



# Financial Policy & Scheme of Delegation

Author: Tracy Cartmel  
Adopted by (body): Board of Trustees

PROCUREMENT  
FORECASTING  
ORDERING  
FINANCE  
BUSINESS  
BUDGETING  
INVOICING  
MONEY  
INVESTMENT  
ACCOUNTS  
CAPITALISE

**Collaborate** Ability to work effectively as a team  
**Empower** Ability to take initiative and problem solve in order to improve performance  
**Lead** To lead by example and achieve shared goals  
**Transformation** Ability to recognise a need for change and adapt accordingly



## CELT Vision

---

**Our vision is for our trust to be a learning organisation in the truest sense.**

At the heart of our vision for education is a self-improving school-led system which has the best evidence-led practice and in which every child fulfils their potential. This is a learning community in which:

- Our leaders are driven by moral purpose. They are outwards focused and not afraid to take risks to achieve system transformation. The focus of policy is on continually improving the quality of teaching.
- Our teachers strive to be outstanding. They work across organisational boundaries to promote a collective sharing of knowledge, skills, expertise and experience in order to deepen pupil learning.
- The individual talents and strengths of our pupils are recognised and nurtured. A passion and curiosity for learning is sustained in every child from the moment they join us. A CELT pupil leaves our family of academies with a purpose, and the confidence to fulfil that purpose.
- Our parents are engaged in our learning community and actively work in partnership with us to raise the level of attainment and aspiration of every child.

## CELT Mission

---

**“Learning together to help every child achieve more.”**

We believe there is no limit to what every child can achieve, and that every child deserves the chance to fulfil their potential.

As a learning community we are on an ambitious journey. We want to deliver a model for education in the 21st century which instils curiosity and a love for learning in every child so that they develop into young adults who contribute to humanity, follow their passions, and think for themselves.

By learning and improving together – as part of a global learning community – we create much richer and more sustainable opportunities for rigorous transformation than can be provided by any one of our academies alone.

**COLLABORATE  
EMPOWER  
LEAD  
TRANSFORM**

Should you require further information, please contact  
The Governance Officer.

Cornwall Education Learning Trust (CELT), Atlantic Centre,  
Trenance Leisure Park, Newquay, Cornwall TR7 2LZ

Telephone: 01637 800293  
[www.celtrust.org](http://www.celtrust.org)

Email: [ccarter@gov.celtrust.org](mailto:ccarter@gov.celtrust.org)

# Contents

---

General	4
Organisation of Responsibility and Accountability	6
Register of Pecuniary Interest/Trading with Connected Parties	13
Financial Stationery & Records	14
Budgets	15
Capital Expenditure	18
Depreciation	19
Borrowing	19
Budget Virements	20
Academy Reserves	20
GAG Pooling	21
Budget Monitoring & Reporting	25
Treatment of year end balances	25
Commitments, Best Value, Contracts & Procurement	26
Receipt of Goods and Services	28
Payments	29
Operation of Official Bank Accounts	30
Petty Cash	32
Corporate Purchasing Card	33
Charity Giving	34
Income	35
Debtor Recovery and Write Off procedure	38
Taxation & Other Statutory Adjustments	42
Audit	43
Fraud Awareness, and Irregularities	44
Anti-Fraud and Corruption	46
Gifts Register	51
Investments	51
Documentation of Systems and Procedures	52
Training	52
Computing Arrangements & Systems	53
Insurances	54
Assets (including disposals)	56
Use of Academy Premises and security of stocks and other property	58
Staffing, appointments, Personnel records and Payroll Reconciliation	59
Removal & Interview Expenses	61
Staff Travel and Subsistence Claims	62
Other Academy Funds	63
Provision of Clothing	63
Declaration of business & pecuniary interests annual form	64
Appendix A - Declaration of pecuniary Interests Annual Form	67
Appendix B - Authorisation Levels	71
Appendix C - Seven principles of public life	76
Appendix D - History of changes	77

# General

1. The institution is a multi-academy trust (“the Trust”) created under the provisions of the Academies Act 2010, as amended by the Education Act 2011. Its structure of governance is constituted under the Articles of Association.
2. The Trust is an exempt charity by virtue of the Charities Act 2011.
3. The funding agreement between the funding body and the academies sets out the terms and conditions on which the grant is made. The Trustees are responsible for ensuring that conditions of grant are made. As part of this process the Trust is required to have in place sound financial systems and controls. The financial regulations of the Trust form part of this overall system of accountability.
4. These regulations shall be operated in accordance with the Academies Handbook. Authority to deal with financial management and administration will be clearly defined and effectively communicated to those who are directly involved with them. The Trust Lead shall be accountable to the Board of Trustees for ensuring the satisfactory management and administration of CELT’s financial affairs.
5. This document sets out the Trust’s financial regulations. It translates into practical guidance the broad range of policies relating to financial control. This document is approved and updated if required, on an annual basis by the Audit & Finance Committees. It applies to the Trust and all its academies.
5. These financial regulations are subordinate to the individual academies Articles of Association and to any restrictions contained within funding agreements and the Academies Handbook.
6. The purpose of these financial regulations is to provide control over the totality of the Trust’s resources and provide management with assurances that the resources are being properly applied for the achievement of the Trust’s strategic plan and business objectives on a sustainable basis, including.
  - Maintaining financial sustainability
  - Achieving value for money
  - Fulfilling its responsibility for the provision of effective financial controls over the use of public funds
  - Ensuring that the Trust complies with all relevant legislation
  - Safeguarding the assets of the Trust
  - Arrangements for Financial Administration
  - Financial Systems
  - Documentation of Systems & Procedures
7. Compliance with the financial regulations is compulsory for **all staff** connected with the Trust. A member of staff who fails to comply with the financial

regulations may be subject to disciplinary action under the Trust's disciplinary policy. Any such breach will be notified to the Trust Board by the Audit and Finance committees. It is the responsibility of school Headteachers to ensure that their staff are made aware of the existence and content of the Trust's financial regulations.

9. In exceptional circumstances, the Audit and Finance Committees may authorise a departure from the detail's provisions herein, such departure will be reported to the Board at the earliest opportunity.
10. Arrangements for financial management and administration are fully integrated into the overall management framework of CELT. The Trust Lead does not have authority to deal with financial matters otherwise than in accordance with these regulations. The Trust Lead also does not have authority to take any action which would contravene, or be likely to cause the Board of Trustees to contravene financial regulations detailed in the Academies Handbook.
11. Arrangements for the management and administration of CELT's finances should ensure that adequate provision is made to maintain a satisfactory level of cover for the absence of key staff. The Trust Lead may delegate to the appropriate Deputy Trust Lead (Operations) or Headteachers (as appropriate) the authority to make financial decisions in her absence but only within the limits allowed for the Trust Lead.
12. The Trust Lead shall seek the advice of the Board of Trustees if she/he has any doubt about the respective responsibility and authority of either party in relation to the scheme of delegation and/or financial administration or management.
13. Where action is urgently required in circumstances where the Trust Lead, or other representatives detailed in paragraph 11 in the absence of the Trust Lead, does not have delegated responsibility to act then the Trust Lead or representative must obtain specific authorisation from the Chair of Board and each such authorisation must be reported to the next meeting of the Board of Trustees.
14. The Trust Lead shall have authority to expend resources from within the budget duly approved by the Board of Trustees provided that such expenditure does not:
  - involve a change in or extension to the Board of Trustees' existing policies and/or service objectives;
  - involve a net increase in expenditure in future years;
  - conflict with any limits/controls over income and expenditure specified by the Board of Trustees;
  - involve a commitment which cannot reasonably be expected to be sustained from future budgets.

# 2

## Organisation of Responsibility and Accountability

### 2.1. Terms of reference finance, staffing & remuneration committee

#### Membership shall consist of:

- a. Not less than three Trustees.
- b. Members of the Executive Leadership Team will be non-voting Associate Members of the committee.
- c. Other Associate Members may be appointed temporarily for specific purposes.
- d. The responsibilities must be set out in the terms of reference, authorised by the Board of Trustees

#### Quorum

The quorum shall be two trustees

#### Meetings

This committee will hold meetings not less than 3 times a year to coincide with key dates in the financial reporting cycle. In addition, the Full Board will meet 3 times a year to fulfil the requirements of the Academy Trust Handbook to discharge responsibility and ensure robust governance and effective financial management. Additional meetings may be requested by the Chair of the Finance, Staffing & Remuneration Committee

#### Finance - Terms of Reference

The Finance Committee share, with the Trust Lead, Executive Leadership Team and SLTs, strategic responsibility for ensuring Best Value in relation to Trust expenditure, and that resource allocation closely matches the Trust's educational priorities set out in the Strategic Development Plan. The committee plays a vital role in creating a safe, high quality learning environment for teaching and learning, recruiting and retaining the best possible staff, and securing adequate and appropriate resources:

1. To contribute to the Strategic Development Plan and its priorities and present an annual set of approved budgets to the Board of Trustees which reflects these priorities;
2. To prepare and review financial policy statements, including consideration of long-term planning (3 to 5 years) and resourcing;
3. In line with the Trust's Scheme of Delegation, to review and approve budget virements;
4. In line with the Trust's Scheme of Delegation, to approve the costs of all major expenditure e.g. contracts and capital works for buildings and ICT;
5. To monitor the income and expenditure of all funds at all sites and report the financial situation to the Board of Trustees each half-term;
6. To agree the level of financial delegation to the Trust Lead, Deputy Trust Lead, Chief Operating Officer and other SLT's for the day-to-day financial management of the Trust;

7. To review and monitor the adequacy of the strategic processes for risk management, internal control, achieving value for money, governance and preparation of the governance statement. Where appropriate to obtain assurance on the effectiveness of these arrangements;
8. To review the Trust's annual accounts and supporting statements and recommend their approval, or otherwise, to the Trust Board;
9. To keep under review and monitor and evaluate the school's progress on the following policies:
  - Best Value
  - Financial Policy Statement & Scheme of Financial Delegation
  - Academies handbook– guidance from ESFA
10. Minutes of all meetings to be circulated to all members of the Board of Trustees.
11. Attendance of invited officers

Any relevant person employed to work at the Trust, other than as the Trust Lead and the Deputy Trust Lead (Operations) (unless the matter directly relates to the Trust Lead or Chief Operating Officer), when the subject for consideration is the pay or performance review of any person employed to work at the Trust that has a role relating to Audit & Finance.

The Trust Lead has delegated responsibility, through the Deputy Trust Lead (Operations), to oversee the daily organisation and control of budgetary matters. This includes the following: -

- (a) To ensure all sources of finance dealt with by CELT are accounted for in an overt manner with the necessary book-keeping.
- (b) To ensure procedures involving ordering, receiving and the payment of goods are within approved budgetary provision.
- (c) To ensure payments are correct and paid only once.
- (d) To ensure statutory requirements are met, for example regulations relating to HM Customs & Revenue (VAT, IR35 and the rules relating to employers) and Corporation Tax.
- (e) To ensure all processes, and particularly payments and income, are updated to CELT's financial information system accurately and promptly.
- (f) To report back initially to the Chair of Board about any matters of concern and inform the Board of Trustees, in particular, of any new initiatives from the DfE that affects the budget e.g. changes to grant funding etc Deputy Trust Lead (Operations)

All staff members should be aware and have a general responsibility for the security of the Trust's property, avoiding loss and for due economy in the use of resources. They should ensure that they are aware of the Trust's financial authority limits and the values of purchases for which quotations and tenders are required.



They shall make available any relevant records or information to the Deputy Trust Lead (Operations) or his/her authorised representative in connection with the implementation of the Trust's financial policies, these financial regulations and the systems of internal financial control. They shall immediately notify the Deputy Trust Lead (Operations) whenever any matter arises which involves, or is thought to involve, irregularities concerning, cash or property of the Trust. The Deputy Trust Lead (Operations) shall take such steps as he/she considered necessary by way of investigation and report to the board.

### **Staffing & remuneration - Terms of Reference**

The Staffing and Remuneration Committee shares, with the Trust Leads, Headteachers, SLTs and all staff, the important strategic responsibility for ensuring educational priorities set out in the Trust's Development Plan. The Committee plays a vital role in recruiting and retaining the best possible staff, ensuring that the performance of staff is reviewed annually and that all the Human Resource functions of the Trust are of the highest quality:

1. To determine the Pay Policy and Pay Appeals Policy of the Trust;
2. To approve pay scales and inflationary increases across the Trust;
3. To sit on the appeal panel for staff disciplinary/conduct and grievance hearings;
4. To recommend the criteria for redundancy for approval of the Board;
5. To approve any settlement agreement reached with employees of the Trust;
6. To make arrangements for the performance management of the Trust Leads and receive reports on the outcomes of the Trust's Performance Management Policy;
7. To participate in senior appointments within the Trust and ensure that the Trust recruits the best possible staff;
8. To provide strategic guidance and support to the Trust Leads and Headteachers in all matters relating to Staffing, Performance and Pay;
9. To keep under review and monitor and evaluate the Trust's progress on Human Resources related policies, including the following:
  - Disciplinary/Capability/Code of Conduct/Grievance (Staff)
  - Pay and Pay Appeals
  - Recruitment
  - Equal Opportunities
  - Probationary
  - Performance Management
  - Staff Absence Management and procedure relating to Sickness Absence and Leave of Absence
  - Maternity, Paternity, Adoption and Shared Parental Leave and Family Leave
  - Flexible Working
  - Staff Sabbatical
  - Redundancy and Restructure
  - Whistle Blowing
  - Cycle to Work
  - Discretions (LGPS);



10. Minutes of all meetings to be circulated to all members of the Board but these must be considered to be "Part 2 – Confidential" and not for further distribution;
11. The Staffing and Remuneration Committee has fully delegated powers from the Board to take action in respect of dismissal of staff;
12. Disqualification –

Any relevant person employed to work at the Trust, other than as a Trust Lead, when the subject for consideration is the pay or performance review of any person employed to work at the Trust.

**MEMBERSHIP OF FINANCE, STAFFING & REMUNERATION COMMITTEE: -**

Three Trustees

Trust Lead or their representative

Deputy Trust Lead (Operations)

Other members of the Trust Leadership Team as required by the Committee

**2.2. Terms of reference audit & risk committee**

**Membership shall consist of:**

- a. Not less than three Trustees.
- b. Members of the Executive Leadership Team will be non-voting Associate Members of the committee.
- c. Other Associate Members may be appointed temporarily for specific purposes.
- d. The responsibilities must be set out in the terms of reference, authorised by the Board of Trustees.
- e. The Committee shall invite the External Auditors to attend meetings as required during the year

**Quorum**

The quorum shall be two Trustees.

