UNIVERSITY OF LINCOLN

ACADEMY TRUST

FINANCIAL REGULATIONS AND POLICY

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UNIVERSITY OF LINCOLN ACADEMY TRUST

FINANCIAL REGULATIONS AND POLICY

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UNIVERSITY OF LINCOLN ACADEMY TRUST
FINANCIAL REGULATIONS AND POLICY

INTRODUCTION

1.1 The purpose of this manual is to ensure that University of Lincoln Academy Trust (UOLAT) and the individual academies under its control, maintain and develop 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 Department for Education (DfE).

1.2 The Trust and its Academies must comply with the principles of financial control outlined in the Academy Trust Handbook (also known as the Academies Financial Handbook) published by the DfE. This manual expands on that and provides detailed information on the accounting procedures and systems. This manual should be read by all staff involved with financial systems.

1.3 The Financial Regulations are designed to be used by all budget holders and for all those with responsibility for the Trust's finances and its assets.

1.4 This document will be updated from time to time or have additional guidelines issued. Additional information should be filed and regarded as an extension to this document.

1.5 Every primary budget holder and manager has a responsibility to ensure that they and their staff comply with the regulations outlined in this document. Please therefore refer to the regulations when guidance is required.

ORGANISATION

Responsibilities

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

The Trust

2.2 The Trust has overall responsibility for the administration of the finances. The main responsibilities of the Trust are prescribed in the Funding Agreement between the Multi Academy Trust (MAT) and the DfE.

The Members main responsibilities include:

- Appointment of Directors/Trustees
- Appointment of Chief Executive Officer
- Holding the Trustees to account for the performance of the Trust

In accordance with the Scheme of Delegated Authority responsibilities of the Directors/Trustees include:

- Appointment of Principals
- Maintaining accurate, reconciled and up to date records to provide financial and statistical information
- Receiving the report and management letter from the external auditor and providing a response thereto
- Receiving the internal audit reports and the management responses thereto
- Adopting and promoting a Confidential Reporting Policy
- Maintaining a register of pecuniary and business interests for Trustees via the Governance Professional (previously Clerk to the Board)
- The approval and submission of the Annual Report to the DfE
- The review of the financial position at the end of the financial year
- Establishing procedures for staff to claim expenses
- Writing off debts above set limits as per the Scheme of Delegated Authority
- Setting aside funds for short term or long term investments
- Authorising purchases and accepting tenders and authorising contracts for goods, works and services over £50,000 in value
- Receipting and custody of all tenders
- Approving procurement projects over £50,000
- Approving applications for Business/Credit cards
- Appointment of independent external auditor and internal scrutiny services
- The investigation of financial irregularities

Further responsibilities, with delegation where appropriate to the Chief Executive Officer include:

- Ensuring that the grant(s) from the DfE and any other specified funding are used only for the purposes intended
- Ensuring that funds from sponsors are received according to the Trust's Funding Agreement, and are used for the purposes intended
- Setting the policy for charging and remission fees for pupil/student activities

- The approval of a lettings policy and fees
- Writing off debts below £1,000
- The approval of purchases up to £50,000
- Authorising the disposal of any equipment with a value over £1,000
- CEO may delegate the approval of purchases up to £20,000 to Principals

The Audit and Risk Committee

2.3 The Audit and Risk Committee is a committee of the Trust Board. The committee meets at least once a term but more frequent meetings can be arranged if necessary.

The main responsibilities of the Audit and Risk Committee are detailed in written terms of reference which have been authorised by the Trust Board. The main responsibilities include:

- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, DfE guidance issued to Academies
- Appointment of external auditors and the internal scrutiny providers
- Reviewing the internal scrutiny reports on the effectiveness of the financial procedures and controls, and recommend to Trust Board actions as appropriate
- The review of main audit findings, the annual report and statutory accounts, and recommend to Trust Board actions as appropriate
- Develop, review and monitor the Trust and Academy Risk Registers

The Chief Executive Officer (CEO) (Accounting Officer)

2.4 The Funding Agreement requires the Trust to identify the CEO as the Accounting Officer. This post confers responsibility for financial and administrative matters. The Accounting Officer is personally responsible to the Trust for ensuring:

- Regularity and propriety
- Prudent and economical administration
- Avoidance of waste and extravagance
- Efficient and effective use of available resources

The Principals

2.5 Within the framework of the Trusts development plan, as approved by the monitoring committees, the Principals have overall executive responsibility for their Academy's activities including financial activities. The Principals also have responsibility for:

- The day to day organisation, staffing and management of the academy
- Approving new staff appointments within the authorised establishment, except for the positions of Deputy and Assistant Principal, which should be in conjunction with the CEO and the Chair of the AGC
- Maintaining a register of pecuniary and business interests for staff via the Governance Professional (previously known as the Clerk to the Board)
- Authorising orders below £10,000 in conjunction with budget holders
- Authorising contracts below £20,000 subject to CEO scheme of delegation
- The management of the Academy financial position at a strategic level within the framework for financial control determined by the Trust
- Approving transfer between budget headings (virements) up to £5,000 (with CEO approval).
- Signing cheques and authorising BACS payments in conjunction with any other authorised signatory

Chief Financial Officer

2.6 Responsibility for certain aspects of the Accounting, Audit and Finance functions have been delegated to the Chief Financial Officer. These include:

- Adhering to accounting policies and guidelines issued by the Scheme for Financing Academies
- Implementing recommendations arising from an audit inspection
- Overseeing the preparation of the annual budget plan and ensuring it links to the priorities established by the development plans
- The review of the Trust's actual financial performance throughout the year including approving the mid-year income and expenditure budget review
- Reviewing the insurance cover in the light of a risk assessment
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of each Academy
- Ensuring that records and documents are available for inspection by the auditor at each location
- Ensuring forms and returns are sent to the DfE, HMRC and Companies House in line with the published timetables
- Establishment and the operation of a suitable accounting system
- The maintenance of effective systems of internal control
- The preparation of monthly management accounts for Trustees

Other responsibilities have been delegated to the Trust Finance Manager.

