel transactions are those of which the Trust has no experience or are outside its range of normal business.
- Contentious transactions are those that might cause criticism of the Trust by Parliament, the public or the media.
- Repercussive transactions are those that may have wider financial implications for the sector or which appear to create a precedent.

26.2 There is no financial threshold in relation to novel, contentious or repercussive financial arrangements; all such transactions require approval, regardless of value. It is a mandatory requirement that such matters be considered objectively: if a transaction could reasonably be considered to be novel, contentious or repercussive, then it must be treated as such.

26.3 There is no definitive list of items/matters that might be considered to be novel, contentious and repercussive and guidance would need to be sought for each particular circumstance.

Appendix A – Authority Limits

Delegated authorities are currently as follows: -

1. Budget Variations

Major Capital Projects

For major capital projects the Board will be required to approve any changes to the overall project budget. In urgent cases, the Chairman of the Board and Chief Executive Officer, or Group Chief Financial Officer jointly have the power to act on behalf of the Board. Such action will be reported to the Board at the earliest opportunity.

In order to control the overall project spend, movements between individual budget lines to reflect changes to project costs may be authorised by the Group Chief Financial Officer.

Annual Re-Modelling, Other Building Works and IT Projects

For annual re-modelling, other minor building projects and IT projects, there may be a requirement to authorise extras, contract variations, or other necessary amendments to the approved projects. The Group Chief Financial Officer may authorise any resulting increase of up to £50k. In urgent cases requiring approval of the Board, the Chair of the Board and CEO, Deputy CEO - Academies, or Group Chief Financial Officer jointly have power to act on behalf of the Board. Such action will be reported to the Board at the earliest opportunity.

Income & Expenditure

Income and expenditure budget variations (virements) must not reduce the budget operating surplus. The Group Chief Financial Officer in consultation with the relevant Headteacher may approve virements between budget heads of up to 10% of the Academy's overall budgeted expenditure. Virements above 10% require Board approval.

2. Authorisation of Contracts, Orders, and Leases

When applying the limits referred to below, the "value" for those orders/contracts, which relate to the continuous supply of goods or services over several years, will be the total value over the period of supply. The limits specified below do not relate to petty cash payments which must not exceed £20.

The limits referred to below relate to operating leases only. If you are unsure whether the lease is an operating lease or a finance lease, the Group Chief Financial Officer or Director of Finance should be consulted. When applying the limits referred to below, the "equivalent purchase price" will be the total value of the lease/hire purchase payments over the period of the agreement (or until the first break clause for property leases).

Sponsored & Non-Sponsored Academies	
Value	Authorisation
Up to £5,000	Head of School Deputy Headteacher Other authorised signatory as approved by the CFO
Up to £15,000	Business Manager or equivalent, Management Accountant, Group Financial Controller, or nominee
Up to £30,000	Executive Director (or equivalent) Headteacher Group Director of IT Director of Education Deputy Group Finance Director
Up to £50,000	Group Director of Estates
Up to £100,000	Group Director of Finance Deputy CEO - Academies (or equivalent)
Up to £750,000	Chief Executive Officer Group Chief Financial Officer
Over £750,000	Board *

* Following authorisation of the transaction or project by the Board, signing contracts and orders is delegated to the CEO, Deputy CEO - Academies (or equivalent), Group Chief Financial Officer, or Group Director of Estates.

3. Disposal of Assets

Value of Disposal / NBV	Authorisation
Up to £1,000	Deputy Group Finance Director or Group Financial Controller or nominee
Up to £2,000	Head of School Deputy Headteacher Business Manager, or equivalent
Up to £25,000	Group Director of Finance Group Director of Estates Deputy CEO - Academies (or equivalent)
Up to £50,000	Group Chief Financial Officer
Up to £100,000	Chief Executive Officer
Over £100,000	Board *

Authority shall not be required for disposal of each computer which is replaced as part of the annual renewal programme.

* Following authorisation of the transaction or project by the Board, signing contracts and orders is delegated to the Chief Executive Officer, Deputy CEO - Academies (or equivalent), Group Chief Financial Officer, or relevant Headteacher / Heads of School.

4. Contracts for the Supply of Goods or Services by the Academy/Trust

Contract Value per annum	Authorisation
Up to £5,000	Head of School Deputy Headteacher
Up to £15,000	Business Manager or equivalent, Management Accountant, Group Financial Controller, Deputy Group Finance Director or nominee
Up to £50,000	Headteachers / Heads of School, or equivalent Group Director of Finance
Over £50,000	Chief Executive Officer Group Chief Financial Officer Deputy CEO - Academies (or equivalent)

* Following authorisation of the transaction or project by the Chief Executive Officer or Group Chief Finance Officer, signing contracts and orders is delegated to the Deputy CEO - Academies (or equivalent), or the relevant Executive Headteacher. This authorisation matrix does not apply to the standard commissioned services provided by each Academy to the ESFA or Local Authority.

Appendix B – Authorised Cheque Signatories and Authorisation of Electronic Payments

Arrangements for bank payments will be as follows:

(i) Bank Signatories

All bank payments must be authorised by two bank signatories.

The posts permitted to be on the bank mandate for the purpose of authorising cheque payments are as follows: -

- a) Chief Executive Officer
- b) Deputy Group Chief Executive Officer(s)
- b) Group Chief Financial Officer
- c) Group Director of Finance
- d) Deputy Group Finance Director
- e) Group Financial Controller, or nominee
- f) Headteachers / Heads of School, or equivalent
- g) Payroll Manager or equivalent
- h) Business Manager or equivalent

(ii) Electronic Payments (BACS)

The proposed payment run is prepared by a member of the finance service team and reviewed by the Head of Finance Shared Services Processing, or Management Accountant, or nominee. The review includes checking proposed payments above £5k to invoices. The proposed payment run is then passed to a Member, the Group Director of Finance, or Head of Finance, or Management Accountant, or nominee, for final checking and authorisation as appropriate.