**Meetings**

Meetings shall be held not less than 3 times a year to coincide with key dates in the financial reporting cycle. Additional meetings may be requested by the Chair of the Audit & Risk Committee.

**Authority**

The Committee is authorised by the Board of Trustees to:

- Investigate any activity within its terms of reference
- Seek any information that it requires from any Trustee, or Employee of the Trust and its Schools
- Obtain outside legal or independent professional advice

## Terms of Reference

### Responsibilities

- a. to maintain an oversight of the Academy Trust's financial, governance, risk management and internal control systems
- b. to report findings termly and annually to the Trust Board and the Accounting Officer as a critical element of the trust's annual reporting requirements.

### Authority

- a. the Audit and Risk Committee is a Committee of the Academy Trust Board and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board.
- b. the Audit and Risk Committee is authorised to
- c. request any information it requires from any employee, external audit, internal audit, or other assurance provider.
- d. obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or the Trust Board.

### Composition

- a. the membership of the committee will comprise a minimum of 3 trustees.
- b. employees of the trust should not be audit and risk committee members, but the accounting officer and chief financial officer should attend to provide information and participate in discussions.
- c. the chair of trustees should not be chair of the audit and risk committee.
  - where the audit and risk committee is combined with another committee, employees should not participate as members when audit matters are discussed.
  - until otherwise determined by the board of trustees, a quorum shall consist of 2 members of the committee.
  - at least one member of the audit and risk committee should have recent or relevant accountancy, or audit assurance, experience.
  - any trustee may attend a meeting of the audit and risk committee, including those who are not members of the audit and risk committee.

### Reporting

The Audit and Risk Committee will:

- a. report back to the Trust Board regularly every term.
- b. provide an annual summary report provided by the internal scrutineer / auditor and areas reviewed by internal scrutiny / audit covering key findings, recommendations, and conclusions

### Coverage

The Audit and Risk Committee will:

- a. advise the board on the effectiveness and resources of the external/internal auditors or scrutineers to provide a basis for their reappointment, dismissal, retendering, or remuneration. Considerations may include:
  - b. the auditor's/scrutineer's sector expertise
  - c. their understanding of the trust and its activities
  - d. whether the audit process allows issues to be raised on a timely basis at the appropriate level
  - e. the quality of auditor/scrutineer comments and recommendations in relation to key areas
  - f. where relevant the personal authority, knowledge and integrity of audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
  - g. the auditor's/scrutineer's use of technology
  - h. ensure there is co-ordination between internal audit/scrutiny and external audit and any other review bodies that are relevant
  - i. consider the reports of the auditors/scrutineers and, when appropriate, advise the Trust Board of material control issues.
  - j. encourage a culture within the trust whereby each individual feels that he or she has a part to play in guarding the probity of the Trust, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the Board of Trustees
- provide minutes of all Audit and Risk Committee meetings for review at board meetings

### External Audit

- a. review the external auditor's plan each year
- b. review the annual report and accounts
- c. review the auditor's findings and actions taken by the trust's SLT in response to those findings
- d. produce an annual report of the committee's conclusions to advise the board of trustees and members.

### Internal Scrutiny

- a. take delegated responsibility on behalf of the board of trustees for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the Trust is complying with the overall requirements for internal scrutiny, as specified in the Academies Handbook.
- b. conduct a regular review of the risk register
- c. agree an annual programme of internal scrutiny / audit, which is objective and independent, covering systems, controls, transactions, and risks.
- d. advise the trustees on the adequacy and effectiveness of the trust's systems of internal control, governance, and risk management processes,
- e. consider the appropriateness of executive action following internal audit/internal scrutiny reviews and to advise the board on any additional or alternative steps to be taken
- f. oversee the annual review of the trust's risk register

### **MEMBERSHIP OF AUDIT & RISK COMMITTEE:**

Three Trustees

Trust Lead or their representative

Deputy Trust Lead (Operations)

Other members of the Trust Leadership Team as required by the Committee

To keep under review and monitor and evaluate the school's progress on the following policies:

- Best Value
- Finance Policy and Scheme of Financial Delegation
- Academy Trust Handbook – guidance from ESFA
- Anti-fraud Policy
- Whistle-blowing Policy

## Register of Pecuniary Interest/Trading with Connected Parties

- 3.1. According to Academies handbook a Trust must pay no more than 'cost' for goods or services provided to it by the following persons ('services' do not include services provided under a contract of employment):
- Any Member or Trustee of the Trust
  - Any individual or organisation connected to a Member or Trustee of the Trust.
  - a relative of the Member or Trustee. A relative is defined as: a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner;
  - an individual or organisation carrying on business in partnership with the Member, Trustee or a relative of the Member or Trustee;
  - a company in which a Member or the relative of a Member (taken separately or together), and/or a Trustee or the relative of a Trustee (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company;
  - an organisation which is controlled by a Member or the relative of a Member (acting separately or together), and/or a Trustee or the relative of a Trustee (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes;
  - any individual or organisation that is given the right under the Trust's Articles of Association to appoint a Member or Trustee of the academy Trust; or anybody related to such individual or organisation;
  - any individual or organisation recognised by the Secretary of State as a sponsor of the Trust; or anybody related to such individual or organisation
- 3.2. The 'at cost' requirement applies to contracts for goods and services from a connected party which exceeds £2,500.
- 3.3 As per the ESFA Academies Handbook, all related party transactions must be declared on the online portal before the goods or services take place. Any single proposed contract or agreement exceeding £20,000 and a proposed contract or agreement of any value where the total value of the contract or agreement with the same related party exceeds £20,000 in a financial year approval **MUST** be obtained from the ESFA before goods or services take place.
- 3.4 CELT will ensure that any agreement with an individual or organisation to supply goods or services to the Trust is properly procured through an open and fair process and is:
- supported by a statement of assurance from that individual or organisation to CELT confirming that their charges do not exceed the cost of the goods or services;

- 3.5. Full cost **must not** include an element of profit.
- 3.6. Each Trustee and Member of key management personnel is responsible for providing written notice to the Trust's Governance Officer of any potential related party transaction involving themselves or their immediate family member, including any additional information about the transaction that the Trust's Governance Officer may reasonably request. In addition, a full register of pecuniary interest of Members, Trustees, the Trust Lead, Executive Leadership Team, and other senior staff are held by CELT. All are required to complete a self-declaration including nil returns. All Trustees are required to declare any pecuniary interest at the start of Board of Trustees meetings. See Appendix A -

## Financial Stationery & Records

- 4.1. Financial stationery will be designed to be suitable for the purposes for which it is to be used and to incorporate adequate control features where appropriate (e.g. serial numbering, inclusion of key data such as VAT number). Safe and efficient arrangements will be made for the delivery, receipt, storage, issue and return of financial stationery. In particular, proper records will be maintained in respect of the location and movement of serially numbered stationery.
- 4.2. All financial records, including computer records, will be: -
  - (a) in a form which is consistent with standards of good operating practice for the systems to which they relate;
  - (b) subject to proper security at all times while they are in the care or custody of CELT;
  - (c) retained for periods specified by the Deputy Trust Lead (Operations), normally a minimum of seven years;
  - (d) available for inspection, at reasonable times, by those who are duly authorised to inspect them.
- 4.3. Financial records, including computer records, will be retained in suitably protective containers as follows: -
 

Income Records:

  - These include items such as receipt books, income analysis sheets and bank paying-in books. All income records will be retained for a minimum period of the current financial year plus the preceding SIX financial years.

Expenditure Records:

  - These include items such as cash books, contracts, annual accounts, copy orders, cheque books, bank statements and paid invoices. Such records will be retained for a minimum period of the current financial year plus the preceding SIX financial years. It is also recommended that files of key documents relating to major financial matters should be retained for not less than this minimum period.

# 5

## Budgets

5.1. The Deputy Trust Lead (Operations), in conjunction with the finance team, will submit for determination by the Board of Trustees a draft set of balanced budgets with a three-year high level budget plan in accordance with the policies and timetable approved by the Board of Trustees. The draft balanced budgets shall be in a form which will both meet the information requirements of the Board of Trustees and enable the information to be easily communicated to the Education Skills Funding Agency (ESFA).

5.2. Budgets will be prepared: -

- (a) in accordance with the provisions of the Academies Handbook;
- (b) within the limit of the overall grant funding received that year and approved reserve levels as appropriate;
- (c) in accordance with properly approved and clearly stated plans and policies for CELT and its Academies activities;
- (d) in a format which will meet managerial needs and be readily intelligible to users;
- (e) in accordance with sound accounting principles; these imply that financial estimates should:
  - be based on the most up-to-date and reliable information available;
  - pupil led income based on anticipated pupil numbers
  - include provision for all approved activities;
  - include provision for contingencies;
  - be arithmetically correct;
  - be consistent with recognised accounting practice;
  - meet requisite time limits;
- (f) in such a way as to facilitate the subsequent monitoring and control of actual expenditure;
- (g) in such a way that they can be related meaningfully to relevant non-financial information;
- (h) A recharge to fund central service.

5.3. Arrangements for the control of budgets will seek to ensure that: -

- (a) expenditure is maintained within approved budgetary provision and is the responsibility of the designated budget holder.
- (b) funds are expended for approved purposes only.

Such arrangements will include adequate procedures for: -

- (c) the safe comparison and monitoring of the progress of actual expenditure in relation to estimated expenditure - it is emphasised that reports of actual expenditure should be based on complete, accurate and up-to-date financial records which are properly reconciled to the bank account;
- (d) the investigation of differences (variances) between actual and estimated expenditure;



- (e) appropriate action to correct differences (variances);
- (f) the approval of changes to the budget;
- (g) the prevention of unauthorised expenditure;
- (h) The budget holders must not initiate transactions on an overspend budget or which result in a budget overspend.

The administration of such procedures implies the existence and proper operation of an accounting system which is capable of producing, for every level of budgetary control, accurate, up-to-date, timely and appropriate financial information which facilitates the comparison and monitoring of actual and estimated expenditure.

5.4. Arrangements for financial management and administration will incorporate adequate provision for the review of budgets to establish whether each Academy's delegated budget is being deployed in the most effective manner for the purpose of achieving managerial objectives.

5.5. In terms of good operational practice, the Board of Trustees recognises the legal requirements detailed within the Academies handbook and aim to discharge their duties over resource management in CELT. The following framework has been set up to:

- (a) Ensure that the Board of Trustees retains ultimate responsibility for the management of the academy budgets.
- (b) Provide procedures whereby the Trust Lead can manage the budget within the parameters laid down by the Board of Trustees.
- (c) Ensure that all parties concerned are aware of their roles and responsibilities in the financial management of CELT.

5.6. When preparing its annual budget, the Board of Trustees works within the following aims and objectives: -

- (a) To ensure that spending priorities match educational priorities at each Academy and that both reflect CELT's aims. These include maintaining teaching and non-teaching staff levels incorporating the remedial teaching allocation; supporting the charging policy; updating and replacing resources to support new initiatives and curriculum development.
- (b) To manage financial resources so that priorities in each Academy's development plan can be effectively accomplished within a framework that will meet the professional needs of staff through in-service training and purposeful appraisal.
- (c) To ensure that Health and Safety requirements are met.
- (d) To maintain and create a pleasing working environment in each Academy including a good state of decor and repair, adequate heating and lighting.
- (e) To support effective management and administrative needs.
- (f) To have due regard for the achievement of economy, efficiency and effectiveness with the finances of CELT and its Academies in order to maximise value for money.
- (g) To ensure that the budget stays within the financial allocation.

5.7. The Budget Planning Procedure is complimentary to all appropriate development plans in the short and long term, and this is crucial in the planning and preparation stages of the individual budgets in the Summer Term.

- (a) Academy sites will review curriculum needs on an annual basis and ensure spending profiles are not excessive to ensure budget funding is sustainable for the full academic year. Items of one-off high value/capital nature must receive other detailed analysis and approval.
- (b) Each Academy must review the programme of building and other development works outstanding or of priority and, based on the Board of Trustees' requirements, the Deputy Trust Lead (Operations) will incorporate provisional estimates of budgetary needs for consideration.
- (c) In consultation with staff, and especially Headteachers, the Deputy Trust Lead (Operations) and the finance team will prepare and submit a draft set of budgets for discussion with the Board of Trustees during the summer term. This includes an analysis and review of staffing needs, both teaching and non-teaching and their costs for all sites. The Board of Trustees must meet before the **30 June** in order that budgets can be finalised.
- (d) When the Board of Trustees has set the budgets for the next financial year the Education & Skills Funding Agency is notified by the deadline date.

5.8. To enable the Board of Trustees to plan reasonably for medium to long-term developments, the Trust Lead will, via the Deputy Trust Lead (Operations), submit with the draft budgets an analysis detailing the broad financial implications of foreseeable developments for the two to four years following the year for which the draft budget has been prepared. This will be largely dependent upon the reliability of the national grant funding information available at the time.

# 6

## Capital Expenditure

- 6.1. The Trust Lead may place before the Board of Trustees proposals for expenditure which are deemed to be capital expenditure by virtue of central government controls on capital expenditure. No proposal may proceed except in accordance with the Academies Handbook.
- 6.2 All individual items costing more than £5,000 and with an expected useful life exceeding one year are capitalised and must be entered in an asset register at each constituent academy. See section 32 Assets (including Disposal)
- 6.3. The Board of Trustees have delegated the authority to the Trust Lead and Deputy Trust Lead (Operations) to determine the application of the School Condition Allocation Funding. Spending approval can be agreed within the following limits: -
- Up to £25,000 – Deputy Trust Lead (Operations)
  - Between £25,001 to £50,000 – Deputy Trust Lead (Operations) and Trust Lead
  - Over £50,001 Estates Committee
- 6.4. The criteria for SCA projects will encompass one or more of the following areas (this list is not exclusive):
- Health and safety/compliance issues;
  - Safeguarding;
  - Value for Money;
  - Impact on pupil outcomes;
  - Long term financial savings;
  - Ability to complete project within the School Condition Allocation funding cycle (April to March);
  - Contribution towards achieving Academy Improvement Plan;
  - Addressing risks on Trust and/or academy risk registers;
  - Contribution towards achieving corporate objectives;
  - Additional Financial contribution from academy as appropriate
- 6.5 Routine updates of the use of SCA will be reported to the Estates, IT and Climate Emergency Committee as required.