Trust Finance Manager

2.7 The Trust Finance Manager works in close collaboration with the Principals and the Chief Financial Officer through whom he or she is responsible to the Trust Board and the Governors. The main responsibilities of the Finance Manager include:

- By working closely with each Academy's finance team, maintain an oversight of each accounting system, and offer support and assistance when required
- Maintaining a record of all cash holdings in the academies
- The preparation of monthly management accounts for the Trust
- Notifying the Chief Financial Officer of any matters affecting payments to employees
- Complying with VAT regulations
- Oversight of payroll across each Academy
- Ensuring that staff at each location have been provided with a copy of this finance policy and all other documents relating to the financial operation and advising staff regarding the following:
    - Ensuring that accounts are rendered promptly;
    - Ensuring that all income is receipted and banked promptly and intact;
    - Ensuring that personal cheques are not cashed;
    - Recording cash passed from one person to another;
    - Ensuring that all contracts and agreements confirm to the standing orders;
    - Making payment, only when goods have been received to the correct price, quantity and quality standard;
    - Paying the correct person and amount supported by an invoice;
    - Retaining and storing invoices, vouchers and other financial records in a secure way for the defined period;

- Ensuring that bank statements are regularly reconciled;
- Certifying pay documents and other time records;
- The administration of voluntary funds.

Internal Scrutiny

2.8 Internal scrutiny provides the Trust with an independent oversight of each of the Academies' financial and non-financial affairs. The main duties of internal scrutiny are to provide the Trustees with independent assurance that:

- The financial responsibilities of the Trustees and Governors are being properly discharged
- Resources are being managed in an efficient, economical and effective manner
- Sound systems of internal financial control are being maintained
- Financial considerations are fully taken into account in reaching decisions
- Non-financial controls are in place and working appropriately

Internal scrutiny will undertake an annual programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Trustees. A report of findings from each visit will be presented to the Audit and Risk Committee. Detailed guidance on the transactions to be checked by internal audit has been provided in the Academy Trust Handbook published by the DfE.

Other Staff

2.9 Each Academy should have a nominated finance lead, who will be appointed by the Principal. Other members of staff, including the finance lead, accounts assistant(s) and budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirement of the Trust's financial procedures.

Register of Interests

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

2.11 The register should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the Trust. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or member of staff by that person.

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

Trustee and Governors' Allowances

2.13 Section 36(5) of the Education Reform Act 1988 enables Governing Bodies (in our case the Trust Board) to decide whether they wish to pay travelling and subsistence allowances from the budget to individual members of the Board or the Academy Monitoring Committee. University of Lincoln Academy Trust will provide travelling expenses at HMRC approved rates to either body. If rail is used, please provide receipts. UOLAT will not provide subsistence or accommodation without the specific approval of the Chairman of the Trust Board, for trustees, or CEO for local monitoring committee members. A record must be maintained and, for Trustees, reported through the annual accounts.

The claims will be processed for payment by the Finance Manager.

ACCOUNTING SYSTEM

3.1 All financial transactions of each Academy must be recorded on their individual financial accounting systems which are maintained by staff at each location.

The system consists of:

- Purchase ledger
- Sales ledger
- Nominal ledger
- Budget Enquiry Information
- Cash Book
- Fixed Asset Register

3.2 All staff are employed by the Trust, but each Academy has an individual payroll, all of which are processed by a third party payroll provider. This provision is reviewed on a regular basis by the Trust Board.

3.3 Entry to systems are password restricted and the finance lead at each Academy is responsible for implementing a system which ensures that passwords are changed at regular intervals.

3.4 Entry to various system components within the finance system can be restricted and the finance lead at each Academy, on behalf of the Principal, shall be responsible for setting appropriate access levels for system users.

Back Up Procedures

3.5 The Trust IT Manager is responsible for ensuring that effective back up procedures are in place, that back-ups are taken regularly and that appropriate security is in place for the storage of back up media.

3.6 The payroll records maintained by the third party provider are subject to that company's back-up systems.

3.7 The Principals, in conjunction with the Finance Manager and the IT Manager, should ensure that a disaster recovery plan is prepared in the event of the loss of accounting system facilities or data. This should link to the regular assessment of major risks to which the Academies are exposed and systems which have been put in place to mitigate those risks. This should be subject to an annual review.

Transaction Processing

3.8 All transactions input into the accounting system must be authorised in accordance with the procedures specified in these regulations. Detailed procedures for the operation of the sales ledger, purchase ledger and payroll administration systems are detailed in separate procedural notes.

3.9 All journal entries must be authorised by the finance lead at each Academy, before being input into the accounting system. Adequate segregation of duties should be applied, splitting financial authorisation and processing.

3.10 Detailed information on the operation of both the accounting and payroll systems is provided by the Finance Manager.

Transaction Reports

3.11 The Finance Manager will obtain and review system reports to ensure that only regular transactions are posted to the accounting system.

Reports will include:

- Nominal ledger reports
- Purchase and Sales ledger balances
- Management account reports summarising income and expenditure and comparison to budgets.

