

**ASHTON WEST END PRIMARY ACADEMY FINANCIAL  
PROCEDURES**

**ASHTON WEST END PRIMARY  
ACADEMY**



**FINANCIAL PROCEDURE MANUAL**

Approved by the Finance and Audit Committee

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## **01 Introduction**

The purpose of this manual is to ensure that the trust maintains and develops 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 Department for Education (DfE) and compliance with the principles of financial control outlined in the academy trust handbook. Defined financial procedures establish a standard framework which empowers staff with clear guidelines and expectations.

This manual serves as a supplement to the scheme of delegation and levels of authority providing information on the day-to-day operations and practicalities forming from it and should be read by all staff involved with our financial systems.

## **02 Roles and Responsibilities**

The Trust Board is responsible for setting and reviewing the **terms of reference** for all sub-committees (App 1) and agree annually on the Scheme of Delegation of financial powers to the principal and responsibilities for the leadership team.

All trustees, senior staff and finance staff should, on an annual basis, complete a form stating their business interests. These forms constitute the school's Register of Business Interests and members are obliged to notify the principal of any changes.

The Trust Board must approve the school's annual budget and signed by the Chair of Trustees. A signed copy of the approved plan must then be sent to the Department of Education (DfE) by 31<sup>st</sup> August each year.

### **The strategic role of the Trust Board**

The Trust Board shall establish a strategic framework for the school by:

- setting aims and objectives for the school;
- review and set statutory policies for achieving those aims and objectives;
- setting targets for achieving those aims and objectives.
- maintaining an overview of the School Development Plan

The board shall also monitor and evaluate progress in the school towards achievement of the aims and objectives set and regularly review the strategic framework for the school in the light of that progress. In exercising the functions above, the board shall:

- ensure the Academy meets all statutory requirements (subject to any other statutory provision) comply with any trust deed relating to the school
- ensure that a suitable performance management process is in place (App 1)
- consider any advice given by the Principal.

The governing body shall act as "critical friend" and supporter to the Principal in the performance of his/her functions and give him or her constructive criticism.

### **03 Financial planning**

The trust prepares a rolling 5-year budget. It is a requirement of the DfE that the trustees set a balanced budget for the trust, this includes any accumulated free reserves.

The annual budget will reflect the best estimate of the resources available for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the budgeted utilisation of resources the trust's objectives and individual academy improvement plans.

Comparison of known or estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income must be explored and expenditure headings reviewed for areas where reductions can be made through reprioritisation or deferment of projects.

The approved budget is reported against, on a monthly basis, from the start of the new financial year.

#### **Other government funding**

In addition to GAG funding from DfE, the trust may be awarded ring-fenced government funding for other projects and purposes. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as restricted income and audited externally annually if required.

The Chief Finance Officer (CFO) is responsible for recording income and expenditure for each grant and providing a reconciliation within the monthly management accounts.

#### **Other grants and specific funding**

The trust may be awarded additional grants from time to time from other organisations or donors relating to specific projects. 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 if required.

The CFO is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

### **Revised budget**

Monitoring and analysis of the agreed budget will be carried out on a monthly basis by the Accounting Officer (AO) and CFO with reports, comprising management accounts, balance sheet and cashflow shared with trustees. Only where significant in year variations to the agreed budget have been identified and approved by the trustees will a revised budget form the basis of income and expenditure analysis for the remainder of the financial year.

### **Budget forecast return**

The approved multi-year budget must be submitted to the DfE by the deadline stated.

### **Monitoring and review**

Monthly management accounts reports are prepared by the CFO.

The reports must include:

- Cost centre summary - actual income and expenditure against budget, shown as year to date cumulatively
- Cost centre summary – profiles with variances
- Cost centre summary with the year end outturn
- balance sheet
- cash flow forecast

Any potential overspend against the budget must in the first instance be discussed with the budget holder who has responsibility for that area with any necessary corrective actions agreed.

Monthly management accounts are sent to the AO (Principal) and circulated to the chair of the finance and resources committee via the CFO.

## **04 Independent checking procedures**

The Trust Board has established an audit and risk committee and a finance and resources committee, who meet once a term, or more frequently if necessary. The committees are responsible for monitoring and making recommendations to the board on matters related to financial health, audit and risk.

The Trust Board:

- has defined its terms of reference (App 1)
- has prescribed the extent of its delegated authority within the terms of these procedures
- ensures they receive minutes of the committee's meetings

- reviews the audit committee's remit and membership annually.

### **Accounting officer**

The accounting officer is the CEO who has personal responsibility to the Trust Board, Parliament and the accounting officer of the DfE for the resources under their control. The essence of the role is:

- Ensuring regularity – that public money is spent for the purposes intended by Parliament.
- Ensuring propriety – that expenditure and income is dealt with in accordance with Parliamentary intensions.
- Ensuring value for money – the economic, efficient and effective use of available resources.
- Affordability and sustainability – respecting agreed budgets and avoiding unaffordable longer-term commitments, taking a proportionate view and managing sustainable growth.
- Keeping proper financial records and accounts.
- Managing opportunity and risk.
- Ensuring segregation of duties are practiced (App 2)

The accounting officer must advise the Trust Board in writing if, at any time, in his or her opinion:

- any action or policy under consideration by the board or an academy is incompatible with the terms of the academies trust handbook or the funding agreement
- the board appears to be failing to act where required to do so by the terms and conditions of the academies trust handbook or the funding agreement.