# 7

## Depreciation

- 7.1 Depreciation is charged on a straight-line basis beginning in the year in which the asset is brought into use, at the following annual rates:
- |                                   |                 |
|-----------------------------------|-----------------|
| - Freehold building               | 2 % p.a.        |
| - Leasehold building              | 2 % p.a.        |
| - Land                            | no depreciation |
| - Assets under construction       | no depreciation |
| - Motor vehicles                  | 20% p.a.        |
| - Furniture and equipment         | 25% p.a.        |
| - Computer equipment and software | 25% p.a.        |
- 7.2 Where fixed assets have been acquired with the aid of specific grants, they are included in the balance sheet at cost and are depreciated following the same rates as above. The related grants are credited to a restricted fixed asset fund (on the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.
- 7.3 Grants provided to acquire fixed assets may be paid either to CELT or directly to meet the cost of the fixed asset. Where costs have been paid directly and are part of the capital project, they have been recognised as restricted fixed asset funding.
- 7.4 Leased assets - rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

# 8

## Borrowing

- 8.1. Trade credit is the only form of borrowing permitted by the ESFA without prior approval.
- 8.2. ESFA's approval must be obtained for the following leasing transactions:
- taking up a finance lease on any class of asset for any duration from another party
  - taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years
  - granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party
- 8.3. CELT will ensure that the principles of value for money, regularity and propriety must be demonstrated when taking on a lease irrelevant whether ESFA's approval is required.

# 9

## Budget Virements

- 9.1 The Trust Lead may authorise the virement of funds within the approved budget provided that: -
- (a) each virement is within limits specified by the Board of Trustees and
  - (b) is for the purpose which are consistent with the Board of Trustees' policies
  - (c) Headteachers are allowed to vire between the approved budget lines excluding reserves and a movement in excess of 5%. Virement from reserves require approval from the Trust Lead and Deputy Trust Lead (Operations) and Board of Trustees as within the limits below.
  - (d) The Trust Lead and Deputy Trust Lead (Operations) are empowered to vire funds from reserves in any one calendar month up to £20,000 or movement of above 5% of the agreed budget, per academy provided both are in agreement. Virement of sums greater than this must be approved by the Finance Committee.

The Trust Lead and Deputy Trust Lead (Operations) shall not utilise any portion of any credit balances brought forward from one financial year to another or of any contingency provision within the budget without: -

- (e) The prior authorisation of the Board of Trustees, subject to the limits above.
- (f) In circumstances of urgency, the approval of the Chair of Board and that approval is reported back to the Board of Trustees at the next meeting.

# 10

## Academy Reserves

- 10.1. Academy reserves are reviewed at least annually - this normally being at the budget setting time i.e. June, although in practice close observation is kept on reserve and other balances throughout the year.
- 10.2. Movement to or from one or more specific reserves must be approved by the Board of Trustees and recorded in the minutes.
- 10.3. General reserves of 3% of annual grant funding income is to be held as a minimum per school as agreed by the Finance Committees but working towards 5% across the Trust. Any school with less than 5% reserves is not permitted to draw from these reserves without permission from Lisa Mannall.

## GAG Pooling

Under the provisions of the Academies Handbook, trusts are eligible to amalgamate a proportion of their General Annual Grant (GAG) funding, for their academies to form one consolidated GAG Pool. This GAG Pool can then be used to meet the normal running costs at any of the Trust's constituent academies (i.e. education budgets) and the operational budget (i.e. estates, ICT, finance etc). In accordance with its funding agreement a MAT must not pool PFI funding" (Section 5.29)

GAG funding excludes any capital funding (i.e. School Condition Allocation, Devolved Formula Capital) as these are held centrally and separately dealt with in the Estates and ICT strategy. This policy excludes any operational ("commercial/fundraising/donations/non-educational") income as these are held centrally and separately dealt with in the Income Generation strategy.

Only the following components of revenue income will be pooled from the General Annual Grant (GAG) allocation (as per the annual GAG statements)

- AWPU Factor 1
- Lump Sum

Where a constituent academy is funded on estimated funding; the academy is still included within the GAG pooling arrangement; but only to the amount that is not estimated (i.e. the amount of GAG included is that based on the census rather than the estimated number of pupils). The estimated amount of GAG income is recognised directly in the constituent academy.

For all academies included within the GAG pooling arrangement, the following components of revenue income, and included in the academy education budgets, are **excluded** from the pooling arrangement:

- PFI funding
- Sports & PE grant funding
- PP funding
- All other ESFA income not noted above
- All LA income
- All other income specifically generated for local education needs (e.g. local donations)

CELT will consider the funding needs and allocations of each constituent academy, with an appeals process outlined within this section of the finance policy document. Each constituent academy receives a GAG allocation statements, other funding allocations and income remittance documentation that confirm funding figures. These sources of information will be used to determine the amount of income to be GAG pooled.

During the budgeting process each year, the finance team work with school leaders to prepare a budget, which will be scrutinised by the Executive Leadership Team. The

budgets will be reviewed alongside the various funding allocation documentation. Included as part of the budget process will be the setting of the CELT School Improvement Fund. This fund is dedicated 100% to trust wide initiatives or specific local academy improvement. Allocations and use of the fund will be decided upon by the Executive Leadership Team, in association with the Secondary and Primary Headteachers through the School Improvement meeting structure.

### **Reserves**

CELT has established a reserves policy to protect its activities by providing a financial comfort zone against an unpredictable financial environment and to make sufficient provision for future cash flow requirements and capital procurement. The Reserves policy also provides the framework for future strategic planning and decision-making and restricts the impact of any risk upon the continuing operations of CELT.

Currently CELT requires all schools to maintain 5% reserves plus specific reserves. All other reserves are held centrally in the CELT central reserves.

### **Treatment of in-year surplus**

Where a constituent academy generates an in-year surplus, 5% of the surplus will be retained by the academy in the form of a carry forward revenue balance. The remaining percentage will be transferred into the CELT central revenue reserves. To ensure funds are spent on the pupils whom are currently educated by CELT the carry forward balance must be fully utilised by the constituent academy in the proceeding financial period unless agreed for specific reserves for contingency and long-term planning by the Executive Leadership Team.

### **Treatment of in Year deficits**

- All budgets that indicate an in-year deficit must be approved in line with CELT's financial scheme of delegation and agreement reached on the approach to the deficit which may include no requirement that the in-year revenue deficit be repaid in following year.
- Any unplanned deficit will however be examined by the Executive Leadership Team; and if required this will be dealt with through CELT's performance management process.



## Appeals

The Academies Handbook stipulates that there must be an appeal process in place for constituent academies:

“The MAT must consider the funding needs and allocations of each constituent academy, and must have an appeals mechanism. If a constituent academy’s principal feels the academy has been unfairly treated, they should appeal to the trust. If the grievance is not resolved, they can appeal to the Secretary of State, via ESFA, whose decision will be final and who can dis-apply the pooling provisions.” (Section 5.30) The process for a constituent academy to appeal is as follows:

- The Headteacher writes to the Trust Lead to outline why the academy has been unfairly treated as part of this arrangement and what action they expect to be taken to rectify it.
- The Executive Leadership team will review each academy appeal on an individual academy and Trust wide basis and reply to the constituent academy within 10 days of receipt of the appeal.
- Should the Headteacher feel that their academy has still been unfairly treated by the Trust Lead, they have the right to appeal to the Finance Committee/ Board of Trustees. The Finance Committee/Board of Trustees will discuss this at the next meeting and write back to the academy within 10 days of that meeting.
- Should the Headteacher still feel that their school has been unfairly treated by the Finance Committee/Board of Trustees, they have the right to appeal to the Secretary of State. The decision by the Secretary of State will be final.

### **Brought forward reserves to be pooled for CELT**

For all of the constituent academies, CELT will pool all reserves brought forward as at 1 September of each academic year that relate to each of the income streams from the GAG allocation statement, those reserves from operational/commercial activities and those unrestricted reserves above 5%. All of the other funds brought forward will remain within each of the constituent academies.

### **Schools joining CELT and treatment of reserves**

On conversion or transfer into CELT, all funds (surplus or deficit) relating to income streams will form part of the GAG pooling arrangement. Unrestricted reserves above 5% will be pooled.

All other balances will remain with the constituent school/academy joining and will not form part of the pooling arrangement, unless specifically agreed as part of the legal conversion or transfer documentation (e.g. CELT agrees to use part of the surplus reserves to fund a particular project on conversion or transfer).

Where balances are transferred into CELT and do form part of a legal or transfer document, the balance will be managed and reported in line with that legal conversion or transfer documentation.

### **Academies leaving CELT and treatment of reserves**

If CELT is in a surplus restricted revenue reserve position

- If a constituent academy leaving CELT has a deficit revenue balance, from the non-GAG pooled restricted revenue income, the constituent academy will leave CELT with that deficit revenue balance.
- If a constituent academy leaving CELT has a surplus revenue balance, from the non-GAG pooled restricted revenue income, the constituent academy will leave CELT with that surplus revenue balance.

If CELT is in a deficit restricted revenue reserve position

- If a constituent academy leaving CELT has a deficit revenue balance, from the non-GAG pooled restricted revenue income, CELT will calculate the constituent academy's share of the GAG pooled deficit revenue balance, which will be added to the deficit revenue balance that the constituent academy will leave CELT with. The calculation of the constituent academy's share will be based on pupil numbers. For example, if the constituent academy leaving CELT has 500 pupils and CELT as a whole has 5,000 pupils (including the constituent academy leaving CELT), the constituent academy's share of the GAG Pooled deficit revenue position will equate to 10%.
- If a constituent academy leaving CELT has a surplus revenue balance, from the non-GAG pooled restricted revenue income, CELT will calculate the constituent academy's share of the GAG pooled deficit revenue balance, which will be deducted from the surplus revenue balance that the constituent academy will leave CELT with. The calculation of the constituent academy's share will be based on pupil numbers. For example, if the constituent academy leaving CELT has 700 pupils and CELT as a whole has 7,000 pupils (including the constituent academy leaving CELT), the constituent academy's share of the GAG Pooled deficit revenue position will equate to 10%.

# 12

## Budget Monitoring & Reporting

12.1 All budgets and other funds shall be continually monitored by the Trust Lead, Deputy Trust Lead (Operations), and Chief Financial Officer the local accounting and payments system will assist in this matter. In addition, the Chief Financial Officer will manage the reconciliation and analysis of the monthly budget statement produced directly from the accounting system. This will be normally undertaken once the payroll data for the corresponding month has been reconciled. All background papers are retained on a month by month basis in case of future reference.

The Chief Financial Officer will present a sufficiently detailed budget monitoring report to the Trust Lead and Board of Trustees on at least a half-termly basis. This enables the Board of Trustees to ensure that their agreed terms of reference regarding financial matters, and especially expenditure is adhered to.

A monthly budget monitoring report, cash flow forecast and balance sheet will be sent to the Chair of the Board as required by the ESFA Academy Financial handbook.

The latest financial review will always be a key matter of the Board of Trustees meetings although the level of debate and consultation may vary depending on the time of year and extent of relevant issues.

12.2. The Trust Lead with the assistance of the Deputy Trust Lead (Operations) and Chief Financial Officer will provide the Board of Trustees with such explanations as they may require in connection with expenditure from each of the Academy's delegated and other budgets.

12.3. The Trust Lead shall inform the Chair of Board immediately if it becomes apparent that the budget is likely to incur a deficit at the end of the financial year.

# 13

## Treatment of year end balances

13.1 At the year end, budget holders will **not** normally have the authority to carry forward a balance on their budget in the following year unless the budget holder can demonstrate the budget is required for the completion of a specific project that spans the financial year end.

13.2 The Trust Lead in conjunction with the Deputy Trust Lead (Operations) will determine any request to carry funds forward. They will seek approval of the Finance Committee to carry forward the funds into the next financial year.

# 14

## Commitments, Best Value, Contracts & Procurement

- 14.1. The Trust Lead shall have proper regard to the legality of commitments entered into, in the exercise of the delegated authority and if there is any doubt about legality the Trust Lead shall consult one or more of the Education & Skills Funding Agency, CELT auditors, CELT legal advisor, and other relevant professionals.
- 14.2. The Trust Lead will have due regard for the achievement of Best Value in the operation of financial management and administration and shall ensure that the need for this is suitably notified to all staff.
- 14.3. The Board of Trustees has adopted a code of practice to be followed by any persons involved in making arrangements on behalf of the Board of Trustees for the letting of contracts. This code of practice promotes value for money, secure propriety and minimises the risk of corruption.
- 14.4. In accordance with guidance it is always prudent to obtain 3 quotes for all purchases but as a minimum we require: -  
Low value procurement up to £2,500 one verbal quote is required  
Procurement between £2,501 to £10,000:  
A minimum of **one** written quotation will be obtained from a supplier. The purchase order form will specify the services, supplies or works to be provided and set out the price and terms of payment. The quote should be kept securely for future reference and where possible saved and linked to the order on accounting system.

Intermediate value procurement over £10,001 to £50,000: For Intermediate Value Procurements, written quotes will be invited from at least **three suppliers**. **Where less than three quotes are returned the Deputy Trust Lead will assess whether to proceed through consideration of urgency of procurement and best value requirements. If deemed acceptable approval of the preferred supplier quote will be given as authority to proceed.** In exceptional circumstances (e.g. a risk to health or safety, or limited specialist suppliers) and with authority from the Trust Lead, or Deputy Trust Lead (Operations), a lower number of written quotes may be accepted.

High value procurement over £50,000 up to the Procurement Thresholds: For High Value Procurements, tenders will be invited from at least three suppliers. The Deputy Trust Lead (Operations) must consider whether there would be a benefit to CELT in inviting more than three suppliers. **Where less than three quotes are returned the Deputy Trust Lead will assess whether to proceed through consideration of urgency of procurement and best value requirements. If deemed acceptable approval of the preferred supplier quote will be given as authority to proceed.** For building projects over £100,000 a quantity survey will be commissioned as below.

If a quotation other than the lowest is accepted the reasons should be reported to the Board of Trustees. The tender process can only be by-passed if there are exceptional circumstances where by obtaining three quotes is very problematic, due to lack of companies available with the specialist knowledge and skills required, complexity of the project or time constraints. In addition, where the trust have been unable to obtain three quotes, for all building projects over £100k, a quantity surveyor is to be commissioned to act as the trusts employer to ensure the quality of the pricing from the companies/s meets the current market value. This is only to be used in extraordinary situations. This must be signed off by the Trust Lead and Deputy Trust Lead.