Reconciliations

3.12 The finance lead is responsible each month for ensuring that reconciliation accounts are produced and reviewed where necessary for the:

- Sales ledger
- Purchase ledger
- Bank reconciliation
- Suspense accounts

3.13 A reconciliation of the payroll control accounts shall be maintained each month by the finance lead.

3.14 Any unusual or long-standing reconciling items must be reviewed and investigated by the Finance Manager.

3.15 Principals should have sight of their bank reconciliation and their Academy's bank balances at least monthly.

FINANCIAL PLANNING

4.1 The Principals shall prepare both medium term and short-term financial plans in conjunction with the finance lead and the Finance Manager which will be reviewed by the Chief Financial Officer.

4.2 The medium term financial plan is prepared as part of the development planning process. The development plan indicates how each Academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

4.3 The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to each Academy and the planned use of those resources for the following year.

4.4 The development planning process and the budgetary process are described in more detail below.

Development Plan

4.5 The development plan is concerned with the future aims and objectives of each Academy and how they are to be achieved; that includes matching the Academy's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

4.6 The form and content of the development plan are matters for each Academy to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the DfE.

4.7 Each year the Principals will propose a planning cycle and timetable to their monitoring committee (only for specific funding streams) which allows for:

- A review of past activities, aims and objectives – "did we get it right?"
- Definition or redefinition of aims and objectives – "are the aims still relevant?"
- Development of the plan and associated budgets – "how do we go forward?"
- Implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and
- Feedback into the next planning cycle – "what worked successfully and how can we improve?"

4.8 The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Principals.

4.9 The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

4.10 For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to an Academy Manager. The responsible manager should monitor performance against the defined success criteria throughout the year and report to their Senior Management Team on a quarterly basis. The Senior Management Team will report to the Monitoring Committee if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

4.11 The Principals, in conjunction with the Finance Manager, and their finance lead are responsible for preparing their annual budget. The budget must be reviewed by the CEO, CFO and be presented to the Finance and General Purposes Committee for scrutiny and to the Trust Board at the July meeting for approval.

4.12 The approved budget must be submitted to the DfE by the specified date in August each year.

4.13 The annual budget will reflect the best estimate of the resources available to each Academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

4.14 The budgetary planning process will incorporate the following elements:

- Forecasts of the likely number of pupils to estimate the amount of DfE grant receivable
- Review of other income sources available to each Academy to assess likely level of receipts
- Review of past performance against budgets to promote an understanding of Academy cost base
- Identification of potential efficiency savings
- Review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated change

Balancing the Budget

4.15 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 extreme circumstances only a deficit on an individual Academy can be declared provided the Trust budget balances overall, this has to be with the agreement of the Trust Board.

Finalising the Budget

4.16 Once the different options and scenarios have been considered, draft budgets should be prepared for approval by each Principal, the Chief Financial Officer and the Trust Board. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

4.17 The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

Monitoring and Review

4.18 Monthly reports will be prepared by the Finance Manager. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Principal and Monitoring Committees. Consolidated management accounts for the Trust will be sent to the Trustees on a monthly basis.

4.19 Any potential overspend against the budget must in the first instance be discussed with the Finance Manager. Commitments against an overspent budget will not be allowed without the approval of the individuals determined in the Scheme of Delegated Authority.

4.20 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast, it may be appropriate to vire money from another budget or from any contingency. All budget virements should be reported in line with the Scheme of Delegated Authority.

Reserves

4.21 It is the aim of the Trust to keep the reserves so that there is substantially more than one month's salary cost on hand in cash form at any point. Where relevant to this fact a cash flow forecast is provided, cash is monitored on a daily basis and money is invested on deposit where appropriate.

PAYROLL

5.1 The main elements of the payroll system are:

- Staff appointments
- Payroll administration
- Payments

Staff appointments

5.2 Each academy, in setting its budget, has a specific budget related to staffing which should not be exceeded without the written authority of the CEO. The CEO must be satisfied that there is adequate budgetary provision for any increases.

5.3 The Principal has authority to appoint staff within the authorised establishment which should include pre-authorisation for budgetary control from the CEO, and CFO using the relevant paperwork. For the appointment of the Vice Principal and Deputy Vice Principals, appointments should follow consultation with the CEO and the Chair of the Monitoring Committee. The Principal maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Principal immediately.

Payroll Administration

5.4 The Trust payroll is administered by a third party payroll provider.

5.5 All staff salaries are prepared monthly through the third party administered payroll package. A master file is created for each employee which records:

- Salary
- Bank account details
- Taxation status
- Personal details
- Any deductions or allowances payable

5.6 The administration of the HR element of the payroll system is carried out by authorised staff at each Academy. Details for new staff, changes to personal details, changes to pay, claims for overtime, mileage and expenses are collated by the Academy staff. This information should be entered from documentation which has been signed and approved by the Principal. This information is then given to the payroll provider using a secure portal and used in the preparation of the payroll.

5.7 Staff sickness and other absences are recorded on the relevant systems maintained by each Academy. Staff absence returns should be acknowledged and approved by the nominated line manager. Authorised staff returns should then be returned to the Principal.

5.8 The payroll provider prepares a timetable for payroll processing, specifying key dates for the month in question.

Payments

5.9 After the payroll has been processed a set of reports are sent to each Academy by the payroll provider, for review and approval. These reports must be reviewed with particular attention to new appointments, resignations, pay increases etc. The Principal is ultimately responsible for the payroll at their Academy, the checking and approval is however delegated to senior finance staff at the Academy.

5.10 All salary payments are made by BACS, which are processed in-house from a central account. Individual academies make transfers to the central account to cover the relevant outgoings, these transfers are made by the CFO and Trust Finance Manager, with communication in advance to the senior finance staff at each Academy.

5.12 The BACS file is sent from the payroll provider in .TXT format that must be converted to .CSV (ANSI encoding) for upload. During this process the base files that create the .TXT file are checked to ensure the outgoing amounts are correct and a random sample of employees (at least one from each Academy) is checked by the CFO and Trust Finance Manager to verify bank details have not been altered. Any discrepancies at this stage are investigated and resolved before the file is uploaded.

