

Astrum Multi Academy Trust	
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Signature of Chair of FAR Committee:	Signature of CEO:

Version and Date		Action/Notes
1.0	April 2018	Discussed and agreed by the Finance, Audit and Risk Committee on 21 st March 2018
1.1	Sept 2018	Considered and changed 103. in light of internal review advice on PO's.

Introduction

1. The Astrum Multi Academy Trust Financial Regulations are to ensure that the academies within it maintain and develop sound systems of financial control, which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Secretary of State for Education, through the Education and Skills Funding Agency (ESFA).
2. The academy trust complies with the principles of financial control outlined in the Academies Financial Handbook (AFH). These regulations expand on that and provide detailed information on the academy's accounting systems and procedures and should be read by all staff involved with the financial systems.
3. This manual serves as an adjunct to the scheme of delegation providing information on the day-to-day operations and practicalities forming from this financial regulation manual.

Financial Planning

4. The academy trust prepares rolling 3 year budgets.

The budget cycle

5. The budget cycle is as follows:
 - Autumn term (Sept – Dec)
 - Implementation of current budget plan
 - Monitoring expenditure (continuous-monthly)
 - Reconciliation and closure of previous financial year
 - Spring term (Jan – Mar)
 - Monitoring and Reviewing of year's budget
 - Revised Budget where appropriate
 - Pre-planning new financial year
 - Summer term (Apr – Aug)
 - Planning for forthcoming year
 - Preparation and submission of financial budget plan
 - Review of current year's budget

All requirements of the ESFA, in particular relating to carry forward of unspent funds, will be taken into account in preparing and submitting the budget.

Budget

6. The Trust Business Lead/CFO (CFO) is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Executive Headteacher/CEO (CEO), the Finance, Audit and Risk Committee and ratified by the Trust Board.
7. 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 Schools Development Plan (SDP) objectives and the budgeted utilisation of resources.

8. The budgetary planning process will incorporate the following elements:
 - forecasts of the likely place numbers to estimate the amount of General Annual Grant
 - latest estimate of other ESFA funding e.g. pupil premium, Yr7 Catch-Up or other specific funds
 - review of other income sources available to the academy to assess likely level of receipts
 - review of past performance against budgets to promote an understanding of the academy cost
 - identification of potential efficiency savings
 - review of the main expenditure headings in light of the SDP objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
 - all carry forward balances
 - any unspent grants from the previous financial year
 - any funds held in Trust
9. 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 in accordance with the Development Plan.
10. The budget is monitored and reported to the FAR Committee on a termly basis and anything significant is highlighted.
11. The approved budget is then entered onto the HCSS Accounting system at the start of the new financial year.

Other Government Funding

12. In addition to General Annual Grant (GAG) funding from ESFA the trust may be awarded specific funding for other projects e.g. Condition Improvement Funds etc. This funding may be from the Department of Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.
13. The CFO is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

Other Grants and specific funding

14. In addition to the GAG funding from the ESFA and other government funding, the academy may be awarded additional grants from time to time relating to specific projects e.g. Charitable Grants etc. All applications for additional external funding must be approved and supported by the Trustee Board. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.
15. The CFO is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

Revised Budget

16. Monitoring and analysis of the agreed budget should be carried out at least half termly by the Accounting Officer and CFO and reports forwarded to the Board of Trustees. Where significant variations to the agreed budget are identified or where a number of substantial variations have been approved by the FAR Committee and or where significant staff changes have occurred in-year, then a Revised Budget should be prepared and approved by the Board of Governors. This Revised Budget should then form the basis of analysis of all income and expenditure until the financial year end.

Budget Forecast Return

17. The approved budget must be submitted to ESFA by 31 July each year by the CFO. The CFO is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

Monitoring and review (including management accounts)

18. The CFO will ensure that timely management accounts and reports are prepared.
19. The most recent monthly reports are presented to the FAR Committee on a termly basis.

Independent checking procedures

Review of regularity

20. Every academy trust must have in place a process for independent checking of financial controls, systems, transactions and risks.