**Procurement Thresholds:**

**The Board of Trustees recognises that the Public Contracts Regulations sets the value of contracts above which tenders must be published in the Find a Tender (<https://www.find-tender.service.gov.uk/Search.>) The Cabinet Office has published Procurement Policy Note 08/20 – Introduction of Find a Tender which applies to public authorities including Academies.**

**These values are known as the “thresholds” and refer to the total value of the contract. They are NOT annual values. The directive sets out detailed procedures for the award of contracts whose value equals or exceeds specific thresholds. Thresholds are reviewed annually and the Deputy Trust Lead (Operations) is required to ensure any large value procurement schemes comply with the appropriate directive.**

- 14.5. It is a prerequisite of the Procurement Process before placing any order to ensure that CELT is getting value for money. Where possible and appropriate tenders/quotes as per value of procurement are sought and catalogues compared. Once undertaken: -
- (a) Budget holders complete a requisition (either electronically on the accounting system or pre-printed stationery).
  - (b) The Finance teams are the only members of staff authorised to raise a purchase order.
  - (c) Official written, pre-numbered orders are used for all goods and services except utilities, rates, leases, inspection books, and services purchased via an approved Service Level Agreement (SLA), and a file/electronic record is kept of all copy orders. The Finance staff raise a purchase order on the accounting system.
  - (d) Individuals are not allowed to purchase any items for **personal use** through CELT.
  - (e) The purchase order is authorised by an approved member of staff as per the scheme of delegation (Appendix B) and then despatched. This is subject to separation of duty requirements with subsequent payments authorisation and release (BACS or cheques to be processed centrally).

- (f) If urgency requires a verbal order, this should be followed up as soon as possible by a written confirmatory order.
- (g) Monitoring of the current commitments and expenditure for the budget is built into the accounting system and automatically reviewed when placing and invoicing orders.
  
- (l) Checks are undertaken to ensure compliance with HMRC requirements concerning self-employment status and IR35. A copy of the HMRC employment status record completed by engager and CELT self-employed form must be completed by the worker and kept with the finance office.

#### 14.6 Authorisation of Orders

CELT Executive staff and/or Academy Leadership teams may authorise orders in accordance with approved annual budgets shown in **Appendix B**.

## Receipt of Goods and Services

- 15.1. When the budget is set, funds are allocated to clearly defined departments in order to monitor expenditure.
- 15.2. Upon delivery of general purchases, the appropriate member of staff checks the items off against the delivery note which is retained to be checked against the official payment invoice.
- 15.3. On delivery to departments the goods must be checked within **24 hours** and errors/defects etc. reported to the appropriate Finance team/supplier immediately.
- 15.4. All invoices are authorised as goods/services received by the appropriate budget holder before the invoice is authorised for payment and payment released as per **Appendix B**.
- 15.5 In emergency situations the Trust Lead or Deputy Trust Lead (Operations) may permit a change to the finance procedures.

# 16

## Payments

- 16.1. The Trust Lead, and those delegated by them, has authority, subject to the provisions of the scheme of delegation, to make payments on behalf of the Board of Trustees from Academy budgets. In the exercise of the authority the Trust Lead shall ensure that arrangements for the making of payments comply with the schedule of financial limits as per **Appendix B**.
- 16.2. Systems for making payments should incorporate suitable controls designed to ensure in respect of all payments that: -
- (a) commitment to them is made in accordance with approved procedures and within approved budgetary provision;
  - (b) adequate supporting records are completed at all stages and are retained safely for the purpose of protecting CELT and Trustees' interests;
  - (c) they are properly payable;
  - (d) they are correct in all respects;
  - (e) they are passed for payment in a timely fashion and in accordance with approved authorisation and processing procedures;
  - (f) they are paid only once;
  - (g) all statutory requirements are met;
  - (h) they are promptly and accurately recorded in CELT's financial information system.
- 16.3. On receipt the appropriate Finance team will notate the date received for the payment practices requirement. The invoice is passed to the appropriate budget holder who verifies against the original order/delivery note and annotates goods received. The invoice is then passed to the appropriate Finance team for processing on the accounting system.
- 16.4. Direct Debit mandates must be authorised by two approved bank signatories in accordance with the bank mandate. Direct debits generally cover utilities, rates, telecommunications, payroll and lease charges. Full supporting documentation must be obtained to support transactions i.e. invoices and payment schedules. The invoice should be authorised for payment as per the scheme of delegation/summary of financial limits **Appendix B**. Direct debit paperwork should be filed separately, ideally in supplier order, including copies of the original/amended DD mandate documentation.



- 16.5 Staff reimbursements - The Trust's purchasing and payment procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without staff having to incur any personal expenses. However, on occasions, staff may incur expenses as saving can be made compared to using the suppliers and credit card processes. This method of payment must only be used as a last resort and prior approval must be obtained from their budget holder before staff incur costs. Staff must obtain full VAT receipts with all goods, and attach to the approval form as this may render the reimbursement invalid. These forms must be authorised by the budget holder and a member of SLT before payment can be made. Staff reimbursements must be made within a reasonable time limit and within the financial year/academic year the purchase took place.
- 16.6 In emergency situations the Trust Lead, Deputy Trust Lead (Operations) or Chief Financial Officer may permit a change to the finance procedures.

## Operation of Official Bank Accounts

17. The Trust Lead will, on behalf of the Board of Trustees, and through the Deputy Trust Lead (Operations) operate CELT bank accounts in which official monies are held, in accordance with agreed arrangements: -
- (a) Official bank accounts will be held in the name of CELT and must not be opened in the name of any individual.
  - (b) Authority to order, sign, or countermand BACS or cheques is restricted to an approved list of staff as per **Appendix B**
  - (c) In respect of transactions other than remuneration of staff, all cheques/ BACS, or other withdrawals, above a predetermined limit should be authorised by two approved signatories and the bank should be notified accordingly as per **Appendix B**.
  - (d) No authorised signatory should sign a BACS or cheque payable to himself/herself. Each BACS/cheque payable to an authorised signatory should be signed independently of the payee. (This may need to be varied in emergency circumstances.)
  - (e) Instructions to the bank concerning the account should be conveyed in writing and authority to give instructions should be restricted to the approved manager or, in his/her absence, an approved deputy.
  - (f) No cash withdrawal should exceed a predetermined limit and the bank should be instructed accordingly.
  - (g) The amount of CELT's official funds held as cash should not exceed a predetermined limit; additionally, the balance of all official funds not held as cash should be held in CELT's bank account.

- (h) The balance of money per the bank's official statement should be reconciled with CELT's cash book records weekly; the results of each reconciliation should be recorded and reported promptly to the Deputy Trust Lead (Operations) 's representative.
- (i) Official monies should not be withheld for the private use of any person and personal cheques should not be cashed from official monies.
- (j) The BACS process is managed by the finance team using Lloyds Commercial, the process can be completed by the approved staff as per **Appendix B**.

17.2. The process of cheque issue is as follows: -

- (a) All cheques are stored in a locked safe in a locked store, access to which is further protected by locked doors outside of normal opening times. Only a small stock is retrieved each time and unused stock is returned to the safe immediately after use. For security purposes no cheques will be pre-signed.
- (b) After the cheque for payment is printed, the details are entered on the invoice certification stamp.
- (c) All cheques drawn on CELT Account are crossed "account payee only":  
Cheques and BACS payments authorisation is as **Appendix B**.
- (d) The invoice and order copy if applicable is attached to the cheque stub/  
BACS paperwork and numerically filed/date filed for a retention period of six years plus the current year.
- (e) Cheques and BACS that have been presented for payment are reconciled via the weekly bank statements. These are reconciled against the accounting system by the CELT Finance team. The reconciliation process is reviewed by the Chief Financial Officer who certifies the copy taken of the current balance. All paperwork is filed chronologically with the official bank statement.

17.3. Cheque stationery is ordered by the Finance Team. Cheque stationery is re-ordered only when approximately 6 months of the existing stock level remains.

17.4. With regard to other banking arrangements, in order to maximise interest on its account, CELT, through the Deputy Trust Lead (Operations), may transfer funds into accounts approved by the Board of Trustees. These are currently:

- Lloyds Current Account
- Lloyds High Interest Account
- Fixed Term Deposit/s

Guidance on the operation of these and other investment vehicles may be sought from the Academies approved banker (Lloyds) and their nominated representatives e.g. Relationship Manager, however, no change in investment approach is allowed without approval of the Board of Trustees.

17.5. Security of cash is covered under section 30.6 – Insurance

## Petty Cash

- 18.1. The Chief Financial Officer, through the Finance team, shall make arrangements for any advance of petty cash to be operated in accordance with the Board of Trustees' approved Schedule of Financial Limits as per **Appendix B**.
- 18.2. Procedures for the use of petty cash should meet the general requirements below: -
- (a) petty cash records plus cash balances (in hand or at a bank) should be reconciled to the value of the total petty cash advance; (petty cash should be reconciled at least twice a year and checked by the finance team.)
  - (b) petty cash should generally be used only for small, incidental purchases of less than £10 for which routine credit is not available;
  - (c) remuneration of employees should not be disbursed from petty cash except for out of pocket expenses and supported by proper receipts and documentation.
  - (d) all claims for petty cash should be countersigned by the appropriate budget holder, or if the budget holder is making a claim the appropriate line manager, before submission to the finance office.
- 18.3. The Board of Trustees agree the limits for petty cash on an annual basis, as per **Appendix B**. Cheques for petty cash are drawn from the CELT bank account to bring the outstanding balance up to the maximum of each **petty cash account only**. A cheque for cash is raised through the accounting system which is then cashed at the local branch of Lloyds. Petty Cash tins must be locked and be kept in a secure location at all times. Departments must allow **two weeks** for refunds to be processed and the petty cash tin to be topped up.
- 18.4. Access to petty cash is limited to authorised personnel only. The Finance team are responsible for recording all entries of reimbursements and expenditure in the accounting system based on authorised claims submitted by petty cash holders.
- 18.5. Budget holders are not permitted to authorise petty cash payments to themselves. If a budget holder wishes to claim reimbursement, authorisation must be given by the appropriate line manager or if a higher seniority is required a member of the Academy's SLT, after satisfying themselves that a reimbursement claim is genuine.
- 18.6. The Chief Financial Officer, via the CELT Finance Team, oversees that all transactions relating to petty cash are entered into CELT's computerised accounting system.
- 18.7. Checks are made to ensure that the petty cash balance recorded and physical cash agree.

## Corporate Purchasing Card

- 19.1 The Deputy Trust Lead (Operations) is responsible for the approval and financial limits set for each purchase cards within each academy and staff must follow the practice guidance below:
- 19.2 Cards are not to be used as the first option instead of full orders and invoicing etc. Budget holders are advised not to rely on the card as a 'get out of jail' card due to a slip up in pre-planning of orders. All corporate cards have limits (single item and total card) and once either is reached the card is blocked for use.
- 19.3 Cards should only be used if approval is obtained before use and within the approved budget, it is now accepted as a use to procure goods and services on-line (i.e. internet or telephone) where best value principles apply.
- 19.4 Cards should only be used when the saving on the purchase is significant and standard ordering procedures would not facilitate the same result (but! see VAT reference below)
- 19.5 Official invoice paperwork including full supplier VAT registration information (often provided at the time goods are delivered, or are issued as email confirmation when goods are ordered on-line) must be received. Where this is not supplied or incomplete VAT cannot be reclaimed on those purchases and the extra 20% will be charged to departmental budgets. VAT invoices require as a minimum - supplier name, address, VAT number, VAT rate applied, Net amount and VAT amount shown.
- 19.6 **Budget holders must make sure that the goods are best value i.e. look into at least three different suppliers and check whether there are postal/delivery charges on top.** These can sometimes be significant. Budget holders must keep copies of any comparisons with the purchase request paperwork to satisfy Auditors that best value is being achieved.
- 19.7 Once a best value supplier (note: this doesn't always mean cheapest!) is identified enquiries should be made as to whether official orders rather than corporate purchasing cards have to be used and, if planned well in advance, official account credit facilities with suppliers can be opened thus allowing normal ordering procedures to be used.
- 19.8 Budget holders must satisfy themselves about the reliability and trustworthiness of suppliers including matters like warranty and returns options in case goods are faulty or not as expected. Once suppliers have taken payment it is not easy to get it back. Standard ordering procedures allow us to retain control for payment of goods and services supplied.
- 19.9 Authorised signatories are required, and the forms must be signed by the person requesting the goods, the budget holder and authorised member of the Leadership Team. Each school has an approved limit for expenditure.

20.1 No charity collection is to be made in the name of Cornwall Education Learning Trust or on the premises of Cornwall Education Learning Trust without the expressed authorisation of the relevant Headteachers for each site.

The charity organiser may choose to collect all the funds and bank directly into the charity account or collect via ParentPay with the charity bank account on the system to enable direct payment, final option to follow the procedure below. All records for the collections must be kept ensuring transparency and if required for audit purposes.

- No approval for any charity collection can be made without receipt of a completed Charity Collection Authorisation Form.
- All charity collection income shall be counted at the end of the collection by a minimum of two people to safeguard the staff, or at least daily and passed to the Finance Office for safekeeping prior to banking.
- All Charity Collection income shall be banked intact.
- Any relevant related expenses for an approved Charity Collection are to be made under existing CELT payment regulations.
- The net amount for each charity collection (amount collected less any relevant expenses) will be paid to the relevant charity as per payee details on the completed Charity Collection Authorisation Form.