5.13 All online approvals for payroll items require dual authentication and must consist of any of the approved senior central officers of the Trust and independent Trustees.

5.14 The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, national insurance contributions and pensions. A summary of the amounts payable are supplied by the payroll provider along with accounts and references. The payment of all deductions are processed in-house in line with the approvals set out at 5.13. A reconciliation of these deductions is prepared by the finance staff who then agrees these figures to those provided, where new payment details are provided by the payroll provider, these are checked to the relevant beneficiary (e.g. Teachers' Pension, HMRC, Local Government Pension Scheme, Prudential etc.).

5.15 After the payroll has been processed the nominal ledgers are updated by the finance staff. Postings will be made both to the payroll control account and to individual cost centres. The finance staff will also review and reconcile the payroll control accounts each month to ensure that the correct amounts have been posted and paid.

5.16 On a regular basis the HR lead at each Academy must check for each member of staff that the gross pay per the payroll system agrees to the latest contract of employment or notice of pay change held on the personnel file.

PURCHASING

6.1 The Trust wants to achieve the best value for money from all purchases. This means it strives to get what it needs in the correct quality, quantity and time and the best price possible. A large proportion of purchases will be paid for with public funds and the integrity of these funds will be maintained 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 Trust
- Accountability, the Trust is publicly accountable for its expenditure and the conduct of its affairs
- Fairness, that all those dealt with by the Trust are dealt with on a fair and equitable basis
- The Trust must seek to get best value for all its purchases using the procurement procedures set out in section 6, or use approved frameworks to ensure the best value criteria is achieved where tendering may be inappropriate in the view of the Principal's and CEO. This should be reported to the Trust Board.
- Any specific grants, outside of the normal income streams, in excess of £20,000 should be reported to the Trust Board. The CEO will report to the Board, who are responsible for its expenditure, the criteria attached to those grants. Any expenditure outside of this criteria should be reported to the Trust Board. Where additional funding is to be taken from the academy budget to supplement the work to which the grants are attached, this must also be approved by the Board.

Routine Purchasing

6.2 Principals have the authority to inform budget holders of the budget available to them before the start of the academic year. It is the responsibility of the Principal or the budget holder to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be produced on a monthly basis.

6.3 Routine purchases up to £1,000 can be ordered by budget holders. In the first instance a supplier should be chosen from the list of preferred suppliers maintained by the Finance Manager. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the preferred supplier list the reasons for this decision must be discussed and agreed with the finance staff or Principal.

Approvals above £1,000 are subject to the following authorities:

Limit	**Authorisation**
Up to £20,000	Principal's, subject to CEO delegation
£20,000 to £50,000	Chief Executive Officer
£50,000 and above	Trust Board

6.4 Orders, except for those purchases specified separately, must be made using an official purchase order obtained via the financial system. An order number and the order itself is only available once approval from the budget holder or the Principal has been obtained.

6.5 For routine purchases, verbal (or other) orders must not be made to suppliers without an official order number. Exceptions to this rule are those items specifically listed and for the

order of emergency supplies (normally expected to be items such as emergency repairs procured by the premises caretaking staff) which should be followed up with an official order as soon as practically possible.

For procurement/credit card purchases, a request is made and approved by the budget holder and authorised by the Principal. The order is then placed by the cardholder. When the credit card statement is received, all documentation is attached to the statement which is then signed by the Principal, or Vice Principal. The finance team then enter the details onto the finance system and reconciles the account to the payment when it appears on the bank statement**.**

6.6 The budget holder must make appropriate arrangements for the delivery of goods to the Academy. On receipt the budget holder 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 and resolved with the supplier of the goods immediately.

6.7 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the finance team should be notified. The finance team will keep a central record of all goods returned to suppliers.

6.8 All invoices should be sent to the finance team. It is the responsibility of the Head of Department and budget holder to ensure that any invoices received are passed to the finance department. Invoices received will be recorded by the finance staff in the purchase ledger. The finance administrator will stamp invoices with a grid against which the following can be evidenced:

a) Order number
b) Order number signed and attached
c) Order number shown on invoice
d) Delivery note signed and attached
e) Invoice agrees to purchase order
f) Invoice agrees to delivery note
g) Invoice address correct
h) Authorised for processing

6.9 Boxes a) to g) will be completed by the finance administrator. The invoice will then be authorised for processing. Where invoices are supported by purchase orders these can be authorised by the finance lead. Where no PO exists, these invoices must be signed by an authorised senior member of staff, for example exam fees are signed for by the exams officer, catering invoices are authorised by the catering manager or cook in charge.

6.10 If a budget holder is pursuing a query with a supplier the finance team must be informed of the query and periodically kept up to date with progress.

6.11 On a monthly basis, a list of authorised invoices due for payment is produced and reviewed by the finance lead, who will indicate on the list any invoices that should not be paid.

6.12 The finance lead will then continue with the payment procedures, update the purchase ledger and generate the cheques required and the BACS payments. A summary of the invoices being paid together with a description of any large or unusual items is circulated to any two of the

nominated bank signatories for approval and authorisation in accordance with each Academy's bank mandate.

6.13 Cheques will be dispatched to suppliers by the finance team with the appropriate remittance advices.

Orders over £1,000 but less than £5,000

6.14 A single written quote should be obtained for all orders between £1,000 and £5,000 provided that the supplier is included within the Trusts list of preferred suppliers, where this is not the case, a minimum of two written quotes should be obtained to ensure best value is being sought. The individual placing the order should still do research as to the best prices before placing the order i.e. through internet searches to ensure best value is being gained. All quotes should be based on pre-agreed and consistent specifications which have been approved by the Principal. Those items listed which are exempt from requiring purchase orders are also exempt from this process. Written details of quotations obtained should be prepared and retained with the purchase order for audit purposes and where possible electronic records or notes should be attached to the order within the finance software package. Telephone quotes are acceptable if these are evidenced and faxed or emailed confirmation of quotes has been received before a purchase decision is made.