If the board proceeds, contrary to the advice of the accounting officer and the accounting officer believes that they are in breach of the academies trust handbook or the funding agreement, the accounting officer must advise the DfE's accounting officer of the position in writing.

### **Internal audit service**

Delivering assurance through independent challenge (internal audit). The trust has appointed an external audit company (One Education) to provide 'internal scrutiny' to ensure that the trust's financial planning process is robust. The trust must ensure that the service provided adheres to the principles stated in the academies trust handbook.

### **Review of regularity**

The CEO, in their role as accounting officer will review the following documents every month to ensure the trust is working within the boundaries of regularity and propriety:

- management accounts, balance sheet and cash flow

- compliance against the scheme of delegation
- transactions for evidence of related parties
- value for money practice.
- adherence to tendering practice and legislation

## **05 Annual accounts**

The trust must prepare annual audited financial statements for the accounting period to 31 August. The accounts must be prepared in accordance with the DfE accounts direction, academy trust handbook, financial reporting standards (FRS) and charity statement of reporting standards (SORP)

The accounts are prepared in house by the group financial controller and compiled by the external auditors.

The accounts are then submitted as follows:

- by 31 December – to DfE
- by 31 January – published on our own website
- by 31 May – to companies' house.

### **Value for money statement**

As part of the annual accounts the trust must include focussed examples of value for money.

The AO and CFO are responsible for collating the examples which are then confirmed by the finance and resources committee.

### **Audit arrangements**

External auditors must be appointed in accordance with the academies trust handbook.

The group financial controller 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 during accounting period**

The CFO is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:

- reviewing the structure of the trial balance
- maintaining income and expenditure records
- reviewing aged debtors for any provisions required
- maintaining a record of trustee interests, related and connected party transactions
- control account reconciliations (bank, wages, debtors, creditors)

## **Work undertaken for the year end**

The CFO is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:

- prepayments for IT licenses
- prepayments or accruals for grant income
- control account reconciliations
- close down of the purchase ledgers
- close down of the sales ledgers and aged debtors
- pension valuations
- pension audit

## **Accounts return**

The trust must prepare the annual accounts return for the accounting period to 31 August, which is submitted to the DfE by the given deadline. The accounts return is prepared by the CFO.

## **06 Accounting system**

All financial transactions of the trust must be recorded into Access, the computerised financial information accounting system. This system is operated by the finance department and consists of:

- monthly audit trails
- master file amendment reports for payroll, the purchase ledger and the sales ledger
- management accounts summarising expenditure and income against budget.

## **System access**

Access to the system is restricted to authorised employees and external parties as authorised by the accounting officer, such as an outside audit service and in line with the trust's IT security policy.

Termly reviews are carried out to ensure that access rights and levels of access are still relevant to the responsibilities of individual users. Access for staff who are no longer employed by the trust is removed when the staff member leaves.

The trust complies with the requirements of the data protection act.

Alterations to any original documents such as cheques, invoices, orders and other vouchers are made clearly in ink and initialled. The use of correcting fluid or the erasure of information is not acceptable.

## **Back-up procedures**

The finance system used by the trust, Access for Education is owned by Access. The software is hosted by Access which can be accessed by the trust's finance staff using a remote desktop.

Redstor are responsible for ensuring that there is effective back up procedures for the system. Data is backed up on a suitable medium or server and the copies stored in a secure place in the cloud. Back-up copies are taken on at least a daily basis.

## **Transaction processing**

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

Bank transactions are input by the CFO and reviewed by the AO as part of the monthly procedures.

## **Transaction reports**

The CFO will review the following system reports to ensure that only regular transactions are posted to the accounting system:

- The BACS audit trail reports
- reports for the payroll, purchase ledger and sales ledger
- management accounts summarising expenditure and income against budget reconciliation

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
- payroll control account
- VAT control account
- bank balance per the nominal ledger to the bank statement

The CFO is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- purchase ledger control account

Any unusual or long outstanding reconciling items will be brought to the attention of the AO and dealt with according to the bad debt limits in this manual.

## **07 Cash management**

### **Bank accounts**

The following procedures must be followed when opening and operating a bank account:

- the trustees must authorise the opening of all bank accounts and signatories on each
- the trust will ensure that in the event of changes to key personnel or trustees, signatories will be changed immediately and the bank notified. Any online 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 agreed and records maintained by finance.

### **Deposits**

A cash 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).

The finance assistant is responsible for updating the accounting system, within 2 working days, for deposits placed.