## Income

- 21.1. The Trust Lead, through the Deputy Trust Lead (Operations), will annually prepare for consideration by the Board of Trustees proposals for revising the charges which may be levied in connection with letting all or part of CELT premises.
- 21.2. The Trust Lead will have authority to administer CELT's income subject to the provisions of the scheme of delegation and Schedule of Financial Limits.
- 21.3. Arrangements for dealing with income should incorporate suitable controls designed to ensure in respect of income that: -
- (a) adequate records are maintained to substantiate all income transactions;
  - (b) receipts are issued for all cash income received;
  - (c) prudent terms for credit are approved and communicated to debtors and satisfactory procedures (including, where necessary, withdrawal of credit facilities) are adopted for dealing with breaches of terms;
  - (d) invoices are raised in respect of all credit income and all such income is collected in accordance with approved instructions;
  - (e) all income received at CELT's premises is held securely and banked promptly and intact;
  - (f) amounts due are calculated in accordance with approved charging and lettings policies which include provision for annual review of charges;
  - (g) where special conditions apply to the use or receipt of income, such conditions are adhered to;
  - (h) income is not withheld for any purpose, including personal use;
  - (i) every person paying money into a bank account shall enter on the paying-in slip and on the counterfoil or duplicate thereof, particulars of such payment including, in the case of each cheque, particulars which will connect each cheque to the transaction to which it relates;
  - (j) all income transactions are recorded promptly and accurately in CELT's financial information system;
  - (k) income due is not written off unless the write-off is properly authorised in accordance with approved policies.
- 21.4 Cash and cheque handling procedure. It is recommended that ParentPay is used by parents to pay for catering/curriculum trips/optional trips/music lessons/budget sales etc. However, if cash or cheques are collected the procedure to ensure income is coded correctly within the finance system and budgets is detailed below:

All cash must be receipted in full and taken to the finance office as soon as possible. All cash must be bagged and labelled. Bags can be collected from the finance office. Where possible full bags of coins should be separated. Any discrepancies will be noted and information passed back to the budget holder.

Cheques may be made payable to the following, as appropriate: -

- Cornwall Education Learning Trust
- CELT
- Newquay Tretherras
- Brannel School
- Penrice Academy
- Poltair School
- Pondhu Primary School
- Newquay Junior Academy
- Newquay Primary Academy
- St Mewan
- Mount Charles School
- Carclaze Community Primary School
- Fowey Primary School
- Lostwithiel School
- Mevagissey Community Primary School
- Luxulyan School

Information which must be recorded in the finance office receipt book: -

- Department sales with name of budget (code). e.g. sale of revision guides, calculators etc.
- Curriculum trips with name of budget- These are trips which are made during the school day and form part of the curriculum.
- Optional trips – Budget name/name of the trip/date of trip/cost per pupil and leader teachers name. (This information must be passed to the finance office as soon as the trip has been approved to ensure that it is set up on the finance system for payment and income recording.)
- All other income must have the budget name and the reason for the income e.g. Donations for PE, Fund raising for Maths, Music Lesson, Uniform sales, SCITT from Truro college, charity funding raising for Dept.

- 21.5. Letting tariffs are annually reviewed by the Deputy Trust Lead (Operations) and will be presented to the Board of Trustees for approval. Each tariff must have due regard for VAT legislation, Health and Safety and the need to cover the full cost of the letting (e.g. energy, caretaking/cleaning and maintenance costs). Any additional overtime incurred beyond the initial booking agreement will be met by the hirer. A let may be subsidised but at no time may the costs be borne by the grant funded budget. Discretion regarding subsidised lets may apply to:
- \* charitable organisations
  - \* small recreational groups affiliated/associated with CELT

Organisations or individuals making a charge for admission and/or holding a profit-making function are not usually eligible for subsidy



(RESIDENTIAL LETTINGS): CELT works to the guide-lines supplied by the Chief Fire Officer. Acceptance of proposed residential lettings will be subject to approval by the Chief Fire Officer.

- 21.6. Headteachers and Deputy Trust Lead (Operations) for CELT have delegated authority to approve lettings. Requests for concessionary charges may be considered by the Headteachers, Deputy Trust Lead (Operations) and/or other delegated senior staff.
- 21.7. Each site Lettings Officer will provide a booking form which clearly states all responsibilities and legal requirements to which the hirer must adhere. The Lettings Officer is responsible for informing the Site Team of all lets and for ensuring that any equipment, perhaps involving the ICT Team and facilities are entered in the lettings diary.
- 21.8. Upon authorisation the Lettings Officer will ensure invoices are raised through the accounting system to all persons/organisations using the facilities unless payment is made at the time of booking.
- 21.9. The Finance team/Lettings Officer receipt all sources of lettings income and these records together with a lettings register are kept in the Finance office.
- 21.10. Receipts issued are subsequently used for reconciliation purposes on the computer system. Income transactions are entered onto the computer.
- 21.11. Finance team secure the money/cheques in a safe pending banking.
- 21.12. Income collections are not used for encashment of personal cheques.
- 21.13. The Chief Financial Officer and Finance team monitor income generated through lettings and the procedures for the collection of income.

## Debtor Recovery and Write Off procedure

Cornwall Education Learning Trust will take all reasonable measures to collect debts as part of its management of public funds.

- 22.1 The Board of Trustees has approved that, debtors' arrears, i.e. for invoices raised by CELT, under the value of £1,000 can be written off by the Headteacher and reported back to the Board of Trustees at the next meeting. For debts between £1,001 - £5,000 can be written off by the Finance Lead, and report to the Board of Trustees at the next meeting. For debts between £5,001 up to £10,000 these can be written off by the Deputy Trust Lead (Operations) and inform the Trust Lead and reported back to the Board of Trustees at the next Finance Committee. Any debt over £10,000 must be approved by the Finance Trustee and reported back to Board of Trustees. For any transactions above 1% of annual income or £45,000 per single transaction prior approval is required from the ESFA.
- 22.2 Cornwall Education Learning Trust will take all reasonable measures to collect debts as part of its management of public funds:
- A statement will be sent to each debtor as a reminder (normally at the end of the first month) with a copy of the invoice.
  - A reminder letter will be sent (normally 45 days after the invoice date) along with a polite telephone call to state the invoice is over 45 days old. See standard letter 1. (This can be emailed out to save postage)
  - A second letter will be sent (normally 10 days after the first reminder). See standard letter 2. (This can be emailed out to save postage)
  - If required a third letter will be sent 7 days after the second reminder, as per the letter from the Deputy Trust Lead (Operations). (Sample letter below)
- 22.3 All outstanding debts payable by students will remain outstanding during their time at CELT. Outstanding Debt will transfer to the secondary school if applicable meaning optional trips will not be allowed until outstanding debts are paid or an agreed debt recovery plan is in place.

Account Ref:  
Invoice Number:

Direct Line:

Date

Dear Sir/Madam,

**Re: Invoice <number> - £<amount>**

I write with reference to the above invoice dated <date>. According to our records the above invoice is outstanding and overdue for payment, we have enclosed a copy of the invoice for your records.

**If you have a dispute or query regarding this invoice please contact <contact details> on <telephone number>.**

If you do not dispute this invoice, please forward your payment within 10 days from the date of this letter.

Your cheque should be made payable to Cornwall Education Learning Trust and sent to xxxxxxxx. Please quote your account reference and invoice number in any correspondence. However, if you wish to pay by BACS please use the details as per the invoice.

Thank you for your co-operation.

Yours faithfully,

Account Ref:  
Invoice Number:

Direct Line:

Date

Dear Sir/Madam,

**Re: Invoice <number> - £<amount>**

I write with reference to the above invoice dated <date>.

Despite our previous correspondence the attached invoice remains outstanding.

**If you have a dispute or query regarding this invoice please contact <contact details> on <telephone number>.**

If you do not dispute this invoice, please forward your payment within 7 days from the date of this letter.

Your cheque should be made payable to Cornwall Education Learning Trust and sent to xxxxxxxx. Please quote your account reference and invoice number in any correspondence. However, if you wish to pay by BACS please use the details as per the invoice.

If you are suffering financial hardship and are not able to fully settle these invoices within the next 7 days, please contact me immediately as I may be able to make an arrangement whereby the invoices can be settled in instalments.

If we do not receive payment within the stated time we will have no alternative but to pass this matter to our legal team who will take further action to secure payment.

Thank you for your co-operation.

Yours faithfully,

Invoice Number:

Direct Line:

Date

Dear [NAME]

**Recovery of Debt**

Despite our previous correspondence on [enter dates of letters sent] for invoice/s [ enter number] as full payment has not been received, Cornwall Education Learning Trust has no alternative but to put this matter into the hands of a debt recovery service if we do not hear from you within 7 days from the date of this letter.

Failure to do so will result in legal action being taken against you to recover the debt, plus interest and costs. Ignoring this letter may lead to Cornwall Education Learning Trust starting proceedings against you and may increase your liability for costs.

In the event that you have difficulty in making the requested payment, please contact me, as a matter of urgency to discuss possible options. You should also note that free independent advice and assistance can be obtained from organisations including those listed below.

Yours faithfully

Ms C Ridehalgh  
Deputy Trust Lead (Operations)

# 22

## Independent advice organisations

Organisation	Address	Telephone number	Website address
National Debtline	Tricorn House 51-53 Hagley Road Edgbaston Birmingham B16 8TP	0808 808 4000	<a href="http://www.nationaldebtline.org">www.nationaldebtline.org</a>
Step Change Debt Charity (formerly, Consumer Credit Counselling Service (CCCS))	StepChange Debt Charity Wade House Merrion Centre Leeds LS2 8NG	0800 138 1111	<a href="http://www.stepchange.org">www.stepchange.org</a>
Citizens Advice			<a href="http://www.citizensadvice.org.uk">www.citizensadvice.org.uk</a>
CLS Direct Legal Service (formerly Community Legal Services Direct)	Arthur Road London SW19 8AE		<a href="http://www.clsdirect.org.uk">www.clsdirect.org.uk</a>

# 23

## Taxation & Other Statutory Adjustments

- 23.1. The Chief Financial Officer on behalf the Trust Lead shall ensure that CELT's financial system produces adequate information to account properly for taxation and other statutory adjustments and that the requirements of the appropriate Government departments or agencies are satisfied in a timely fashion.

- 24.1. The Trust Lead, via the Deputy Trust Lead (Operations), must make appropriate arrangements to facilitate the financial audit of CELT and shall, on behalf of the Board of Trustees, ensure that audit reports are dealt with promptly. Audit's will be undertaken periodically through the year (e.g. quarterly) by the appointed of an Internal Audit Service, and on an annual basis by CELTs approved External Auditor. The auditors shall have authority to:
- Access all premises at reasonable times
  - Access all assets, records, documents, and correspondence relating to any financial and other transactions of the Trust
  - Require and receive such explanations as are necessary concerning any matter under examination
  - Require any employee of the Trust to account for cash, stores, or any other Trust property under his or her control.
  - Access records belonging to third parties. Such as contracts, when required
- 24.2. The Board of Trustees will maintain a general overview of audit activity by making arrangements, appropriate to their own local needs, for their Trust Lead to report to them promptly on the results of each audit and the Trust Lead and Deputy Trust Lead (Operations) 's response.
- 24.3 The Board of Trustees have approved the function of an Audit Committee. These Trustees will not have any involvement in day to day financial activities and will act as a scrutiny committee on behalf of the Board. The Audit Committee will determine the work to be undertaken by the Internal Audit Service.
- 24.4 The external auditors should be reappointed annually by the Members of the Trust on the recommendation of the Audit Committee. It is good practice for a competitive tendering exercise to be held at regular intervals, at least every five years.
- 24.5 The primary role of the external audit is to report on the Trust's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statement and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the Academies Handbook, Annual Accounts Direction and the Auditing Practice's Board's statement of auditing standards.

## Fraud Awareness, and Irregularities

- 25.1. The Trust Lead will, on behalf of the Board of Trustees, ensure that if a matter arises which may involve financial irregularity in any form, the Chair of Board will be notified immediately. The Board of Trustees should be informed as soon as practical of any irregularities and in due course decide on the necessary action, subject to professional advice, to rectify any findings.
- 25.2. Employees and the Board of Trustees should be aware of the action they should take in circumstances where they suspect fraudulent activity or corruption is occurring within CELT. All employees should have access to this guidance. The Board of Trustees should note its contents in relation to their duties under Financial Regulations.
- 25.3. Employees (as supported by the Whistleblowing Policy) are encouraged, and indeed expected, to raise any concerns that they may have about fraud, corruption or any other impropriety in CELT, without fear of recrimination. Such concerns will be treated in strictest confidence and will be properly investigated. If you identify fraud or corruption, there are a few simple guidelines that you should follow:

### **DO:**

- Make an immediate note of your concerns and continue to do so;
- Seek advice on relevant procedures to follow by talking to someone from the academy SLT/CELT Executive or if you consider this inappropriate someone from the Board of Trustees or if you consider higher-level collusion CELT's approved audit provider, CELT's accountants, or the Education & Skills Funding Agency, or the Regional Schools Commissioner;
- Convey your suspicions to someone with the appropriate authority and experience (outlined in the section regarding procedural arrangements below);
- Deal with the matter promptly if you feel your concerns are warranted.

### **DON'T:**

- Do nothing;
  - Be afraid to raise your concerns;
  - Approach or accuse an individual directly;
  - Try and investigate the matter yourself;
  - Convey your suspicions to anyone other than those with proper authority.
- 25.4. Not disclosing evidence of someone else's fraudulent activity could be a disciplinary matter.



- 25.5. The Board of Trustees has approved a Whistleblowing Policy which applies to all employees, Trustees, volunteers and contractors and is designed to:
- Ensure prevention;
  - Facilitate detection; and
  - Identify a clear pathway for investigation and remedial action.
- 25.6. The policy identifies Whistleblowing as the disclosure of information which relates to suspected wrongdoing or dangers at work. The law provides protection for workers who raise legitimate concerns about specified matters or “qualifying disclosures”. A qualifying disclosure is one made in the public interest by an employee who has a reasonable belief that wrongdoing or dangers at work have occurred and that fall outside the scope of other procedure.
- 25.7. The Board of Trustees has approved a Code of Conduct for Employees which highlights fraud as an offence normally treated as gross misconduct.
- 25.8. The Policy also highlights the procedures that employees should follow if they suspect fraud or corruption.
- 25.9 Segregation of Duties  
It is the responsibility of the Deputy Trust Lead (Operations) to ensure adequate segregation of duties are in place across the Trust at all levels with regards to any payments to help with fraud prevention.