This process is driven by the FAR Committee **who must establish whether to:**

To appoint an internal audit service (either in house, bought in or provided by a sponsor);

Instruct the trusts external auditor to carry out a supplementary program of work;

Appoint a non-employed trustee with an appropriate level of qualifications and/or experience to check the trusts internal controls, who neither charges, nor is paid by the trust for their work;

A peer review, with the work being performed by the chief financial officer, or a suitably qualified or experienced member of the finance team, from another academy trust, as an independent reviewer.

Annual accounts

21. The academy trust must prepare annual audited financial statements for the accounting period to 31 August.
22. The accounts are outsourced to our auditors for preparation.

23. The accounts are then submitted as follows:

- by 31 December – to EFA
- by 31 January – published on our own website
- by 31 May – to Companies House

Audit arrangements

24. External auditors must be appointed in accordance with the Academies Financial Handbook.

The Auditors appointed for the Trust are: **Buzzercott LLP**

25. The CFO is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

Work undertaken for the year end

Accounts Return

26. The academy trust must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the ESFA by 31 January.

27. The accounts return is outsourced to our auditors for preparation.

Document retention

28. Documents are retained for the following amount of time:

- Finance records – current year plus preceding 6 years
- Supply cover insurance – current year plus preceding 6 years
- Payroll and travel records – current year plus preceding 6 years
- Personnel records – 5 years after an employee has left
- All student files until the student reaches the age of 25 (in the case of Child Protection – for 25 years after the date they leave)

Accounting system

29. All the financial transactions of the academy trust must be recorded onto **HCSS Accounting**, the computerised financial information accounting system.

Back-up Procedures

30. The accounting system is web based and is backed up automatically.

Transaction processing

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

32. Bank transactions are input by the **Finance Officer** and reviewed by the **CFO**.

Reconciliations

33. The **CFO** is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
- sales ledger control account
 - purchase ledger control account
 - payroll control account
 - VAT control account
 - bank balance per the nominal ledger to the bank statement
34. The CEO signs all reconciliations as evidence of review.
35. Any unusual or long outstanding reconciling items are brought to the attention of CEO and dealt with according to the bad debt limits in this manual.

Cash Management

Bank Accounts

36. All banking arrangements will be made with the full approval of the Trustees:
- The trust will ensure that in the event of changes to key personnel or governors/trustees, signatories will be changed immediately and the bank notified. Any on-line access to banking will also be removed
 - terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded
 - the trust must inform the bank, that their accounts must not become overdrawn
 - the trust must ensure there are sufficient funds to cover large payments

Deposits

37. A deposit must be entered on a copy paying-in slip or listed in a supporting book with the following details:
- the amount of the deposit
 - a reference (for example the number of the receipt or the name of the debtor)
38. The **Finance Officer** is responsible for updating the accounting system for deposits placed.
39. Trustees will wish to maximise income as far as possible and, where appropriate, a high interest or deposit account will be maintained.
40. Surplus balances will, as far as possible, be transferred to a high interest or deposit account.

Payments and withdrawals

41. All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two of the authorised signatories stated on the bank mandates.
42. The CFO is responsible for updating the bank mandates and that the conditions therein are adhered to.

Petty Cash

43. The academy trust maintains a maximum cash balance of £1,400 (GD - £600/BL - £800) for the purchase of minor items, which is held in each office safe.
44. The maximum petty cash claim is £50.
45. Payments are made on production of a valid till receipt or other proof of payment and are subject to the same authorisation procedures as purchases from the main bank account.
46. The Petty Cash float must not be used for:
 - cashing personal cheques
 - paying staff loans

Administration

47. The petty cash float is maintained on the imprest system and the float is only reimbursed from the main bank account.
48. The petty cash float is reconciled monthly (or more frequently) by **each office**. The reconciliation is then reviewed by the **CFO** and initialled as evidence of review.

E-procurement & Payments

49. The school business charge cards can be used when it is not practical to use the purchase order/cheque system. It is used mostly for internet purchases and to buy refreshments for meeting etc. (see Procedures for Use of the Lloyds Bank Business Charge Card).
50. Cards are issued to key staff.
51. Staff wishing to make a purchase on a charge card must complete an order form with the appropriate URL links and pass this to the Finance Officer or Admin staff to make the purchase. All order forms detailing the purchase must be signed by the Budget Holder.
52. When the business charge card bill arrives the Finance Officer will distribute to each card holder along with a Transaction Log to complete, sign and return. All VAT invoices and till receipts are required for **all** purchases and it is sometimes necessary to chase suppliers for this.
53. The business charge card statement, is administered by the Finance Officer will ensure the monthly transactions on the statement are checked, authorised and certified in accordance with the Charge Card Procedures and Agreement. A cash book journal is keyed for each entry on the statement.