Under special circumstances, where goods are to be commissioned, where goods and services are only available from one certain supplier, where the goods or service are required in an emergency (short time-frame) or the supply is directly linked to an existing system, a purchasing exemption record form should be completed. Security under these circumstances should be given, where possible, by using a supplier listed within the preferred supplier listing. See also Section 6.33.

Orders over £5,000 but less than £10,000

6.15 At least three written quotes should be obtained for all orders between £5,000 and £10,000 to identify the best source of the goods/services, irrespective of whether or not the supplier is on the preferred list. All quotes should be based on pre-agreed and consistent specifications which have been approved by the Principal. Those items listed which are exempt from requiring purchase orders are also exempt from this process. Written details of quotations obtained should be prepared and retained with the purchase order for audit purposes and where possible electronic records or notes should be attached to the order within the finance software package. Telephone quotes are acceptable if these are evidenced and faxed or emailed confirmation of quotes has been received before a purchase decision is made.

Under special circumstances, where goods are to be commissioned, where goods and services are only available from one certain supplier, where the goods or service are required in an emergency (short time-frame) or the supply is directly linked to an existing system, a purchasing exemption record form should be completed. Security under these circumstances should be given, where possible, by using a supplier listed within the preferred supplier listing. See also Section 6.33.

Orders over £10,000

6.16 All goods/services ordered with a value over £10,000, or for a series of contracts which in total exceed £10,000 must be subject to formal procurement procedures as adopted by the Trust

Board. Purchases over £213,477 (VAT inclusive) (threshold from January 2022 for supply, services and design contracts) or £5,336,938 (VAT inclusive) (for works contracts) fall under the Public Procurement (Agreement on Government Procurement) (Thresholds) (Amendment) Regulations 2021 which requires a notice to be published on the UK e-notification service Find a Tender (FTS).

As a minimum, at least three written quotations from nominated suppliers must be sought. All quotes should be based on pre-agreed and consistent specifications which have been approved by the Principal. Where the value of goods and services exceeds £25,000 then a formal tendering exercise must be followed.

All contracts and/or commitments, with a value of £10,000 or more, entered into by University of Lincoln Academy Trust should where possible bear the signatures of at least two authorised senior executives (CEO, CFO, Principal). Where this is not possible there should be documented written agreement from a minimum of two of the authorised executives. Those authorised persons should have no interest in the company with whom the contract is being entered into. If at any point, following the signing of a contract, an interest is offered, becomes apparent, or could be perceived as being an interest, this should immediately be brought to the attention of the Chair of the Trust Board and the Chief Executive Officer.

Forms of Tenders

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

- Open Tender: This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Principal how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

- Restricted Tender: This is where suppliers are specifically invited to tender – normally at least three suppliers. Restricted tenders are appropriate where:
    - There is need to maintain a balance between the contract value and administrative costs
    - A large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the Academy's requirements
    - The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering

- Negotiated Tender: The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
    - The above methods have resulted in either no or unacceptable tenders
    - Only one or very few suppliers are available
    - Extreme urgency exists or
    - Additional deliveries by the existing supplier are justified

Preparation for Tender

6.18 Full consideration and weighting should be given to:

- Objective of project
- Overall requirements
- Technical skills required
- After sales service requirements
- Form of contract

6.19 It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

6.20 If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

6.21 An invitation to tender should include the following:

- Introduction/background to the project
- Scope and objectives of the project
- Technical requirements
- Implementation of the project
- Terms and conditions of tender
- Form of response

Aspects to Consider

Financial

- Like should be compared to like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs
- Is there scope for negotiation?

Technical/Suitability

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers

Other Considerations

- Pre sales demonstrations
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Tender Acceptance Procedures

6.22 The invitation to tender should state the date and time by which the completed tender document should be received by the Academy. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

Tender Opening Procedures

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

- For contracts up to £20,000 – two of the following, budget holder, the Vice Principal or the Principal
- For contracts over £20,000 and up to £50,000 – the Principal plus the Chief Executive Officer
- For contracts over £50,000 – two members of the Trust Board

6.24 A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

Tendering Procedures

6.25 The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process, including but not limited to the receiving of tender quotations, details, contact information etc.

6.26 Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

6.27 Full records should be kept of all criteria used for evaluation and for contracts over £10,000 a report should be prepared for the Trust Board highlighting the relevant issues and recommending a decision. For contracts under £10,000 the decision and criteria should be reported to the Academy Monitoring Committee.

6.28 Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.

6.29 The accepted tender should be the one that is economically most advantageous to the Academy. All parties should then be informed of the decision.

Exceptions to the Above

6.30 In the case of building work the Principal, in consultation with the Trust or an approved external professional adviser, shall authorise expenditure up to a value of £10,000 but must be satisfied that this represents value for money. If desirable three quotes/prices shall be obtained as above.

6.31 For buildings contracts/expenditure over £10,000 and less than £50,000 the Principal shall invite a minimum of three quotations.

6.32 For building contracts/expenditure over £50,000 then a formal tender exercise should be carried out. The results should be presented to Trust Board for approval.

6.33 Where for any reason an approved framework provision (allowing for either direct award or further competition) is to be used instead of a formal tendering procedure, this should be communicated to the Trust Board to ensure compliance with the other aspects of the policy.