### **Payments and withdrawals**

All cheques and other instruments authorising withdrawal from trust bank accounts must bear the signatures of two signatories as per bank mandate.

This provision applies to all trust accounts. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

### **Administration**

The CFO ensures bank statements are received regularly and that reconciliations are performed on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled
- reconciliations are prepared by the CFO
- reconciliations are subject to a monthly review carried out by the AO
- adjustments arising are dealt with promptly.

### **Petty cash**

The trust does not operate a petty cash system.

### **E-procurement and payments**

The trust has two charge cards that should be used only when it is not practical to use the purchase order system. All transactions will be charged to the appropriate accounts.

Sales vouchers, invoices and requisition forms are checked by the CFO against the amounts entered and reconciled with the bank statements and credit card statements. Balances on trust charge cards are to be paid in full each month.

Any department wishing to make a purchase on credit card must complete an authorised order form and pass this to the finance assistant with the authority to make the purchases (App 3). All order forms detailing the purchase must be signed approved by the budget holder and a member of the Senior Leadership Team (SLT).

### **BACS payments**

On receipt of an invoice, the budget holder approves the invoice either by email or informing finance that:

- 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
- VAT chargeability on qualifying expenditure is shown

BACS payment are checked for accuracy and authorised by two signatories as per the trust's levels of authority guidance.

BACS payments will be processed on a weekly basis. Exceptions will be made in respect of time sensitive payments, such as late urgent supplier payments.

Where payments are made to off-payroll individuals, evidence of the employment test criteria under HMRC IR35 will be retained in accordance with the trust's document retention policy.

## **08 Reserves and investment**

### **Revenue reserves**

Where funds are held in trust, the CFO is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately as set out in the memorandum and articles.

Reserves of the trust are considered to be funds that are deployed at the discretion of the AO/SLT with appropriate Trust Board approval and within the trust's scheme of delegation and levels of authority.

Any in year surpluses become part of the trust reserves.

In year surplus monies can be deployed at the discretion of the Trust Board based on the trust's strategic priorities. Business cases must be submitted to the executive leadership team to request investment, which has not been budgeted for. These business cases should be capital investment rather than the operational activity. The trust finance and resources committee will have oversight of the business cases approved by the Trust Board.

Only in exceptional circumstances will reserves be used to support a short-term deficit. This must be approved by the Trust Board.

The trustees have deemed that 2.5% to a maximum of 5% of GAG income is an adequate level of reserve to ensure financial stability, this is in line with DfE expectations.

### **Capital reserves**

Any overall surpluses at the end of the year are carried over to the following year.

Capital reserves will be allocated in line with the priorities agreed by the Trust Board.

It is the responsibility of the CFO to keep accurate records of the capital funds, especially where grants have been received for capital projects.

## **Investments**

Investment of cash is monitored by the CFO/AO. The finance and resources committee will have oversight of all cash investments.

The level of cash held, and deployment will be reviewed and documented as part of the annual budget setting process and monitored by the CFO on a monthly basis.

Cash is held for the following purposes

- Where the organisation is growing and needs to build capacity in advance of need
- As a safety net against reduced funding to allow time for correction to the trust's cost base, paying for any short-term deficit and subsequent restructuring costs
- To allow for investment in vital infrastructure
- To meet any short-term emergencies
- Cash flow management to ensure employees and suppliers can be paid

The trust will only invest cash funds in bank accounts, no purchase of bonds, shares or other financial instruments are permitted. Funds will only be deposited with institutions after all due diligence checks have been carried out, risks assessed and Trust Board approval gained.

Investments that require an initial cash outlay i.e. spend to save or income generation opportunities will be proposed to the Trust Board, in line with our levels of authority, for approval on a case by case basis after all due diligence and risk assessments have been carried out.

All investments are recorded in sufficient detail to identify the investment and to enable the current market value to be calculated.

## **09 Payroll**

### **Payroll Administration**

The CFO maintains a list of staff employed by the trust and their current salaries, which is reviewed annually.

The trust uses the services of a payroll agent (One Education) and the contract between the trust and the agent includes:

- the responsibilities of the trust and the payroll bureau
- the responsibility for making returns to HMRC and the dates by which these returns should be made
- details of ownership of relevant software and data files
- responsibilities for the control and accuracy of data

- details of authorised signatories for payroll amendments
- back up provisions
- a schedule of reports to be sent to the trust for financial and personnel monitoring purposes
- an agreement as to the response time and costs that will be charged for any additional data or reports required by the trust
- provision for access to systems for authorised staff and auditors

The payroll agent processes the staff payroll following the variance checks made by the CFO. They do not process salary changes authorised by the person whose salary is changing. Payments are made as follows:

- net payments to staff, by BACS, to employees
- HMRC payments, by the payroll agent, to HMRC
- pensions payments, by the payroll agent to the pension's authorities
- other legally enforceable deductions (court orders) by the payroll agent to the relevant recipient
- overtime claims, as part of net payments to staff, by the payroll agent
- expense payments to employees, through the payroll system

No individual is treated as 'self-employed' without the clearance of HMRC.