## Anti-Fraud and Corruption

- 26.1 The Board of Trustees has adopted the following guidance in preventing and prohibiting bribery in accordance with the Bribery Act 2010. Trustees will not tolerate any form of bribery by, or of, its employees, agents or consultants or any person or body acting on its behalf, and the Trust Lead and Executive are required to implement effective measures to prevent, monitor and eliminate bribery.
- 26.2 This policy applies to all employees and officers of CELT, and to temporary workers, consultants, contractors, agents and subsidiaries acting for, or on behalf of, CELT (“associated persons”) within the UK and overseas. Every employee and associated person acting for, or on behalf of, CELT is responsible for maintaining the highest standards of business conduct. Any breach of this policy is likely to constitute a serious disciplinary, contractual and criminal matter for the individual concerned and may cause serious damage to the reputation and standing of CELT.
- 26.3 CELT may face criminal liability for unlawful actions taken by its employees or associated persons under the Bribery Act 2010. All employees and associated persons are required to familiarise themselves and comply with this guidance.
- 26.4 Under the Bribery Act 2010, a bribe is a financial or other type of advantage that is offered or requested with the:
- intention of inducing or rewarding improper performance of a function or activity; or
  - knowledge or belief that accepting such a reward would constitute the improper performance of such a function or activity.
- 26.5 A relevant function or activity includes public, state or business activities or any activity performed in the course of a person’s employment, or on behalf of another Academy or individual, where the person performing that activity is expected to perform it in good faith, impartially, or in accordance with a position of Trust.
- 26.6 A criminal offence will be committed under the Bribery Act 2010 if:
- an employee or associated person acting for, or on behalf of, CELT offers, promises, gives, requests, receives or agrees to receive bribes; or
  - an employee or associated person acting for, or on behalf of, CELT offers, promises or gives a bribe to a foreign public official with the intention of influencing that official in the performance of his/her duties (where local law does not permit or require such influence); and
  - the Board of Trustees does not have the defence that it has adequate procedures in place to prevent bribery by its employees or associated persons.

- 26.7 All employees and associated persons are required to comply with this policy, in accordance with the Bribery Act 2010.
- 26.8 The Board of Trustees prohibits employees or associated persons from offering, promising, giving, soliciting or accepting any bribe. The bribe might be cash, a gift or other inducement to, or from, any person or organisation. This prohibition also applies to indirect contributions, payments or gifts made in any manner as an inducement or reward for improper performance, for example through consultants, contractors or sub-contractors, agents or sub-agents, sponsors or sub-sponsors, joint-venture partners, advisors, customers, suppliers or other third parties.
- 26.9 Employees and, where applicable, associated persons, are required to take particular care to ensure that all academy records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with clients, suppliers and public officials.
- 26.10 Due diligence should be undertaken by employees and associated persons prior to entering into any contract, arrangement or relationship with a potential supplier of services, agent, consultant or representative. **Employees and associated persons are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered.**
- 26.11 Employees and associated persons are required to report suspicions of bribery to the appropriate member of senior management. While any suspicious circumstances should be reported, employees and associated persons are required particularly to report:
- close family, personal or business ties that a prospective agent, representative or joint-venture partner may have with government or corporate officials, directors or employees;
  - a history of corruption in the country in which the business is being undertaken;
  - requests for cash payments;
  - requests for unusual payment arrangements, for example via a third party;
  - requests for reimbursements of unsubstantiated or unusual expenses;
  - or a lack of standard invoices and proper financial practices.
- 26.12 If an employee or associated person is in any doubt as to whether or not a potential act constitutes bribery, the matter should be referred to the Deputy Trust Lead (Operations) or Trust Lead.

- 26.13 CELT prohibits its employees or associated persons from making or accepting any facilitation payments. These are payments made to officials for carrying out or speeding up routine procedures. Where a public official has requested a payment, employees or associated persons should ask for further details of the purpose and nature of the payment in writing. If the public official refuses to give these, this should be reported immediately to the Deputy Trust Lead (Operations) or Trust Lead.
- 26.14 If the public official provides written details the Deputy Trust Lead (Operations) or Trust Lead will consider the nature of the payment. Legal advice may be sought. If it is concluded that the payment is a legitimate fee, for example part of a genuine fast-track process, or is permitted locally, the Deputy Trust Lead (Operations) will authorise payment.
- 26.15 Where the Deputy Trust Lead (Operations) or Trust Lead considers that the request is for a facilitation payment, the employee or associated person will be instructed to refuse to make the payment and notify the public official that the employee or associated person is required to report the matter to the Board of Trustees. CELT will seek the assistance of the relevant employee in its investigation and may determine that the matter should be referred to the prosecution authorities.
- 26.16 If an employee or associated person has any other concerns about the nature of a request for payment, he/she should report it to the Deputy Trust Lead (Operations) or Trust Lead.
- 26.17 Corporate entertainment, gifts, hospitality and promotional expenditure: CELT permits corporate entertainment, gifts, hospitality and promotional expenditure that is undertaken:
- for the purpose of establishing or maintaining good business relationships;
  - to improve the image and reputation of CELT; or
  - to present CELT's services effectively;
- provided that it is:
- arranged in good faith, and
  - not offered, promised or accepted to secure an advantage for CELT or any of its employees or associated persons or to influence the impartiality of the recipient.
- CELT will authorise only reasonable, appropriate and proportionate entertainment and promotional expenditure.
- 26.18 Employees and, where relevant, associated persons should submit requests for proposed hospitality and promotional expenditure well in advance of proposed dates to their Headteacher. Deputy Trust Lead (Operations) or Trust Lead, as appropriate.

26.19 Employees are required to set out in writing:

- the objective of the proposed client entertainment or expenditure;
- the identity of those who will be attending;
- the organisation that they represent; and
- details and rationale of the proposed activity.

26.20 Approval for business entertainment proposals must only be given if they demonstrate a clear business objective and are appropriate for the nature of the business relationship. Authorisation to approve business entertainment should not be provided where a conflict of interest may arise or where it could be perceived that undue influence or a particular business benefit was being sought (for example, prior to a tendering exercise).

26.21 Any gifts, rewards or entertainment received or offered from clients, public officials, suppliers or other business contacts should be reported immediately to the Headteacher, Trust Lead or Deputy Trust Lead (Operations) as appropriate. In certain circumstances, it may not be appropriate to retain such gifts or be provided with the entertainment and employees and associated persons may be asked to return the gifts to the sender or refuse the entertainment, for example, where there could be a real or perceived conflict of interest. As a general rule, small tokens of appreciation, such as flowers or a bottle of wine, may be retained by employees. Any larger items must be politely declined or used to raise funds for wider school/trust benefit e.g. PTA fund raising.

26.22 If an employee or associated person wishes to provide gifts to suppliers, clients or other business contacts, prior written approval is required from the Headteacher, Deputy Trust Lead (Operations) or Trust Lead, as appropriate, together with details of the intended recipients, reasons for the gift and business objective. Employees and, where applicable, associated persons must supply records and receipts, in accordance with the CELT's expenses policy.

26.23 Charitable and political donations.

The Board of Trustees considers that charitable giving can form part of its wider commitment and responsibility to the community. CELT supports a number of charities that are selected in accordance with objective criteria and proposals presented by both staff and students. Political donations are not allowed. Follow section 19 within this policy.

26.24 Reporting suspected bribery.

Employees and associated persons are requested to assist the Board of Trustees and to remain vigilant in preventing, detecting and reporting bribery. Employees and associated persons are encouraged to report any concerns that they may have to an appropriate senior member of staff (e.g. Headteacher, Deputy Trust Lead (Operations), Trust Lead) as soon as possible. Issues that should be reported include:

- any suspected or actual attempts at bribery;
- concerns that other employees or associated persons may be being bribed; or
- concerns that other employees or associated persons may be bribing third parties, such as clients or government officials.

26.25 Employees should record any incidents of suspected bribery. Any such reports will be thoroughly and promptly investigated by the appropriate member of Executive in the strictest confidence. Employees and associated persons will be required to assist in any investigation into possible or suspected bribery.

26.26 The Board of Trustees will fully investigate any instances of alleged or suspected bribery. Employees suspected of bribery may be suspended from their duties while the investigation is being carried out. The Board of Trustees will invoke its disciplinary procedures where any employee is suspected of bribery, and proven allegations may result in a finding of gross misconduct and immediate dismissal. The Board of Trustees may terminate the contracts of any associated persons, including consultants or other workers who act for, or on behalf of, CELT who are found to have breached this policy.

26.27 The Board of Trustees may also report any matter to the relevant authorities, including the Director of Public Prosecutions, Serious Fraud Office, HM Revenue and Customs Prosecutions Office and the police. The Board of Trustees will provide all necessary assistance to the relevant authorities in any subsequent prosecution.

# Anti Money Laundering Policy

## Introduction and Purpose

- 1.1 The Trust is committed to upholding the highest level of ethical conduct whilst undertaking business activity that falls within scope of the legislative obligations associated with anti-money laundering.
- 1.2 Like all businesses, the Trust must regularly review and update processes and procedures to protect itself and its stakeholders against money laundering attempts and in recent years legislation has broadened the definition of money laundering and its associated activity. This policy has been implemented to meet legislative requirements, assist with mitigating money laundering risk and update procedures to address suspected cases.
- 1.3 Part 7 of the 2002 Proceeds of Crime Act defines the full scope of money laundering activity and includes:
- Concealment or disguising of criminal property.
  - Converting, transferring, or removing criminal property from the UK.
  - Acquiring, using or having possession of criminal property.
  - Failure to disclose activity that is suspected, or knowingly committing an offence relating to acquisition, retention, use, control or disguising of criminal property.

## Scope

- 2.1 The policy applies to all staff and governance committees. The policy covers all activity undertaken. The policy outlines responsibilities and procedures to follow in the event of suspected money laundering activity.

## Definition and Legal Context

- 3.1 The legislation that sets out the requirements on Anti-Money Laundering, with which the Trust must comply is:
- The Proceeds of Crime Act 2002 – Primary regulations in the UK which define activity and offences.
  - Money Laundering and Terrorist Financing (Amendment) Regulations 2019 – Enhancing on the 2017 regulations, the 2019 regulations apply primarily to financial services companies but provide the key principles around transaction monitoring and customer due diligence that the Trust apply.
  - The Terrorism Act 2000 (as amended by The Anti-Terrorism Crime and Security Act 2001 and the Terrorism Act 2006)
  - Criminal Finances Act 2017

- 3.2 Money Laundering is the process of taking illegitimate proceeds from criminal activity and transforming them through various stages into what appear to be legitimate assets. Money Laundering has three stages:
- Placement: Movement of criminal property/proceeds from their source. i.e. cash paid into a bank account
  - Layering: Transactions involved in concealing the origin. i.e. cash transferred to several other accounts overseas.
  - Integration: Movement of laundered proceeds into the 3.3 Any individual found to be connected with money laundering activity, at any stage, in the UK, could face 2 to 14 years imprisonment and unlimited fines.
- 3.3 Any individual found to be connected with money laundering activity, at any stage, in the UK, could face 2 to 14 years imprisonment and unlimited fines
- 3.4 It is important that all staff be aware of 'Relevant Circumstances', which are situations where the Anti-Money Laundering regulations would typically apply, relevant to the Trust's business activity.
- 3.5 There is no monetary limit on suspicious business activities that might give rise to money laundering concerns, which should be reviewed and risk assessed.
- 3.6 In terms of Trust business activity, the following example would be considered relevant circumstances:
- Large Donation for a project
  - Overpayment of funds for no apparent reason, including subsequent requests for refunds of overpaid amounts, as well as payments received from unknown customers who then suggest an administrative error and require funds to be refunded

### **Responsibilities**

- 4.1 To comply with the Anti-Money Laundering regulations and to ensure the Trust has appropriate internal controls to mitigate the risk associated with money laundering activity, the Trust must satisfy the following key requirements:
- Obtain, and retain for the duration of the relationship plus five years, evidence of the identity of our customers and details of the business relationship.
  - Allowing reporting of suspicious or suspected activity to CFO
  - Ensure training is provided to assist all staff, particularly those with finance related roles, in understanding Anti Money Laundering.



**Employees**

4.2 Money Laundering regulations apply to all employees, not just those in finance facing roles. Should any member of staff become aware that money laundering activity has or is taking place, or concerned about their own involvement in a situation, they must disclose this at the earliest opportunity to the CFO. Failure to do so could result in the employee committing an offence and becoming personally liable to prosecution. In addition, the employee could become subject to internal investigation under the Trust's Disciplinary Policy.

**Anti- Money Laundering Procedures - training**

5.1 Training will be provided via IHasco for all finance staff.

5.2 If you suspect money laundering activity is taking place this must be report immediate to the CFO for investigation.

5.3 Any approved refund, for whatever reason, will only be returned to the original payer via the same payment route if possible (parent pay) or via BACS to the original payer only.

# 28

## Gifts Register

- 28.1 The Board of Trustees recognises that from time to time they, the Executive, or respective Headteachers would like to show appreciation to staff or other similarly related individuals on special occasions for their commitment to CELT.
- 28.2 A gift may be provided at minimal cost on occasions which may range (although not exclusively) from the birth of their child, bereavement, marriage, ill health, and to long term service to CELT, etc. and therefore the gift value may range from £10 up to a maximum of £100. Headteachers are expected to monitor the level of gifts provided in any one year to ensure this is not considered excessive and contentious.
- 28.3 A record of all gifts will be kept at each site. This is a non-contractual payment and Trustees reserve the right to cease approving such gifts in line with the financial position of the Trust or a school.
- 28.4 The Trustees will ensure that this gift will not be taken from GAG or any restricted funds which CELT receives for the students. (i.e. it will be taken from funds raised locally).

# 29

## Investments

- 29.1. The Trust Lead does not have authority to invest any academy funds except with express approval of the Board of Trustees and in accordance with the Academies Handbook.
- 29.2. When considering investments, the Trust must:
- Maintain sufficient cash balances to meet the day to day commitments
  - Invests surplus funds to earn an acceptable rate of return without undue risk
- 29.3. The Chief Financial Officer with support from the finance team will prepare a cash flow forecast which can identify early warning of low cash balances and investment opportunities.

# 30

## Documentation of Systems and Procedures

- 30.1. Up-to-date records of how systems and procedures ought to be operated should always be maintained and such documentation should: -
- (a) specify system objectives;
  - (b) describe clearly how the system, including any related procedures, works;
  - (c) indicate who has authority to operate the system or any part of it;
  - (d) include specimen system documents;
  - (e) specify arrangements for dealing with system problems or failure;
  - (f) enable any reasonably competent person to understand the system.

# 31

## Training

- 31.1. The Deputy Trust Lead (Operations) and Chief Financial Officer shall make adequate arrangements for the training of staff involved in financial management and administration. Training, whether on-or off-the-job, should enable staff to discharge their duties efficiently and effectively through time.