BACS Payments

54. On receipt of an invoice, the budget holder signs the invoice, to signify:
 - an official purchase order has been raised for the purchase
 - the delivery note has been checked
 - the delivery is of correct quantity, quality and price
 - it has not been previously paid

- funds are available in the relevant budget
 - VAT chargeability on qualifying expenditure is shown
55. The payment is then prepared by the Finance Officer who then passes it on to an authorised signatory to approve payment. Whomever prepares the payments will not approve.
56. Normally, BACS payments are processed within a month of receipt, though every effort is made to ensure the school benefits from early payment discounts.

Investments (also see Investment Policy)

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

Reserves (also see Capital and Revenue Reserves Policy)

58. Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year.
59. The CEO as Accounting Officer must inform ESFA immediately if a deficit is anticipated.
60. If the academy trust is anticipating a deficit at the end of any financial year, the Trust Board and CFO have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The Trust Board must ensure that a recovery plan is submitted and approved
61. The academy trust undertakes to ensure that a contingency reserve of 2% of the previous year's total GAG is kept.

Capital Reserves

62. Any overall surpluses at the end of the year are carried over to the following year.
63. It is the responsibility of CFO to keep accurate records of the capital funds, especially where grants have been received for capital projects.

Payroll

Staff Appointments

64. The Trust Board has approved a Staffing Structure for the academy trust. Changes can only be made to this establishment with the express approval in the first instance of the FAR Committee who must ensure that adequate budgetary provision exists for any establishment changes.
65. The CEO has authority to appoint staff within the trust except for Heads of School and the CFO whose appointments must follow consultation with the governors/Trustees. The HR Officer maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the trusts payroll provider immediately.

66. The HR Officer is responsible for obtaining the relevant DBS checks and for maintaining the Single Central Register (SCR). The SCR will be checked at least annually by the Trustee responsible for Safeguarding.

Payroll Administration

67. Payroll is administered through the academy trust's payroll provider.
68. All staff are paid monthly through the payroll provider.
69. New master files will be created by the HR Officer.
70. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. In turn this is authorised by the budget holder/line manager/Heads of School/ CEO and the reason for the additional work/cover shall be entered onto to the sheet. The sheet is entered onto the Payroll System by the HR Officer and verified by the CFO by the deadlines set by the Payroll Provider. Suitable arrangements are made in the absence of these Officers maintaining separation of duties. Copies of claim forms are kept in the office.
71. The HR Office will prepare and distribute a payroll processing timetable specifying key dates for the year starting in April.

Payments

72. Before staff payments are dispatched a printout of the monthly pay run will be produced, including an exceptions report from the payroll provider and this should be checked against source documentation by the HR Officer and then reviewed and initialled by the CFO. Authority to release payment will be by the CEO.
73. All salary payments are made by BACs via the Payroll Provider who invoices the Trust directly for the recoupment of salary costs. This invoice is reconciled with the monthly pay run report.
74. At least annually, the HR Officer checks each member of staff that the gross pay per the payroll system agrees to the latest contract of employment held on the personnel file.
75. No payments for work undertaken will be made other than via the payroll system.

Salary advances

76. The trust does not award salary advances. Exceptions are made for non-payment of contracted or erroneous pay out of the staff members' control.

Severance payments

77. Severance payments must be made in line with the Academies Financial Handbook.
78. The academy trust is able to self-approve the non-contractual element of severance payments up to £50,000. A business case must be presented before agreeing a payment, using the form provided by ESFA on Gov.uk.
79. Where the non-contractual element is on or over £50,000 prior approval from ESFA must be sought.

80. The Accounting Officer will always seek legal advice as part of the review of each business case and must sign off.

Ex-gratia payments

81. Ex-gratia payments must be made in line with the Academies Financial Handbook.
82. The Trust will seek HR and legal advice to consider any ex-gratia payments.
83. Any ex-gratia payments must be submitted to ESFA for prior approval.