All staff are paid monthly through the payroll provider. A master file is created for each employee which records:

- salary
- taxation status
- personal details
- any deductions or allowances payable
- other legal and relevant details.

Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee, authorised by the Principal and input into the payroll system by the CFO.

## **Payments**

All salary payments are made by BACS.

The finance team prepares a reconciliation between the current month and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc.

The payroll system automatically calculates the deductions due from payroll to comply with current tax and pensions legislation.

## **Salary advances**

The trust does not award salary advances.

## **Overtime**

Overtime is recorded through a timesheet by the CFO directly on to the payroll system once it has been appropriately authorised.

Claim forms must not be submitted prior to work having been undertaken.

No payments for work undertaken will be made other than via the payroll system.

## **10 Income**

The trust has responsibility for ensuring that all income due is properly accounted for. Day to day responsibility for this is delegated to the finance assistant. Income, including valuations for donated services and gifts in kind, is accounted for in accordance with the requirements set out in the academies trust handbook. Receipts are given for all amounts of non-grant income.

### **DfE grants**

The receipt of DfE grants is monitored directly by the CFO who is responsible for ensuring that all grants due to the trust are collected.

### **Other grants**

The receipt of other grants is monitored directly by finance managers who are responsible for ensuring that all grants due to the trust are collected.

### **Educational Visits**

A lead member of staff must be appointed for each educational visit to take responsibility for the collection of payments or charges due. The visit leader must complete a financial planning form for each educational visit as per the Educational Visits Operational Guidance document.

Records for pupils taking part in the visit, showing any payments made or amount due will be maintained. A record of payments for trips will be sent to the visit leader who will be responsible for chasing any outstanding payments with support from the school admin team. Students must make payments using the online cashless system - Schoolcomms.

Educational visits should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £15 per pupil is redistributed to parents. If the academy elects to subsidise the educational visit, the amount of subsidy must be approved

by the academy principal in advance of the booking being made. Any surplus below the £15 per pupil threshold will be transferred to the general trips fund and used to support access to optional activities for pupils.

### **Remission and charging policy**

Trust Boards are required by law to draw up and review a policy in respect of remission and charges arrangements. The policy should be made available to parents/guardians (see school website).

Maintained schools must provide free education for their registered students, provided it takes place wholly or mainly during school hours. The main exception is that a charge may be made for individual musical tuition, except where it is within the requirements of the National Curriculum.

Charging is permitted for education provided out of school hours, unless it is within the requirements of the National Curriculum or to fulfil statutory duties relating to religious education when only charges for board, lodging or residential trips can be made. All charges must be requested as a voluntary contribution, with no obligation for parents to contribute. In the instance that a contribution isn't paid, there will be no differentiations between those who contribute and those who do not.

### **Lettings**

All lettings are subject to a letting agreement, setting out the terms and conditions of the letting, including the agreed charge and appropriate insurance arrangements are in place.

All hiring of trust equipment and facilities must be recorded in a lettings planner or diary, the upkeep of which is the responsibility of site management staff or the business manager.

Lettings must be reviewed on a monthly basis to ensure that all lettings have been invoiced, which the finance department will generate.

Copies of the hirers up to date relevant public liability, indemnity, insurance and qualifications (where relevant e.g. H&S, first aid, instructor etc.) are kept with the letting agreements and are reviewed at least annually.

## **11 Debt**

The trust will take all reasonable measures to vigorously collect debts as part of its management of public funds control framework. A debt will be passed onto an external debt collection agency only after all reasonable measures, commensurate with the size and nature of the debt, have been taken to recover it.

The trust will observe the relevant financial regulations and guidance set out in the academies trust handbook and any other legal requirements.

## **Reporting of outstanding debt levels**

The finance assistant will ensure that the level of outstanding debt is regularly monitored.

Suitable records will be maintained to detail individual debts in order that they can be reported to the appropriate manager.

## **Debt recovery procedures**

Where payment from a debtor has not been received in advance, or 'at the point of sale', the following process should be applied:

### **Initial overdue payment reminder**

An initial reminder will be informal and can be made either in person (for example when a parent/carer comes to collect/drop off the child), or by telephone or letter. The date of the initial reminder will be recorded on the academy's management information system (MIS) and/or PS Financials.

- **Overdue payment reminder letter**

A formal reminder letter will be issued 2 weeks after the informal reminder. If action is to proceed further, it will be necessary to prove that all reasonable attempts have been made to recover the debt, and that these attempts have been made in a timely manner.

The date of the reminder letter will be recorded on the academy's SIMS/Schoolcomms.

- **Failure to respond to reminders/settle a debt**

If there is no response to the reminder letter the debtor will be invited to meet an appropriate member of staff to discuss how the debt will be settled. Failure to respond to this letter and failure to attend this meeting will result in the trust passing the debt to an external debt collection agency.