(iii) Electronic Payments (CHAPS/Faster Payments)

These are urgent payments which are processed outside of the normal creditor payment run. Every effort should be made to ensure that the volume of such payments is kept to a minimum. All such payments must be authorised two bank signatories identified in above.

(iv) Electronic Payroll Payments

These include Net Pay, PAYE, National Insurance and Pension contributions. All such payments must be authorised by the Payroll Service Manager (or nominee in their absence) and the Group Chief Financial Officer, Deputy CEO - Academies, Group Director of Finance, Head of the Finance or Management Accountant or nominee.

Arrangements for the use of electronic banking systems including the allocation of Smart Cards will be determined by the Group Director of Finance.

Appendix C – Tendering Procedures

Tendering Procedures

1. Invitations to tender must be accompanied by comprehensive and clearly written specifications, which shall include:
 - 1.1 the nature and purposes and, where applicable, the duration of the contract;
 - 1.2 quality and best economic value requirements;
 - 1.3 the specification and quantities of the goods or services to be supplied (except in the case of "design and build" contracts where only an outline specification need be supplied);
 - 1.4 the time(s) or range of time(s), as appropriate, and place(s) at which the goods or services are to be supplied;
2. A tender may not be considered unless it is submitted in accordance with the instructions.
3. It is the responsibility of the relevant head of department/director to make arrangements for every tender received to be retained.
4. The prices quoted in the tender should be recorded on the Value for Money Form.
5. No tender received after the time and date by which it is to be received or which contravenes any provision of this Schedule shall be considered.
6. Where, in their view, circumstances so warrant, the Group CFO may postpone for such period as they may consider reasonable, the time and date by which the tenders concerned shall be received.

Acceptance of Tender

7. Having followed the procedures required by the financial regulations, as outlined above, departments are then required to evaluate the tenders and recommend to the Group CFO to:
 - (a) accept the lowest tender; or
 - (b) accept a tender other than the lowest (this may only be justified by reference to the 'comprehensive and clearly written specifications' referred to in paragraph 1);
or
 - (c) refuse to accept any tender.

Appendix D – Approval Authority for the Control of Debts

Debts may be written off in accordance with the limits specified below. The limits below apply to all Academies and refer to individual debtor accounts rather than batch totals.

Transaction Value Written Off	Authorisation
Up to £5,000	Deputy CEO - Academies Group Director of Finance Deputy CEO - Academies
Up to £25,000	Chief Executive Officer or Group Chief Financial Officer
Up to £45,000	Board
Over £45,000	Secretary of State (through the ESFA)

Where the value of the item being written off takes the college's cumulative total write-offs for the academic year beyond £250k, ESFA Approval must be obtained for the write off.

Appendix E – Fixed Asset Capitalisation and Depreciation

The Trust thresholds for the capitalisation of expenditure are stated below.

Asset Type	Capitalisation Threshold
Building Works * (new build or improvements)	£10,000
Computer Equipment **	£5,000
Other Equipment	£5,000
Furniture, Fixtures and Fittings	£5,000

* The summer building works programme may consist of a number of projects below this threshold, but the Trust policy is to capitalise in accordance with the total value of the summer building works. Such works may include other items of expenditure such as furniture or equipment which may be capitalised as part of the project even though the individual unit prices may be lower than £5,000.

** Computer equipment purchased for less than £5,000 may be capitalised where it is purchased as part of the annual computer refresh. In such cases, the total value of the refresh will be capitalised although the individual unit price may be lower than £5,000.

The Trust fixed asset depreciation policy is stated below.

Asset Type	Depreciation Policy
Building Works * (new build)	Between 30 and 50 Years
Building Works * (improvements)	15 Years
Computer Equipment	3 Years
Smartboards	10 years
Office Equipment	3 Years
Furniture, Fixtures and Fittings	10 Years

Appendix F – Definitions

The following definitions will apply in these Regulations:

‘Chair’ - means the Chair of the Board and includes his or her authorised representative or replacement.

‘Board’ - means the Governing Body of the Trust, or where the Governing Body has delegated the responsibility (where allowed for in the Instrument and Articles) to, for example, the Chairman.

‘Group Chief Financial Officer’ - means the person responsible for the overall financial viability and control of the Trust.

‘Chief Executive Officer’ - means the person appointed as the most senior executive and the head of the management team.

‘Deputy CEO - Academies’ – means the person appointed to the post of Deputy Chief Executive Officer for the Trust.

‘Director’ - means a person appointed as such by the Members of the Trust. Directors will also be Trustees and Board members.

‘Group Director of Finance’ – means any person appointed to act as the Group Director of Finance of the Trust

‘ESFA’ – means the Education and Skills Funding Agency.

‘Headteacher / Head of School or Equivalent’ – means any person appointed to the post of Headteacher or Head of School, or any other postholder who reports directly to the Deputy CEO - Academies

‘Member’ - means a signatory to the Memorandum of Association of the Trust, and any additional members appointed in accordance with the Articles of Association. Members have an overview of the governance arrangements of the trust and have the power to appoint trustees and remove these trustees.

‘Trust’ - means London South East Academies Trust and all Academies operated within the Trust.

‘Trust Employee’ - means a person with a contract of employment with the Trust.

‘Parent Company’ – means the company or organisation which owns the Trust or controls more than 50% of the Members voting rights.

‘Vice Chair’ - means the Vice Chair of the Board and includes his or her authorised representative or replacement.

Appendix G – Nolan Principles of Public Life

Selflessness

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

Integrity

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

Objectivity

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

Accountability

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

Openness

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

Honesty

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

Leadership

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