Income

EFA grants

84. The main sources of income for the academy are the grants from the ESFA and Local Authorities. The receipt of these sums is monitored directly by the **CFO** who is responsible for ensuring that all grants due to the academy are collected.

Other grants

85. The receipt of these sums is monitored directly by **CFO** who is responsible for ensuring that all grants due to the academy are collected.

Catering

Pupils

86. Cash payments are administered by the meals provider. The Academy Administrator must reconcile pupil meal and free school meal (FSM) uptake to the lunch records and signed as evidence of reconciliation on a weekly basis. Any discrepancies should be investigated immediately.

Staff

87. Cash payments must be reconciled on a weekly basis by the Administrator to the lunch records and signed as evidence of reconciliation. The staff meal numbers and cash totals are then to be entered onto the weekly banking sheet. Totals are reconciled to the monthly meals invoice.

Lettings

88. The **Finance Officer** is responsible for managing the bookings of facilities and for identifying the sums due from each organisation. Premises staff and lifeguard cover is organised through the facilities Manager. Invoices for hire are sent out termly.
89. Details of organisations using the facilities will be held by the Finance Officer who will establish a sales ledger account and produce a sales invoice from the HCSS Accounting Software.
90. The debtor control account will be monitored on a monthly basis.
91. Copies of the organisations up to date relevant Public Liability, indemnity, safeguarding arrangements, insurance and qualifications (where relevant e.g. H&S, Risk Assessment, First Aid,

Instructor etc.) are kept with the Letting Agreements and are reviewed annually or when there is a significant change, i.e. change of personnel, new client (see Lettings Policy)

Bad debts

92. The academy trust chases all monies due, and those that have not been paid within 30 days of an invoice being issued, by telephone or letter.
93. If the debt remains unrecoverable after 6 months, or it becomes clear that the debt will not be repaid, the CFO submits a report to the Trust Board for approval of write off.
94. The following write off limits apply:
 - Up to £150 – Accounting officer
 - £151 to £500 – FAR Committee
 - Over £500 – Trust Board and refer to debt collecting agency

Purchasing

95. The academy trust must seek to achieve value for money on all purchases. A large proportion of our purchases are paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:
 - 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
 - Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis

Routine Purchasing

96. Budget holders will be informed of the budget available to them at the start of the academic year. Budget holders are authorised to spend to the limit of the budgets they hold. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent.
97. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget will be supplied to each budget holder each term. Budget holders will be able to monitor data relating to their own budget areas on a termly basis via reports from the on line financial information system.
98. A quote or price must always be obtained before any purchase order is placed. The budget holder must always consider value for money when seeking a supplier. If the supplier is new to the trust/academy, they must always refer to the Finance Officer in the first instance and prior to placing any order for goods or services, who will ensure the appropriate checks are made. If all checks are sufficient, copies of all quotes must be attached to the order form.
99. The Finance Officer ensures that evidence is kept of the employment status test criteria applied when dealing with payments to individuals. Where an individual has been assessed as self-employed, the Finance Officer should request that the individual states his self-employment reference number on any invoice issued to the school.

E-procurement

100. Any department wishing to make a purchase by charge card must complete an official order form in the usual manner and pass this to the Finance Officer to make the purchase. All order forms detailing the purchase must be signed by the Budget Holder.
101. Occasionally the charge card is used to purchase small items or to fund Petty Cash, where it is not possible to order this elsewhere. This must be recorded and countersigned by the CFO.
102. Staff are encouraged to use the school charge cards where possible, however where staff pay for goods personally either by cash or debit card, they should always retain till receipts/online orders/VAT Receipts/Invoices and attached to a completed Petty Cash (up to £50 or Cheque Reimbursement forms, which can be found in the school offices and return to the Finance Officer for reimbursement.

Orders

103. An order must be raised for all purchases other than those purchased via Petty Cash or Charge Card. Orders are not required for agency staff or Utilities.

All orders must be made, or confirmed in writing using an official requisition form and must be authorised in accordance with the limits set out in these regulations (see 113 and 114).

Order requisitions should clearly identify the name, budget and relevant site/school, class or pupil initials where appropriate and must bear the signature of the budget holder and forwarded to the Finance Department where it will be checked to ensure adequate budgetary provision exists before placing the order.