### **Negotiation of repayment terms**

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder. Arrangements for part payments may be considered by the relevant manager i.e. academy principal, but any such agreement must be strictly adhered too. Failure to meet any repayment terms will result in the debt being passed to an external debt collection agency.

The debtor will be advised that they will be required to pay in advance for all future supplies and services or the supply will no longer be available to them until the existing debt is settled in full.

### **Debtors unable to pay**

The trust may reduce or cancel a debt in certain circumstances. A sensitive approach to debt recovery will be followed, taking the following factors into account:

- Hardship – where paying the debt would cause financial hardship.
- Ill Health – where our recovery action might cause or further exacerbate existing ill health.
- Time – where the debt is so large compared to the person's income that it would take an unreasonable length of time to pay it all off.
- Cost – where the value of the debt is less than the cost of recovering it.

### **Costs of debt recovery**

Where the trust incurs material additional costs in recovering a debt then the principal and will decide whether to seek to recover such costs from the debtor. The debtor will be formally advised in writing that they will be required to pay the additional costs incurred by the trust in recovering the debt.

## **12 Purchasing**

The trust must endeavour to achieve value for money on all purchases. As a public funded entity, it is essential we follow 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.

Before making any commitments with suppliers, adequate budget must be in place and a purchase order must be sought from finance, accompanied by a signed requisition form (App 3). Some goods or services will not require a purchase order initially; therefore, these are 'out of scope' from the purchasing process. However, a purchase order will be raised retrospectively. The following is a list of goods/services that do not require a purchase order and at the discretion of the principal:

- utilities
- agency arrangements

- emergency call outs
- monthly buy back services.
- educational visits expenditure

This is not a definitive list. Advice from finance team should be sought before making any commitment. All purchases should be made in line with the levels of authority and segregation of duties.

### **13 Purchasing and Tendering Procedures**

When ordering goods or services, a requisition form **must** be completed and signed before passing to the admin team for processing. The form should clearly indicate the quantity, price quoted and any other special requirements. Orders should not be placed without following the correct procedures, unless in exceptional circumstances by the principal (App 4).

The value of the order dictates the purchasing route that the school needs to take to comply with legislation and must be adhered to (App 5). When a service or product is being quoted for between £1,000 and £10,000, three quotes need to be obtained. For goods/services over £10,000, the board must follow the full tender process (App 5).

### **14 Trading with connected and related parties**

Connected parties arise where one party has control or influence over the other, or where the parties are subject to common control. This includes parent companies and their subsidiaries, key management personnel including company directors, their close family members and other entities in which these parties have a controlling interest. Accounting standards require transactions between related parties to be disclosed in company financial statements as connected party transactions. Such transactions are permitted under company law, charity law and under the academies trust handbook provided that open and transparent procurement procedures have been followed and any potential conflicts of interest are adequately and appropriately managed.

#### **Reporting and approval of related party transactions**

The trust must report all contracts and other agreements with related parties to DfE in advance of the contract or agreement commencing, using DfE's related party on-line form as per the requirements stated in the academies trust handbook. This requirement applies to all such contracts and agreements made on or after 1 April 2019.

### **15 Goods and services for private use**

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

## **16 Insurance**

The trust has opted into the department for education's risk protection arrangements.

Staff must ensure all valuable are kept under lock and key when not being used in a supervised manner.

In the event of a claim, the first £250 for primaries and specials and £500 for secondaries of replacement cost must be funded by the academy concerned. Items under £250 (primaries) and £500 (secondary's) will receive no insurance pay out.

## **17 Gifts and Hospitality**

In order to protect all individuals associated with the trust and the reputation of the trust from accusations of bribery or corruption, all staff and trustees, must take extreme care that none of their dealings, directly or indirectly, could be deemed as a reward or benefit, in line with the Prevention of Fraud and Bribery Act 2010. This Act makes it a criminal offence to:

- offer, promise or give a bribe
- request, agree to or accept a bribe
- fail to prevent bribery by those acting on its behalf ('associated persons') to obtain or retain business or a business advantage for the organisation. Under this Act, a bribe is 'a financial or other advantage' offered, promised or given to induce a person to perform a relevant function or activity improperly, or reward them for doing so.

### **Definitions**

- A gift is any item or service, award, prize or any other benefit which is received free of charge; or personally offered at a discounted rate; or on terms not available to the general public; or which might be seen to compromise the personal judgment or integrity of the recipient.
- Hospitality is the offer of food, drink, accommodation or entertainment or the opportunity to attend any cultural or sporting event not available to the general public.

### **Dealing with gifts and hospitality**

It is the expectation for staff and trustees to exercise the utmost discretion in giving and accepting gifts and hospitality when on trust business. Particular care should be taken in respect of offers of gifts from a person or organisation that has, or is hoping to have, a contract with the trust. In any case of doubt, advice must be sought from the CEO.

Staff and trustees must not make use of their official position to further their private interests or those of others.

Staff and trustees must not accept gifts, hospitality or benefits of any kind from a third party where it might be perceived that their personal integrity is being compromised, or that the trust might be placed under an obligation.