6.34 All orders made centrally for the Trust must be signed off by two of the following parties being the CEO, CFO or Chair of Trustees.

6.35 In extreme circumstances, the above policy may be waived or relaxed. Requests to seek such exceptions should be made to the CEO or the CFO by the completion of the "Purchasing Exemption Record Form" and be notified to the Trust Board if over the relevant approval limits set out in the appropriate sections. These might include:

- Areas where the complexity of a purchase makes it prudent to enter into a formal written contract regardless of contract value. Only the Principal shall have authority to seek such an exemption.
- Where goods and services are only available from one source and satisfactory alternatives do not exist.
- The price is controlled by Government order or trade practice.
- Where the supply is for the continued licensing, support of, or upgrade to existing ICT software or hardware which can only be offered by the original provider or their nominated reseller. This includes the ongoing renewal of software licences and/or support fees where there is a perpetual (or similar) arrangement with no defined end date.
- Where the procurement process is taking place in an otherwise unavoidable and tight time scale to render the gaining of other quotes inappropriate and ineffective that is caused by an urgency in requirement of the items/service and not down to late or untimely following of the procurement process.

6.36 Any waivers should be notified to the Trust Board or delegated committee where appropriate.

INCOME

7.1 The main sources of income for the Trust are the grants from the DfE. The receipt of these sums is monitored directly by the finance leads at each academy, and overseen by the Chief Financial Officer, who are responsible for ensuring that all grants due to the Trust are collected.

7.2 The Academies also obtain income from other main sources including:

- Lincolnshire County Council, for top up funding for SEN students;
- Other Local Authorities in relation to the above;
- Lincolnshire County Council, for Outreach provision (GHA only);

- Income for apprenticeship provision at University Academy Holbeach;
- Students for catering income;
- Students, mainly for trips;
- The public, mainly for sports lettings and other miscellaneous activities.

7.3 Lincolnshire County Council provide top up funding for SEN students to cover the cost of additional support for these pupils. This funding is notified to each Academy by LCC and received directly from LCC on a monthly basis.

7.4 Gosberton House Academy hold a contract with LCC for the provision of specialist Outreach Services. The payment for this provision is received directly from LCC on a monthly basis.

7.5 University Academy Holbeach have an on-site apprenticeship department which garners income from co-investment payments from employers relating to courses where applicable.

Catering income

7.7 All academies collect monies from pupils for the provision of school lunches. GHA has on-site facilities and provide their own meals. UAH, UALS, HPA, HBA, MPA and WPA all use third party providers to cater for student meals.

UAH, UALS, GHA and MPA use ParentPay, an online payment system, which parents can use to pay for school meals, trips, music lessons etc. ParentPay remit the monies on a weekly basis and this is reconciled to the catering system income which has been posted to the accounting system on a daily basis. An alternative way of paying for student meals is by cash, which is paid into a cash loader machine, or by cheque which is manually entered by the finance staff. The cash loader is emptied, by two staff on a daily basis and banked in its entirety. All receipts are reconciled to the reports produced by the cashless catering system, from which the canteen sales are also posted to the accounting system on a monthly basis. Students and staff use their fingerprint to pay for their meals taken in the canteen.

Trips

7.8 A lead teacher must be appointed for each trip to be accountable for overseeing the process of the collection of sums due. An Administrative Officer must prepare a record for each trip reconciling amounts collected with amounts paid out.

7.9 Students should make all payments to the lead teacher who should issue a receipt and record the payment. Alternatively, payments can be made using the online payment system which will record the receipt and allocate the amount to the specific trip.

7.10 The lead teacher is responsible for chasing any outstanding amounts.

Lettings

7.11 The Local Monitoring Committee are responsible for determining a charging policy for the use of Academy facilities which must be consistently applied to all users.

7.12 The Administration Officer is responsible for maintaining records of bookings of facilities or other income generating activities and for identifying the sums due from each organisation.

7.13 Details of organisations using the facilities should be sent to the finance team who will establish a sales ledger account and produce a sales invoice from the financial system. Where possible, payment should be sought prior to individuals and organisations using Academy

facilities. However, any outstanding amounts shall be reviewed weekly in line with other outstanding debts by the finance lead.

7.14 No debts below £1,000 should be written off without the express approval of the Monitoring Committee, or over £1,000 by the Trust Board (the DfE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter) or otherwise in accordance with the Scheme of Delegated Authority.

7.15 Organisations using the facilities should be instructed to send all payments to the finance manager.

Custody

7.16 Official receipts should be issued for all cash received. All cash and cheques must be kept in the administration office safe prior to banking. Banking should take place at least monthly or more frequently if the sums collected exceed the insurance limit on the administration office safe.

7.17 Wherever possible, monies collected from any vending machines or similar should be carried out by two members of staff who shall empty the machine and transport it to the administration office together. Monies are then counted by the finance team. The collection of monies for banking will be arranged by the finance lead.

7.18 Monies collected must be banked in their entirety in the appropriate bank account. The Finance Administrator is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and reconciled by the finance lead.

CASH MANAGEMENT

Bank accounts

8.1 The opening of all accounts must be authorised by the CEO who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

Deposits

8.2 Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

- the amount of the deposit
- a reference, such as the number of the receipt or the name of the debtor

Payments and Withdrawals

8.3 All cheques and other instruments authorising withdrawals from the Trust bank account must bear the signatures of two of the nominated Trustees.

All cheques and other instruments authorising withdrawal from Academy bank accounts must bear the signatures of two of the following authorised signatories:

- Principal
- Vice Principal
- Chair of Governors
- Other delegated Trust member, director or governor

Chequebooks and other secure stationery and devices shall be kept securely when not in use.

8.4 This provision applies to all accounts, public or private, operated by or on behalf of the Trust Board and its Academies.