## Computing Arrangements & Systems

- 32.1. Where computing facilities are used for financial management and administration arrangements for their use should: -
- (a) conform with the requirements of Data Protection legislation from time to time in force;
  - (b) secure the accuracy and integrity of all financial data relating to CELT. In particular, such arrangements should make proper provision for: -
  - (c) the physical security of computer equipment and software;
  - (d) the restriction of access to the means of processing or reading data to authorised personnel only;
  - (e) procedures for the control of input and output;
  - (f) procedures for the reliable reconstruction of records in the event of system failure (system back-up);
  - (g) procedures for the processing of data by alternative means in the event of other than temporary breakdown.
- 32.2. CELT uses IT systems to process and record financial and other management data including pupil and staff records. These records are registered with the Information Commissioner's Office under the Data Protection Act 2019.
- 32.3. Security of IT systems is controlled through strict observation to password security and frequent changes of passwords.
- 32.4. For additional security, during and at the end of each working day, or as appropriate, a back-up of data is taken and stored safely.
- 32.5. Only authorised software, directly purchased by authorised members of CELT staff and approved by the appropriate IT managers may be loaded on to CELT computer networks. This should minimise the risk of computer viruses entering and corrupting the system.

- 33.1. Insurances, however arranged, should be managed so as to: -
- (a) provide adequate cover for the risks insured;
  - (b) maintain cover up-to-date at all times;
  - (c) ensure compliance with the insurers' requirement;
  - (d) enable incident reports and claims to be processed promptly and effectively;
  - (e) enable claim proceeds to be reimbursed and banked promptly;
  - (f) ensure regular review of the need to insure risks, the cost and suitability of the policies maintained and the adequacy of the cover selected.
- 33.2. Headteachers must inform the Deputy Trust Lead (Operations) immediately of any new potential risks, additional property and equipment that may require insurance and any alterations affecting existing risks. They must advise the Deputy Trust Lead (Operations), immediately of any event that may give rise to an insurance claim.
- 33.3. A nominated person at each site is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.
- 33.4. The Trust Lead through the Deputy Trust Lead (Operations) will annually review the risks to which CELT is exposed, including but not exclusively:
- Buildings and Contents
  - Business Interruption – Additional expenses
  - Business Interruption – Loss of Revenue
  - Business Interruption – Loss of data
  - Money
  - Public liability
  - Employer's liability
  - Libel and slander
  - Director's Liability
  - Hirers Liability
  - Legal expenses
  - Fidelity Guarantee
  - Personal Accident
  - Motor
  - Occasional Business Use
  - Engineering Inspection
  - Engineering Insurance
  - School Journey/Business Travel
  - Deterioration of Stock
  - Professional Indemnity
- Cover is purchased via a policy provided by Zurich Municipal and a range of excess limits apply.

### 33.5. Claims -

- (a) In the event of a claim arising Zurich Municipal should be notified without delay. Any delays can hinder Zurich Municipal in their handling of the particular matter in question.
- (b) If a claim is made by a third party, no admission of liability should be made and the claimant should be advised that the matter is being investigated and dealt with by the appropriate officer.
- (c) Zurich Municipal are entitled to receive all information or assistance they may require to enable them to deal with a claim and when requested this should be provided as quickly as possible.

33.6. Although there is a comprehensive package of insurances there is nevertheless an obligation on the part of every employee and Trustee to take all reasonable precautions to prevent accident, loss, damage or injury. To this end all Trustees may periodically tour an academy site note any factors that might constitute a hazard and take action as appropriate. The Deputy Trust Lead (Operations), as the nominated Health and Safety officer, takes day to day responsibility for minimising risk and dealing with incidents.

33.7. The Money Policy covers CELT under the following conditions:

- a. Loss of non-negotiable money in situations specified in section (b) below £250,000
- b. Loss of other money:
  - In transit in the custody of any Trustee or employee or in transit by registered post, or in a bank night safe £5,000
  - In the private residence of any Trustee, or employee £250
  - In the premises
  - In the custody of or under the actual supervision of any director or employee £5,000
  - In locked safes or strong-rooms £5,000
  - In locked receptacles other than safes or strong-rooms £250

Excess: £50 each and every loss

## Assets (including disposals)

- 34.1. Proper security should be maintained for all buildings, vehicles, plant, stocks, stores, furniture, equipment, money and other valuables.
- 34.2. Maximum limits for cash holdings should be approved by the Trust Lead and should not be exceeded without approval.
- 34.3. Safe and efficient arrangements should be made for the reception, storage, issue and return of assets. Such arrangements should include the maintenance of appropriate records and inventories and periodic checks of equipment and stores against the relevant records and inventories. Any substantial surplus or deficiency revealed as a result of such checks should be reported to CELT Finance Team.
- 34.4. Assets coming into the ownership of CELT, by purchase or otherwise, should, so far as is reasonably practicable be effectively marked to identify them as academy property. They should not be removed from CELT premises otherwise than in the ordinary course of official business except in accordance with a policy approved by the Board of Trustees.
- 34.5. Where assets become obsolete or are damaged so as to render further use, for any reason, inappropriate they should be written off, provided they have no net resale value, in accordance with a policy approved by the Board of Trustees. Adequate arrangements should be made for the recording and reporting of write-offs **(which should be certified by two authorised persons)** and the Board of Trustees are recommended to: -
- limit authority to write off items to either the Board of Trustees or the Trust Lead or an authorised deputy;
  - limit the authority of the Trust Lead (or authorised deputy) to items with an original cost or likely sale value within a specified range;
  - require all write-offs to be reported to the Board of Trustees.
- 34.6. Safe and efficient arrangements should be made for the disposal of surplus goods, materials, vehicles and equipment which have a net resale value. Adequate provision should be made for the recording and reporting of all such disposals. The precise arrangements for disposal will depend on the nature and value of the assets involved, the state of demand for them and the cost of their disposal. However, arrangements for the disposal of any asset should meet the following requirements: -
- (a) they should be legal and in conformity with any Government requirements from time to time in force;
  - (b) they should be in accordance with the Board of Trustees' policy;
  - (c) they should promote scope for competition among potential purchasers;
  - (d) they should ensure that appropriate steps are taken to establish properly the value of the items to be disposed of;

- (e) they should be demonstrably fair and open and should avoid creating an unfair advantage for any interested party;
- (f) they should be appropriate having regard to the nature, value and current state of demand for the item(s) involved;
- (g) no asset should be disposed of without offering internally to all academies within the Trust first;
- (h) no asset should be disposed of without reference to the Headteacher, Trust Lead and/or Deputy Trust Lead (Operations) if such an item has capital implications.

34.7. Safe and efficient arrangements should be made for the receipt, recording, storage and return or disposal of found property.

34.8. The Trust Lead may place before the Board of Trustees proposals for the sale or other disposal of an asset of a capital nature, but no proposal may proceed except in accordance with Academies Handbook.

34.9. Headteachers and the Deputy Trust Lead (Operations) have authority to dispose of any single asset up to a maximum value of £5,000. Items in excess of £5,000 may be written off by the Trust Lead and reported to the Board of Trustees.

34.10. An annual stock take of goods for resale (catering, revisions guides, uniform) must be undertaken and the information passed to the Finance Team for inclusion in the CELT's annual accounts.



## Use of Academy Premises and security of stocks and other property

35.1. The Board of Trustees has delegated responsibility to the Trust Lead via each academy Headteacher to allocate a specific amount of funding for consumable items to each faculty or budget holder at the beginning of the financial year. Faculty's and other budget holders are responsible for the safe storage of their equipment, materials and assets.

35.2. An asset register (electronic or manual) shall be maintained and will include:

### **Equipment (in excess of £100)**

Serial numbers, make/model numbers, location, date of purchase and value must be recorded by each budget holder. All items are to be checked each year by the appropriate budget holder

### **ICT equipment (in excess of £100)**

Serial numbers, make/model numbers, location, date of purchase and value must be recorded by the ICT Team, and audited each year as part of the ICT developments and improvements cycle.

### **Equipment loans**

Academy property may only be taken off a CELT site after completing the appropriate documentation. An equipment loan form is available. The loan should not exceed a period of one month. Users are responsible for the operation and safe storage of the equipment. Users will be required to sign an indemnity for any breakages or loss of equipment when in their possession. Users requesting the loan of CELT equipment for educational purposes off the premises should complete the necessary form by:

- recording relevant equipment and serial numbers
- having the Headteacher/Head of Department sign the form to confirm the equipment is in working order
- signing the form themselves
- arranging to record the loan within the asset register
- lodging the form with the appropriate office before removing the equipment from the premises

On return of the equipment, the return section of the form should be signed and dated by the office (asset register updated), the user who has borrowed the equipment and verified by the Headteacher/Head of Department.

Replacement of damaged or lost equipment is at the discretion of the Headteacher or Trust Lead, as appropriate.

**Books**

Headteachers/Heads of Departments are expected to keep a catalogue of their books and small items of equipment and to be responsible for the safe storage and distribution of such materials to their staff. Replacement of damaged or lost textbooks is at the discretion of the Headteachers/Heads of Department.

**Damaged books and equipment**

Replacement costs of books and equipment caused through wilful damage may be charged to the students responsible as approved by Headteachers/Heads of Department.

- 35.3. All write-offs or disposal of surplus or worn-out equipment is recorded in the electronic asset register and authorised by Headteacher up to the value of £5,000. Above £5,000 the Trust Lead must authorise the disposal and report to the Board of Trustees.
- 35.4 A list of staff should be maintained for each site as nominated key holders. In the unforeseen event of keys being mislaid, the Headteacher, Trust Lead and/or Deputy Trust Lead (Operations) should be informed immediately.

## Staffing, appointments, Personnel records and Payroll Reconciliation

- 36.1. Annually the Board of Trustees approves a staffing establishment profile. In-year changes can be approved by the Trust Lead/Deputy Trust Lead. Prior to advertising a post or making any variations to employee contracts, the Headteacher/Senior Manager and the Finance Lead will consider the financial implications before presenting the information at a secondary school recruitment panel or for primary schools via a Recruitment Requisition Form/Variation Form for approval by the Trust Lead/Deputy Trust Lead.
- 36.2. The Board of Trustees has purchased, through a Service Level Agreement Scheme, administration of CELT's payroll to be undertaken by Cornwall Council with some input direct by CELT's Core HR and Payroll departments into CC Oracle Cloud software system.

- 36.3. To ensure that payments are made only to those employed by CELT the following procedures are established:
- (a) The HR/Payroll Team coordinates aspects of appointment and termination of teaching and non-teaching staff posts. All contract variations and changes, absences and claims are either added to the Payroll Input Spreadsheet or emailed to HR/Payroll Team before the 5th of the month from the Head's PA/designated Administrator at all schools.
  - (b) Teachers and non-teaching contractual details are amended on the Personnel module of the SIMS management system by the Head's PA/designated Administrator. Details of salary are cross-referenced to the CC Oracle Cloud Payroll system and reports provided by the Payroll Section.
  - (c) Overtime claims, additional and casual payments are uploaded onto the Payroll Input Spreadsheet by the Head's PA/Administrator. Supply claims are signed off at each site before being added to the Payroll Input Spreadsheet or emailed to the HR/Payroll team. These are then uploaded to the CC Oracle Cloud Payroll system.
  - (d) The HR and Finance departments are fully aware of the **IR35** requirements of HMRC. Employment status checks are undertaken by the engaging staff member and passed to the HR/Finance department for administration with the worker invoice.
  - (e) The Payroll Input Spreadsheets are returned signed and dated from the Headteacher via the Head's PA/Administrator and stored electronically.
  - (f) CELT receives, via electronic data and pdf reports, monthly payroll reconciliation information concerning salary payments made to staff during the previous month. This data is used to update the accounting system. Full procedures notes on this exercise are held by CELT.

36.4 Severance payments:-

We would expect that where a staff severance payment is being considered, the Trust Lead and Deputy Trust Lead will already be aware of the circumstances. However, in all cases if a staff severance payment is being considered, you must:

- Speak to the HR Trust Lead as soon as possible and before any conversations take place with staff. They will discuss whether a special severance payment is appropriate and if so, the appropriate level of payment. If the HR Trust Lead considers that the required conditions for ESFA approval may be met, we will consider whether further legal advice is required and what approval requirements may apply.
- We will work with you to complete the academies severance payments form
- Once finalised and approved internally by Trust Lead/Deputy Trust Lead, if prior approval is required, this will be sent to the ESFA.

## Removal & Interview Expenses

- 37.1. Removal expenses to new members of CELT staff are not paid.
- 37.2. Reasonable interview expenses are paid at the discretion of the Headteacher/ Senior Manager in exceptional circumstances only and will only be settled on the production of valid invoices or receipts. Prior approval is required by the Headteacher as appropriate. The Trust will only pay for expenses incurred in the UK.
- 37.3. Travel expenses  
Public Transport:  
Rail – Lowest available standard class return fare to the academy site.  
Bus – Lowest available return fare to academy site.  
Taxi costs will be reimbursed only by prior agreement.  
Car: Reimbursement if **approved**, irrespective of engine capacity, will be payable at £0.10p per mile
- 37.4. Subsistence – meals (excluding alcoholic beverages) necessarily taken while away from home attending interview, training, and not provided by CELT, will be paid up to the following rates on the production of a receipt:  
**Breakfast - £15.00 per person**  
**Lunch - £20.00 per person**  
**Dinner - £30.00 per person**  
Maximum Daily allowance of £65 per person for a whole day away from home when not provided by training provider.
- 37.5. Accommodation – Where, because of distances involved, an overnight stay is unavoidable before and/or following an interview, **prior approval** will be needed from CELT. Candidates requiring accommodation should telephone CELT as soon as possible after receiving the interview invitation to obtain approval. Once approved interviewees should make their own accommodation arrangements. Reimbursement will be processed after the interview on the production of receipts. Maximum value payable £150 for Bed and Breakfast per night.