Gifts of low intrinsic value such as promotional calendars or diaries, or small tokens of gratitude, can be accepted. If there is any doubt as to whether the acceptance of such an item is appropriate, individuals should decline the gift or refer the matter to the CEO.

It is common for appreciative parents and students to register their thanks for the work of staff in the form of a small personal gift. If these are valued at less than £30 these are perfectly acceptable without reference to senior members of staff. Where gifts valued over £30 are accepted, these should be referred to the relevant finance manager or CEO.

Hospitality such as working lunches, coffees etc. are perfectly acceptable where it is appropriate to offer or receive these in support of good relationships with visiting staff or business colleagues. Modest hospitality, provided it is reasonable in the circumstances, should be similar to the scale of hospitality which the trust as an employer would be likely to offer. These would not be added to the register. Hospitality received above this level should be recorded in the register.

If a member of staff or trustee is offered a gift or hospitality whilst involved in the procurement of goods and services, tenders for work or when liaising with anyone conducting business with the trust (other than light refreshments) it is their responsibility to discuss this with the trust CEO immediately.

If not accepting a gift might be regarded as causing offence, such as a sudden and unexpected gift or one where refusal could cause cultural offence, the item should be accepted. The matter should then be brought to the attention of the trust CEO as soon as possible who may decide to return the gift or may donate it to a charitable cause.

Examples of gifts or hospitality that should not be accepted are:

- a) cash or monetary gifts
- b) gifts or hospitality offers to a close family member
- c) gifts or hospitality from a potential supplier or tenderer in the immediate period before tenders are invited or during the tender process

- d) attendance at sporting and cultural events at the invitation of suppliers, potential suppliers or consultants. Where it is considered that there is a benefit to the trust in a member of staff or trustee attending a sponsored event, the attendance must be formally approved and registered by the trust CEO.

### **Giving gifts and hospitality**

The trust will not normally give gifts to other individuals or organisations. If gifts are given, staff must ensure that the decision is fully documented in the relevant gifts and hospitality register and that it has regard to the propriety and regularity of the use of public funds. This does not apply to the award of gifts, prizes etc. related to the achievement of pupils – e.g. attainment or merit awards.

Hospitality such as working lunches, coffees etc. and modest hospitality in the form of meals etc. are perfectly acceptable where it is appropriate to offer or receive these in support of good relationships with visiting staff or business colleagues.

### **Non-compliance**

In the case where it is believed a member of staff or trustees has not declared a gift or hospitality then a formal investigation will be instigated by the trust CEO.

If misconduct is indicated, appropriate disciplinary actions may then follow.

## **18 Fraud**

The trust does not tolerate fraud. Where instances of fraud are found the accounting officer will notify the DfE as per the academy trust handbook and pursue any necessary legal recourse.

## **19 Leasing**

Finance leases represent borrowing and are not allowed under the academy trust handbook.

Operating leases and hiring/rental agreements are permissible under the academy trust handbook.

No leased item is disposed of without the express permission of the leasing company. This includes sale, part exchange, scrapping, writing-off, donating, re-leasing, subletting or any other form of disposal.

## **20 VAT**

### **VAT 100 form**

The CFO is responsible for submitting the VAT 126 form monthly and ensures compliance with HM Revenue and Customs for claiming the correct levels of VAT including annual calculations in respect of partial exemption.

## **21 Fixed assets**

### **Asset register**

The trust includes details of all assets with a cost greater than £1,000 value, in the asset register.

The register records:

- expected useful economic life
- depreciation
- current net book value
- asset description, date of acquisition, asset cost, location.

### **Inventory of valuable assets**

The academy keeps inventory records which include:

- asset description, asset number, serial number
- date of acquisition
- asset cost
- location
- name of member of staff responsible for the asset

Items used by the academy but owned by others are included, with a note of ownership. Leased items are identified as such with the termination date of the lease.

The fixed asset register is reviewed annually to ensure depreciation calculations are correct. A sample of physical assets versus those on the fixed asset register is tested on annual basis as part of the external audit.

### **Examples of items to include on the asset register include:**

- ICT hardware and audio visual equipment
- office equipment – fax machines, shredders, vacuum cleaners
- furniture
- catering equipment
- technology equipment – sewing machines, craft machinery
- premises equipment
- other equipment – musical instruments, PE equipment

- mini buses.

## Disposals of Surplus Equipment/Stock

Proper arrangements must be made for disposal of items of equipment or stocks that are surplus to requirements or obsolete. It is important that a record of the means and price of disposal is recorded.

Arrangements should be made with the objective of obtaining the best price in accordance with the DfE guidelines. If chemical stocks are to be disposed of, the disposal must comply with COSHH guidance. If there is no resale value or having been offered they have not been sold, they may be offered initially to staff and if still not sold then disposed of as scrap or destroyed.