The Trust aims to pay its suppliers by BACS on the 28th of the month following date of invoice. Approval of the monthly BACS run is completed via the on line access to Lloyds Commercial Banking and should be done by persons other than those who have approved the purchase. Where this is not possible, due to other commitments, the CEO, on review of the list of payments to be made, will approve the signing of the BACS by another signatory. This approval should be sought by email and documentation kept to support this.

Administration

8.5 The finance team must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- All bank accounts are reconciled to the Academy cash book
- Reconciliations are prepared by the finance lead
- Reconciliations are subject to an independent monthly review carried out by the Principal or in their absence the Vice Principal
- Adjustments arising are dealt with promptly

Petty Cash Accounts

8.6 The Academies maintain a maximum cash balance of £400. This can be split between more than one department, but the location should be clearly recorded. The cash is administered by a maximum of two members of the finance team and is kept in a locked and secure place.

Deposits

8.7 The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

Payments and Withdrawals

8.8 In the interests of security, petty cash payments will be limited to £20 (unless specifically approved by the Principal) and must be supported by a VAT receipt. Higher value payments, in the case of employees, should be made by claim through the payroll system or by cheque payment directly from the main bank account as a cashbook payment. Receipts are attached to a petty cash voucher, which shows the reason for and the type of expenditure and is signed by the person receiving the cash and the approver of the expenditure.

Staff expenses

8.9 Staff expenses should be reimbursed through the payroll system, by completion of the claim form with receipts attached where applicable. These claim forms should be authorised by the appropriate delegated person, this would usually be a Principal, or a line manager if a Principal or central team.

Administration

8.10 The finance team are responsible for entering all transactions onto the petty cash spreadsheet on a regular basis and regular, as well as unannounced cash counts, should be undertaken by of a member of the Academy's SMT to ensure that the cash balance reconciles to supporting documentation.

8.11 The finance team are then responsible for posting the petty cash records onto the main finance accounting system.

Physical Security

8.12 Petty cash should be held in a locking cash box, which is put in a secure location overnight.

Cash Flow Forecasts

8.13 The Chief Financial Officer is responsible for preparing any required cash flow forecasts to ensure that the Trust and Academies have sufficient funds available to pay for day-to-day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer funds from another bank account to cover potential cash shortages.

Investments

8.14 Investments must be made only in accordance with Treasury Management Policy approved by the Trust Board.

8.15 All investments must be 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.

FIXED ASSETS

Classification

9.1 Assets can be classified under the four main categories of:

- Land and buildings
- Equipment, furniture and fittings
- Vehicles
- Computer equipment

Definitions

9.2 In order to determine whether expenditure can be defined as an asset, the following must be relevant:

- Expenditure on the item must usually exceed £700, excluding VAT, with a minimum useful economic life of three years
- Equipment with a threshold value of less than £700 would not normally be capitalised, unless it forms part of a set or group for operational purposes with a cumulative value in excess of £700. If this criteria applies all items should be capitalised
- The expenditure relates to improvements in a fixed asset. Expenditure under this heading will only be capitalised if it increases the expected future benefits from the existing fixed asset beyond its present standard of performance. Example of such future benefits would include:
    - A significant extension of the assets' useful life beyond that conferred by repair and maintenance
    - An increase in its capacity
    - A substantial improvement in the quality of output or a reduction in the previously assessed operating costs
    - A substantial improvement in the open market value of the fixed asset
- The expenditure relates to equipment or furniture acquired through a finance lease as defined in UK GAAP. The finance lease will be capitalised at the present value of the minimum lease payments
- The expenditure relates to equipment or furniture acquired through a finance lease as defined in FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland Section 20. The finance lease will be capitalised at the present value of the minimum lease payments
- Software and other intangible rights exceeding £700, excluding VAT, would not normally be capitalised. Each item of expenditure under this heading will be considered according to the materiality of the expenditure and the strategic value to the Academy. If the expenditure and/or strategic value are deemed significant, the asset will be capitalised
- Land and buildings purchased will be capitalised at acquisition cost, including attendant costs such as irrecoverable VAT and professional fees and commissions. Property used by the Academies under rental agreements which are classified as operating leases would not be capitalised. If the land and buildings leased are regarded as a finance lease the asset will be included at its fair value in the balance sheet, in accordance with UK GAAP.

Asset Register

9.3 All items purchased with a value over the Trust's capitalisation limit must be entered in an asset register. The asset register should include the following information:

- Asset description
- Date of acquisition
- Asset cost
- Source of funding (if specifically funded and not from DfE grant or reserves)
- Expected useful economic life
- Depreciation
- Current book value
- Location

9.4 The Asset Register helps:

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

Security of Assets

9.5 Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

9.6 All the items in the register should be permanently and visibly marked as the Trust property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the monitoring committee. Inventories of Trust property should be kept up to date and reviewed regularly. Where items are used by the Trust but do not belong to it this should be noted.

9.7 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Principal and, where significant, should be sold following competitive tender. The Trust must seek approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

9.8 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment. Where possible in the case of ICT equipment, the IT Manager shall oversee the secure removal of data and software from equipment prior to any sale or scrap.

9.9 The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Trust assets. If the sale proceeds are not reinvested, then the Trust must repay to the DfE a proportion of the sale proceeds.

9.10 All disposals of land must be agreed in advance with the Secretary of State.

Loan of Assets

9.11 Items of Academy property must not be removed from the Academy premises without the authority of the Principal. A record of the loan must be recorded in a loan book and booked back in when it is returned.

9.12 If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit in kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Trust's auditors.

RISK PROTECTION ARRANGEMENT AND INSURANCES

General

10.1 The finance lead is responsible for the administration of the Risk Protection Arrangement, other insurances and any claims arising.