104. Approved orders will be recorded on the HCSS Accounting system which allocates a reference number and commits expenditure. Orders will be dispatched to the supplier from the Finance Department
105. The budget holder must make appropriate arrangements for the delivery of goods to the academy. On receipt the person who placed the order 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 supplier of the goods without delay.
106. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Department should be notified who will obtain a refund/credit note where applicable. The Finance Department will keep a central record of all goods returned to suppliers.
107. All invoices should be sent to the Finance Department. The Finance Department will stamp invoices with the date received and invoice authorised for payment and attach the Purchase Order and GRN (if any) and pass to the budget holder.
108. The budget holder must make a detailed check against the order and the GRN and authorise it before it is sent back to the Finance Department making sure the correct budget has been used. Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt.

109. If a budget holder is pursuing a query with a supplier the Finance Department must be informed of the query and periodically kept up to date with progress. The invoice will not be paid until the query is resolved.
110. The Finance Officer will closely monitor the outstanding items on the Purchase Ledger and bring any items causing concern to the attention of the CFO.
111. The Finance Officer will then input details of payments to be made to the purchase ledger and generate the cheques required. The cheques and associated paperwork must be authorised in accordance with the trust bank mandates.
112. BACS payments are input by the Finance Team and authorised on-line by two signatories in accordance with the bank mandate (see E-procurement and Payments above).

Orders

113. The minimum required number of tenders or quotations from appropriate contractors for a given estimated value of contract are:

Above £5,000 and up to £10,000 two written quotations.

Above £10,000 and up to £20,000, three written quotations.

Above £20,000 and up to £50,000, three formal quotations to be submitted in writing by a specified date and time and based on a written specification and evaluation criteria.

Above £50,000 and up to EU thresholds (currently £181,302 for supplies and £4,551,413 for works net of VAT), four tenders;

The values are for single items or groups of items, which must not be disaggregated artificially.

Orders over £20,000

114. **All** goods/services ordered with a value over £20,000, or for a series of contracts which in total exceed £20,000 must be authorised by the CEO, Heads of School or CFO.

Trading with related parties

115. Related parties arise where one party has control or influence over the other, or where the parties are subject to common control.

ESFA's Accounts Direction sets out that, academy trusts, related parties include:

- parties with control over, or controlled by, the entity (i.e. parent subsidiary companies)
- parties having significant influence over the entity
- key management personnel of the entity, including any director, whether executive or otherwise
- close family members of any of the above
- others subject to control or significant influence by any individual referred to above

The Trustees will positively encourage transparency and openness and declarations of pecuniary interest are sought at every meeting and they regularly review key management personnel to ensure related parties are identified early and the register

of pecuniary interests are cross referenced.

Accounting standards require transactions between related parties to be disclosed in company financial statements as related party transactions.

Trading with connected parties

116. Trading with connected parties must be in line with the Academies Financial Handbook.

Goods and services for private use

117. No goods are ordered or services provided to include any elements of private use by governors, trustees and staff.

Quotation and Tender

118. The minimum required numbers of tenders or quotations from appropriate contractors for a given estimated value of contract are:

- Above £5,000 and up to £10,000 two oral quotations
- Above £10,000 and up to £20,000 three written quotations
- Above £20,000 and up to £50,000 three formal quotations to be submitted in writing by a specified date and time and based on a written specification and evaluation criteria;
- Above £50,000 and up to EU thresholds, four tenders;
- Over EU thresholds, five tenders.

The values are for single items or groups of items, which must not be disaggregated artificially.

The sterling equivalent of EU thresholds (currently £181,302 for supplies and £4,551,413 for works net of VAT). See tendering procedures.

Insurance

119. The **FAR Committee** reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for academy trust property when off the premises.
120. We have opted in to the Department for Education's Risk Protection Arrangements.
121. All staff must ensure all valuables are kept under lock and key when not being used in a supervised manner.