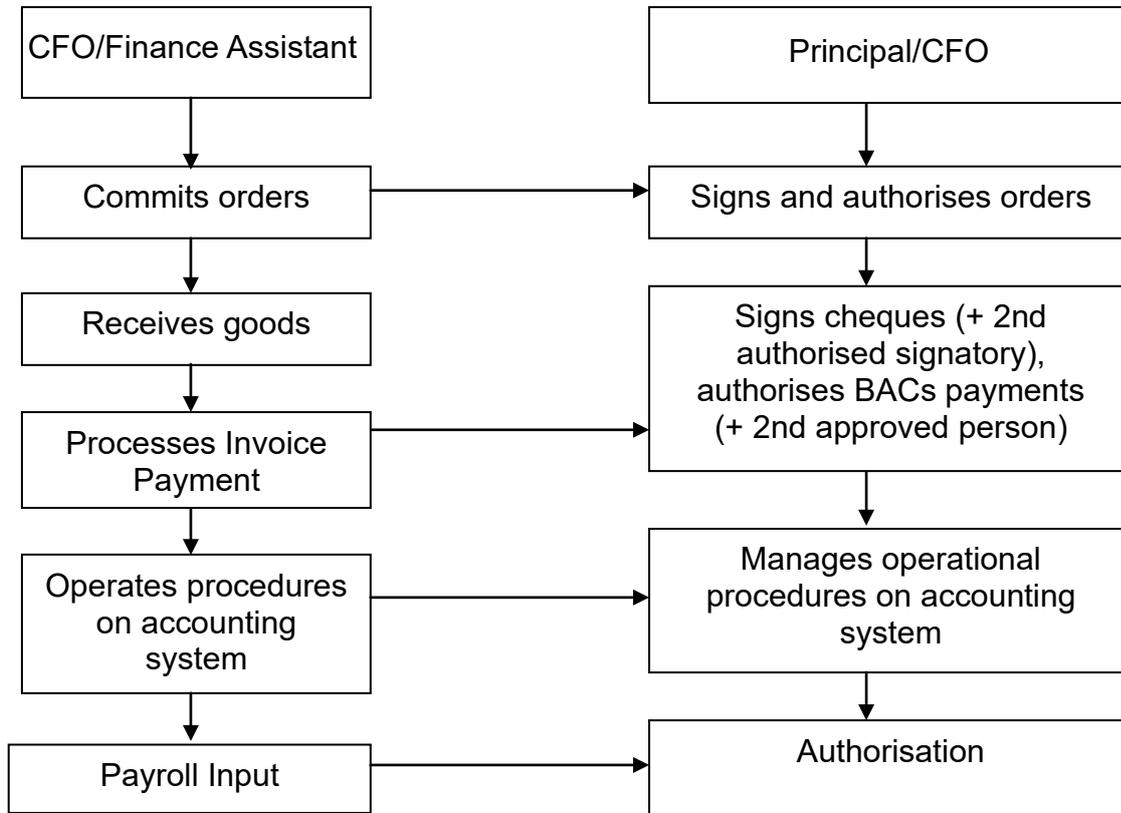
## 22 Appendices

### Appendix 1

#### Sub Committees

Committee	Date
Appeals Committee	
Appointed Governors for Principal Performance Review	
Appointments Committee	
Appointment of Principal and Assistant Principal's	
Approval of Educational Visits	
Complaints Committee	
Curriculum and Standards Committee	
Discipline/Grievance/Capability/Suspension Committee	
English	
Equality and Diversity	
Finance, Personnel and Pay/Premises, Safety and Audit Committee	
Governor Development/Training	
Health and Safety	
Mathematics	
Pay Committee	
Pupil Discipline Committee	
Responsibility for all other staff appointments	
Safeguarding	
SEND including Looked After Children	
Whistleblowing Website	