- The Trust Board shall be informed of any individual claims exceeding £5,000 in value
- Academy managers and budget holders shall keep the finance lead informed of any new items of equipment, any items that may have been disposed of, or any new activities or locations for activities, which may affect the insurance provided

10.2 Academy buildings shall be included within the Risk Protection Arrangement which covers against damage caused by fire, flood, storm and subsistence.

10.3 Academy vehicles shall be insured for authorised drivers and authorised use.

10.4 Staff members using their own vehicles for Academy use must ensure that they have the necessary insurance in place covering them for business use. In these instances, they and their vehicles are not covered by the Academy.

10.5 With support from the Trust, the Principals shall determine the extent of insurance cover.

10.6 The Academies, within the scope of the Risk Protection Arrangement shall comply with their legal liability to employees, pupils and other third parties for death, injury, disease (on campus or elsewhere in the UK on Academy activities). Further insurance will be taken to provide the required cover in respect of activities outside the UK.

10.7 The Academies, within the scope of the Risk Protection Arrangement, shall include Governors – to include cover for injury, libel and slander.

10.8 Any Academy employees on authorised overseas travel shall also have cover for medical expenses and emergency travel. There shall also be baggage, money and cancellation cover to prescribed limits.

10.9 Benefits shall be paid to Academy employees assaulted whilst on official business.

10.10 The Risk Protection Arrangement will provide the Academy with professional cover against liability for negligence or breach of duty.

Claims Procedure

10.11 Incidents of theft and/or malicious damage must be reported to the Caretaking Manager or the finance lead as soon as possible. Where practical, the Academy will pursue any offending person to recover losses caused by the damage.

All property damage/motor vehicle damage or incident must be reported to the finance lead as soon as possible, with all information in a format for the relevant claim form available within seven days.

10.12 If the security of any area of the campus is at risk, the Caretaking Manager must be informed.

10.13 Where appropriate, the Caretaking Manager shall inform the police.

10.14 The finance lead shall determine the extent of the claim and be responsible for ensuring the claim is submitted.

10.15 The Principal shall be made aware of any outstanding claims not settled after a period of three months.

MISCELLANEOUS REGULATIONS

Retention of Financial Records

11.1 Staff accountable for the operation of the financial systems are to ensure that, as a minimum, prime financial records are retained for a period of six financial years prior to the current year in line with HMRC requirements, unless specifically authorised otherwise.

11.2 Prime records include

- Official orders
- Purchase invoices
- Sales invoices
- Bank statements
- Copies of receipts

11.3 These can be kept in any appropriate fashion – preferably using electronic media but ensuring that appropriate physical and electronic security and safety measures are in place for the

safekeeping of data. Hard copies should be clearly referenced, marked with a destruction date and kept in a secure environment.

Hospitality and Gifts

11.4 Hospitality is defined as events or meetings involving a substantial non-business element. Events and meetings primarily for a business purpose at which hospitality is provided does not require approval with regard to the hospitality element.

11.5 Acceptance of gifts/hospitality by Trust employees must be treated with extreme caution.

11.6 No offer of a gift of inducement (except those in 11.4) whether made at specific events (e.g. at Christmas), or casually, should be accepted when the gift is made by, or indirectly by, a person, firm or organisation which, to the knowledge of the employee, has or seeks to do business with the Trust, without the written permission of the Academy Principal, who will ensure an appropriate record is placed on the employee's personal file. The Principal will consult the Audit and Risk Committee in respect of gifts with a value in excess of £50.

11.7 There is however, a delicate balance between acceptance or refusal of hospitality or tokens of goodwill on certain occasions. On each occasion, a judgement must be made between causing offence by refusal or risking improper conduct by acceptance. The receipt of minor items with a low intrinsic value of no more than £25, often by way of trade advertisements that will be used on the Academy premises (e.g. diaries, calendars, stationery etc.) is acceptable, without written permission of the Principal.

11.8 Employees who are invited to take part in events by virtue of their position with the Academy should discuss the invitation with their relevant Senior Manager before attending. Hospitality e.g. attendance at events involving a substantial non-business element are not normally permissible. Examples of permissible and non-permissible hospitality are:

- Permitted – Employees representing the Academy in an official capacity or making a speech/presentation. This could involve a variety of activities where the hospitality is moderate and relevant to the work of the Academy
- Not permitted – The acceptance of money or vouchers in any form. The acceptance of gifts or services of substantial value e.g. air or travel tickets; the use of premises; accommodation or services

11.9 All Academy staff are subject to compliance with the Bribery Act 2010.

11.10 When making gifts, the Trust must ensure that the value is reasonable, the decision is documented and has due regard to propriety and regularity in the use of public funds. Gifts for staff who are leaving the employment of the Trust, will be determined giving regard to length of service. Collections will be taken from employees and these monies will be banked and set against the cost of the gift. Gifts must **never** consist of alcohol.

VAT and Taxation

11.11 The Finance Department will ensure that all relevant staff are aware of current VAT and other tax legislation and that transactions account for taxation accordingly.

Data Security

11.12 The Trust will ensure that the Academies are registered in accordance with the Data Protection Act. The use of systems to record or process information will comply with this legislation.

11.13 The IT Manager is responsible for ensuring that data is regularly backed-up and that any discs or other media are retained in a secure environment (e.g. fireproof safe away from servers etc.).

11.14 The IT Manager shall ensure that the ICT systems used for Academy management are password protected and that only authorised staff have access to the systems. Passwords must not be disclosed and should be changed regularly and updated upon staff changes.

11.15 The IT Manager will ensure that adequate protection against viruses and other attacks/damage is in place to safeguard systems and data. Only authorised software will be used for this purpose.