Governors/Trustees Expenses

122. All governors/Trustees of this academy trust are entitled to claim the actual costs, which they incur whilst on academy/trust business in accordance with the Governor Allowances Policy.
123. The Trust Board acknowledges that:
- Governors/Trustees/Members are not be paid attendance allowance

- Governors/Trustees/Members are not reimbursed for loss of earnings
124. Governors/Trustees wishing to make claims under these arrangements, must complete a claims form and retain the relevant receipts. The form and receipts must be submitted to the Finance Department/CFO at the following meeting date following the date when the cost were incurred, when they will be submitted for approval by the Chair of Governors/Trustees or Chair of FAR or PAP Committees.
125. Claims will be subject to independent audit and may be investigated by the Chair of Trust Board (or Chair of FAR Committee in respect of the Chair of Trust Board) if they appear excessive or inconsistent.

Gifts (See Gifts and Hospitality Policy)

126. Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £25 are reported to the Accounting Officer in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses. Gifts that have been reported are entered onto the gifts and hospitality register.

Energy Management

127. The Facilities Manager is responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be checked before authorising any invoices from the utilities providers. Any discrepancies or unusual reading should be raised with the Finance Manager immediately.
128. The Facilities Manager ensures that the school's heating system is operated and run as efficiently as possible.
129. The CFO ensures that the school is purchasing energy at the most competitive prices available.
130. All staff have the responsibility to work in an energy efficient manner at all times (e.g. turning off computers, lights and heating when not required).

Fraud (see Anti-Fraud and Corruption Policy)

131. The Trust does not tolerate fraud. All instances of fraud or theft committed against the trust, whether by employees or trustees or third parties, above £5,000 must be reported by the CFO to the ESFA. In the instance of the CFO, the Executive CEO will notify the ESFA. Any unusual or systematic fraud, regardless of value, must be reported.

Whistleblowing (see Whistleblowing Policy)

132. If an employee has concerns about wrongdoing within the Academy or Trust and feels that those concerns are sufficiently serious to require reporting, the Whistleblowing Policy outlines what should be done.

Leasing

133. The following guidelines apply:
Academy Trusts must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following leasing transactions:

- taking up a finance lease on any class of asset for any duration from another party, as this would represent borrowing;
- taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of more than five years: and
- granting a leasehold or tenancy agreement on land or buildings to another party for a lease term of more than five years.

Academy Trusts may take out and grant other types of lease (i.e. other than finance leases, leaseholds and tenancy agreements as described above), without the Secretary of State's approval. For the avoidance of doubt this means that operating leases on assets that are not land and buildings do not require the Secretary of State's approval.

Leases should be disclosed in the trusts' annual accounts in accordance with the Academies Accounts Direction.

If an academy trust does wish to enter into a lease that requires the Secretary of State's consent, then the trust will need to contact the ESFA in the first instance.

Trusts must ensure that any lease arrangement maintains the principles of regularity, propriety and value for money, whether or not the approval of the Secretary of State is required.

VAT

VAT 126 form

134. The Finance Officer is responsible for submitting the VAT 126 form per month. The CEO will check and authorise the return.

The VAT 126 form (<https://www.gov.uk/government/publications/vat-claim-for-refund-by-local-authorities-and-similar-bodies-vat126>) is filled in at trust level, for example a MAT will only complete 1 form which includes all constituent academies.

Fixed assets

The academies financial handbook stipulates the delegated authorities laid out when purchasing/disposing of assets and must be reflected in your finance procedures manual.

Asset register

135. All items purchased with a value over the academy's capitalisation limit of £2,000 or more or £5,000+ for group items such as computers, must be entered on the fixed asset register (recorded on the Every System).

The FAR committee may authorise the write-off of assets with a book value of £500 or less. Any

items with a book value greater than this will need authorisation by the trustees.

Security of assets

136. All the items in the register are permanently and visibly marked as the academy trust's property.
137. Equipment is, where possible, stored securely when not in use.
138. An annual spot check is under taken by the CFO or their representative, who is different from the preparer of the asset register. Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the Trust Board.

Disposals

139. Disposals, where applicable, are in line with the Academies Financial Handbook.

Other than land, buildings and heritage assets, trusts can dispose of any other fixed asset without the ESFA's prior approval. The trust **must** ensure that items which are to be disposed of by sale or destruction must be authorised for disposal by CEO and, achieves the best price that can be reasonably obtained. Where significant, the item should be sold following competitive tender.

Loan of Assets

140. Items of academy property must not be removed from academy premises without the authority of the Executive CEO. A record of the loan must be recorded by the ICT Technician and booked back in academy when it is returned.