**Appendix 2**  
**Segregation of Duties**

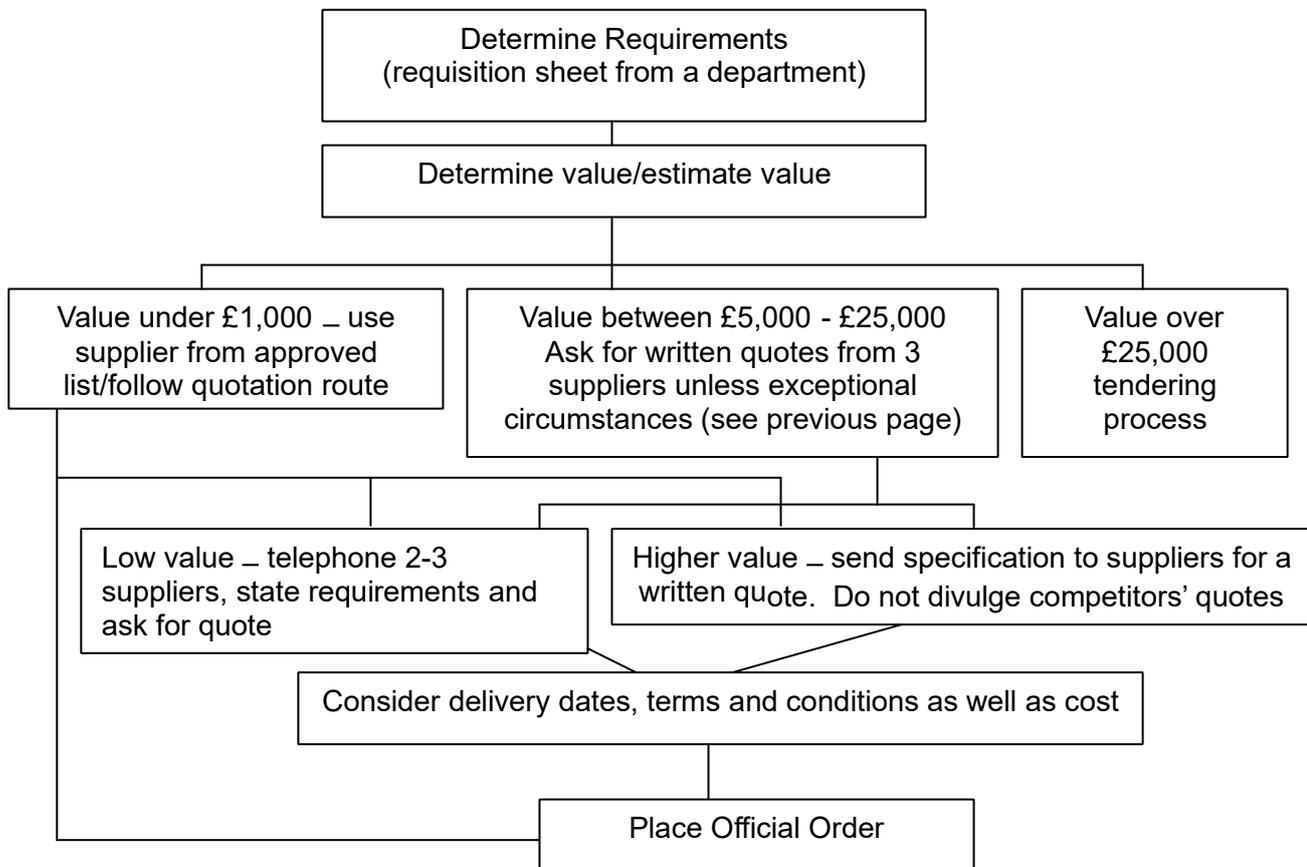


**Appendix 3**  
**Requisition Form**

<b>Ashton West End Academy</b>				
<b>REQUISITION FORM</b>				
<b>Department/Budget:</b>			<b>Date:</b>	
<b>Name and Address of Supplier:</b>				
Code	Product	Cost per Item	No. of Items	Total Cost
<b>Submitted by:</b>	<b>Order sent:</b>	<b>Total cost:</b>		

## Appendix 4

### Purchase Order Procedure



### Purchasing Process

1. Staff to complete a requisition sheet, including supplier's name, code, and description of product, cost and number of items required. If you are unsure of which suppliers to use, please contact the school administrator for assistance.
2. Orders must be in line with the SDP and there must be sufficient money in the relevant budget to cover the cost of the proposed purchase.
3. The school will only order items for school use, all items officially ordered belong to the school.
4. The member of staff responsible for authorising expenditure from the relevant curriculum area/budget must approve and sign the requisition form.
5. Approved requisition forms to be passed to the School administration for processing.
6. The school Business Manager will check prices, terms and conditions and delivery date. It is the duty of the school Business Manager to ensure that best prices are obtained.

7. The school administration office will commit the order to the finance system and produce a printed order, with an official order number.
8. Only an authorised person can sign the requisition (please remember segregation of duties). Purchase Orders do not need to be signed if the requisition is appropriately authorised.
9. The School Business Manager may make telephone or internet orders, provided step 6 has been taken. Where practicable a telephone order should be confirmed by a written order.
10. The requisition form will be retained, to accompany the purchase order and delivery note (if applicable).
11. Other than exceptional circumstances and with prior agreement from the Principal staff cannot order or purchase items without an official order number. However, Staff are permitted to purchase goods without an official purchase order, when the value is below £20 and value for money is obtained on behalf of the academy
12. Request for inspection copies must be made via the School Business Manager to avoid problems incurred when the school is invoiced and there is no record of an inspection copy having been requested or received.
13. Please be aware when ordering inspection copies that suppliers may charge handling costs which will be credited against the department budget. It is usually possible to negotiate the removal of the handling costs prior to ordering the inspection copies. This would be a task for the finance office.
14. In some instances, a purchase order will be raised retrospectively after the supply of good/services has been received. instances include but not limited to, utility supplies, catering ingredients, staffing agency supply and DIY materials. In these instances, if a requisition has not been raised, then the purchase order will be initialled/signed by an appropriately authorised officer.
15. In exceptional circumstances, the Principal has the authority to order goods or services before raising a purchase order as they have complete oversight of the budget and needs of the goods/service being ordered.



## Appendix 5