## Staff Travel and Subsistence Claims

- 38.1. Employees who undertake travel as part of their job role must have business insurance. This must be shown to the finance officer at their school to be able to claim. Staff travel claims are certified by the employee's line manager and by a member of each school's SLT/budget holder permitting the travel. If the claim is for a Headteacher, then the Trust Lead or Deputy Trust Lead (Operations) must approve the travel claim.
- 38.2. Normal home to academy mileage must be excluded from any claim for days of travel where the start and/or finish is the claimant's home.
- 38.3. The Board of Trustees is able to claim travel expenses. These should be authorised by the Chair of Board. Trustees may be paid directly out of CELT bank account. The agreed mileage is 0.45p per mile will be paid for the first 10,000 miles.
- 38.4. The agreed mileage rate for staff is 45p per mile for the first 10,000 miles, thereafter 25p per mile will be paid. Along with 5p per mile per passenger.
- 38.5. Subsistence for meals (excluding alcoholic beverages) that staff are entitled to reclaim will be reimbursed on the production of a receipt up to a maximum of (subject to prior authorisation and completion of the appropriate claim forms):  
**Breakfast - £10.00**  
**Lunch - £10.00**  
**Dinner - £28.00**
- 38.6. Subsistence for hotel accommodation that staff are entitled to reclaim will be reimbursed on the production of a receipt up to a **maximum of £150 per night for Bed and Breakfast**, however staff should always ensure that best value is obtained.
- 38.7 Rail travel is permitted if required, and is a cheaper method of transport compared to car travel and convenient to the destination required. This must be pre-booked by using the academy purchase card.
- 38.8 Air travel may be used due to the distance of travel required, and is the most cost effective mode of transportation for the journey. If this is the case, value for money should be demonstrated. Flights should be booked in advance using the most effective ticketing arrangements via the academy purchase card. All air travel should be authorised by the Headteacher or in the case of the Headteacher by the Trust Lead or in the case of a Trust Lead by the Chair of the Board.
- 38.9. All staff travel claims are reimbursed via the CELT finance accounting system.

# 39

## Other Academy Funds

- 39.1. Other voluntary CELT funds are accounted for separately from official monies in separate cost centres within the CELT accounting system.
- 39.2. Money belonging to voluntary funds must not be used for purposes other than fund purposes. In particular money received on behalf of the fund should be banked at the earliest opportunity and no money should be withheld from the bank for private purposes.
- 39.3. One person should have overall responsibility for each fund.
- 39.4. Final accounts will be produced for each fund at the end of each financial year or on the closure of a fund where the fund operates for less than a whole year. These balances will form part of the annual accounts of CELT and are audited as such.
- 39.5. All balances are reconciled as part of the official bank statements and checked by the Chief Financial Officer
- 39.6. Other academy funds are used for the collection of money for the following (although this is not an exhaustive list):
  - Social Funds – Gifts fund
  - Charity collections
  - Fund raising
- 39.7. Staff should follow the same financial procedures as all other funds.

# 40

## Provision of Clothing

- 40.1 Where clothing is provided to employees whose duties require them to wear a uniform, that clothing must bear the Trust or school logo. The logo must be permanent and clearly identify the wearer as a member of staff.

## Members, trustees, lgb governors, slt Declaration of business & pecuniary interests annual form 2023-24

I \_\_\_\_\_, declare as a Member/Trustee/Governor of the LGB/Employee of Cornwall Education Learning Trust that I hold the following personal and/or pecuniary interest(s) in accordance with the Trust Finance Policy and Scheme of Delegation

Pecuniary Interests	Please provide details of the interest Please give details of the interest and whether it applies to yourself or, where appropriate, a member of your immediate family, connected persons or some other close personal connection.
Current employment and any previous employment in which you continue to have a financial interest.	
Businesses (of which I am a partner or sole proprietor)	
Company directorships – details of all companies of which I am a director	
Charity trusteeships – details of all companies of which I am a trustee	
Membership of professional bodies, membership organisations, public bodies or special interest groups of which I am a member	
Investments in unlisted companies, partnerships and other forms of business, major shareholdings (charities may set a figure here, eg more than 1% or 5% of issued capital) and beneficial interests.	
Gifts or hospitality offered to you by external bodies while acting in your position as a member/trustee and whether this was declined or accepted in the last 12 months	
Contracts offered by you or a close member of the family for the supply of goods and/or services to the trust	
Any other conflicts that are not covered by the above	

# APPENDIX A

Personal interests	Name	Relationship to me	Organisation	Nature of the interest
Immediate family/close connections to trustee/governor				
Company directorships or trusteeships of family/close connections to trustee/governor				
Do you use, or care for a user of the Trust's services (pupil/family member)				

If you are a trustee or governor of any other schools and/or academies, please provide details below:

Name of school/academy: \_\_\_\_\_

Position held: \_\_\_\_\_

Date appointment/elected to post: \_\_\_\_\_

Date of termination to post: \_\_\_\_\_

To the best of my knowledge, the above information is complete and correct and I agree to review and update this declaration annually. I understand it is my responsibility to declare any conflict of interest/loyalty, business or personal that relates directly or indirectly, to myself or any relation in any contract, proposed contract or other matter when present at a meeting at the trust/school where such contract or matter comes under consideration. I understand that I must withdraw from any meeting during the discussion of such contract or matter and must not vote in respect of it.

I give my consent for it to be used for the purposes described in the Finance Policy & Scheme of Delegation.

Signed: \_\_\_\_\_

Position: \_\_\_\_\_

Name of School (if applicable): \_\_\_\_\_

Date: \_\_\_\_\_



## Guidance notes

Trustees and governors have a legal duty to act only in the best interests of their schools. Where a situation arises in which they cannot do this due to a personal interest they have, steps should be taken to identify, prevent and record the conflict. This ensures trustees or governors are acting in the best interest of the school. In the declaration above you must provide details relating to:

- Your ownership or partnership of a company or organisation which may be used by the trust/school to provide goods or services;
- Goods or services you offer which may be used by the trust/school;
- Any close relation you have to someone who satisfies either of the above;
- Any close relationship you have to someone who is employed by the trust/school.

Declaring your conflicts of interest is a legal requirement within the Articles of Association and Academy Trust Handbook. However, making an annual declaration does not remove your requirement to make an oral disclosure of the interest and temporarily leave the meeting, where the interest is relevant to something being discussed.

## Pecuniary interest

Generally, governors should not participate in any discussions in which they may directly or indirectly benefit from a pecuniary interest, except where the relevant authority has authorised this i.e. articles of association. A direct benefit refers to any personal financial benefit and an indirect benefit refers to any financial benefit you may have by virtue of a relationship to someone who stands to gain from a decision of the governing board. Both direct and indirect interests must be declared.

## Non-pecuniary interests (Conflicts of loyalty)

There may be a non-pecuniary interest whereby the governor does not stand to gain any benefit but a declaration should still be made. For example, this might be where a governor has a family member working in the school. Whilst the governor might not benefit personally, their judgement could be impaired if something was brought up that would affect the family member.

## Handling the conflict

The governing board must make a decision as to whether or not they should take steps to remove the conflict by:

- Not pursuing the course of action it relates to; or
- Proceeding with it in an alternative way which does not give rise to conflict; or
- Not appointing the governor in question or seeking to secure their resignation.

In the minutes of the meeting, the following should be recorded:

- The nature of the conflict;
- Which governor(s) it relates to;
- Whether a declaration was made in advance of the meeting;
- A brief overview of what was discussed;
- Whether the governor(s) withdrew from the meeting;
- How the governors made the decision in the best interests of the school.

The Academy Trust Handbook requires the trust to keep a register of pecuniary interests for the trustees, governors and staff of schools. The register should be reviewed annually by the clerk to the governing body but any new interest or ceased interest, should be reported to the governance officer as and when they occur. Upon completion, this signed form should be given to the clerk/governance officer whose responsibility it is to keep a register of all interests and review it annually.

**Related party transactions**

5.35 This part of the handbook deals with goods or services provided by or to individuals or organisations related to the academy trust. Related parties include persons and entities with control or significant influence over the academy trust, and members of the same group (e.g. parent and subsidiary companies, key management personnel and close family members).

The above description is not comprehensive. Find the full definition in:

- section 33 of Financial Reporting Standard 102
- section 9.15 and appendix 1 of the Charities SORP.

**Principles applying to related party relationships**

5.36 Academy trusts **must** be even-handed in their relationships with related parties by ensuring that:

- trustees comply with their statutory duties as company directors to avoid conflicts of interest, not accept benefits from third parties, and declare interest in proposed transactions or arrangements
- all members, trustees, local governors of academies and senior employees complete the register of interests, in accordance with sections 5.45 to 5.48 of this handbook
- no member, trustee, local governor, employee or related individual or organisation uses their connection to the trust for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the trust
- there are no payments to trustees by the trust unless permitted by the articles, or by authority from the Charity Commission, and comply with any relevant agreement with the Secretary of State. Trusts will need to consider these obligations where payments are made to other business entities who employ the trustee, are owned by the trustee, or in which the trustee holds a controlling interest
- the Charity Commission's approval is obtained where the trust believes a significant advantage exists in paying a trustee for acting as a trustee
- payments provided to the persons referred to in section 5.49 satisfy the 'at cost' requirements in this handbook.

5.37 The trust should be aware of the Charity Commission's guidance for trustees CC11: Trustee expenses and payments.

5.38 The board of trustees **must** ensure requirements for managing related party transactions are applied across the trust. The board chair and the accounting officer **must** ensure their capacity to control and influence does not conflict with these requirements. They **must** manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with The 7 principles of public life.

5.39 Trusts **must** recognise that some relationships with related parties may attract greater public scrutiny, such as:

- transactions with individuals in a position of control and influence, including the board chair and accounting officer 51
- payments to organisations with a profit motive, as opposed to those in the public or voluntary sectors
- relationships with external auditors beyond their duty to deliver a statutory audit.

5.40 The trust **must** keep sufficient records, and make sufficient disclosures in their annual accounts, to show that transactions with these parties, and all other related parties, have been conducted in accordance with the high standards of accountability and transparency required within the public sector.

**Reporting and approval of related party transactions**

5.41 Trusts **must** report all contracts and other agreements with related parties to ESFA in advance of the contract or agreement commencing, using ESFA's related party on-line form. This requirement applies to all such contracts and agreements made on or after 1 April 2019.

5.42 Trusts **must** obtain ESFA's prior approval, using ESFA's related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party agreed on or after 1 April 2019 where any of the following limits arise:

- a contract or other agreement exceeding £20,000
- a contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £20,000 in the same financial year ending 31 August.

5.43 For the purposes of reporting to, and approval by, ESFA contracts and agreements with related parties do not include salaries and other payments made by the trust to a person under a contract of employment through the trust's payroll.

## Authorisation Levels

Delegated Duties	Value	Delegated Authority	Method
Quote limits for goods and services			
Sensible prudence should be applied to all procurement decisions and 3 quotes are recommended for all purchases, however, minimum requirements are:	Up to £2,500	All staff	One verbal quote
	£2,500 to £10,000	All staff	One written quote
	£10,001 to £50,000	Department leads/Core staff	Three written quotes
	> £50,000	Authorised delegated staff only	Formal tender process Subject to OJEU limits
Ordering goods and services within the agreed budget	up to £20,000	Nominate Budget Holder	In line with the Trust's contract procedure rules
	over £20,000	Above + Trust Lead	
Authorisation of "goods received" for ordered goods and services within the agreed budget as per the order value	Any	A nominated member of the department who ordered the goods or services	The finance department should be made aware of department signatories
Authorisation of ordered goods and services within the agreed budget over 2% of the approved ordered value	Any	Nominate Budget Holder	
Any urgent order covered by insurance		Deputy Trust Lead	Report back to the Board of Trustees at the next meeting
Any urgent order outside of the approved annual budgets not covered by insurance:	under £10,000	Deputy Trust Lead	Report back to the Board of Trustees at the next meeting
Any urgent order outside of the approved annual budgets not covered by insurance:	over £10,000	Trust Lead and Finance Chair	Report back to the Board of Trustees at the next meeting
Authorisation of goods received for non-ordered goods and services	Any	A nominated member of the department who ordered the goods or service	The finance department should be made aware of department signatories
Authorisation of non-order invoices for goods and services within the agreed budget	up to agreed department budget	The department lead	
	up to £20,000	Head Teacher or nominated member of Leadership Team at constituent academy	In line with the Trust's contract procedure rules
	over £20,000	Trust Lead	

# APPENDIX B

Delegated Duties	Value	Delegated Authority	Method
Signatories for cheques	Cheques up to £20,000	Must be signed by two authorised signatories	All invoices must be authorised correctly before payment can be made
	Cheques over £20,000	Must be signed by three authorised signatories, one to be the Trust Lead or Chief Operating Officer	
BACS, and other bank transfer	up to £500,000 of payments within a batch	Must be signed by two authorised signatories	
	over £500,000 of payments within a batch	Must be signed by three authorised signatories, one to be the Trust Lead or Chief Operating Officer	

# APPENDIX B

## Petty Cash Limits

A petty cash claim must be counter signed by the budget holder, if it is the budget holder making the claim, then the line manager must countersign. **Only transactions less than £10 are permitted**

<b>Petty Cash accounts held</b>
Petty Cash accounts held
St Mewan
Newquay Junior Academy
Newquay Tretherras
Brannel

<b>Direct Debit Mandates</b>	<b>Any 2 approved signatories</b>	<b>As delegated by the Board</b>
------------------------------	-----------------------------------	----------------------------------

Debt Write off	up to £1,000	Head teacher	approve the write off but must be reported to the Finance Committee
	over £1,001 up to £5,000	CFO	approve the write off but must be reported to the Finance Committee
	over £5,001 up to £10,000	Deputy Trust Lead	approve the write off but must be reported to the Finance Committee
	£10,000 and over	Finance Trustee	approve the write off but must be reported to the Finance Committee
	Transactions above 1% of annual income or £45,000 per single transaction	ESFA prior approval is required	

Disposal of Assets	Assets up to £5,000	Head teacher	approve the disposal of assets but must be reported to the Board of Trustees
	Assets over £5,000	Trust Lead	approve the disposal of assets but must be reported to the Board of Trustees

# APPENDIX B

Virements	Any virement within the agreed approved budget limits excluding reserves and a movement in excess of 5%	Head teacher	Report back to the Finance Committee
	up to £20,000 in any one calendar month per academy from reserves or movement of above 5% of agreed budget	Trust Lead and Deputy Trust Lead	Both must agree the virement and report back to the Finance Committee
	Over £20,000 from reserves	Finance Committee	report to full board

Signatories for ESFA Grant claim forms and ESFA returns	Any	As required Trust Lead, Deputy Trust Lead, Chair of Board
---	-----	---

Travel - mileage	0.45p per mile	First 10,000 miles Over £10,000 miles per year Must name passenger
Passenger miles	0.25p per mile	
	0.05p per mile	
Trustees - Mileage	0.45 per mile	

Subsistence	£15	Maximum	Breakfast
	£20	Maximum	Lunch
	£30	Maximum	Dinner
	£150	Maximum	Bed and Breakfast

Maximum Daily allowance of £65 per person for a whole day away from home.

Gifts	up to £100	Maximum	Discretion of Head teacher
-------	------------	---------	----------------------------

## Seven principles of public life

### **Selflessness**

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

### **Integrity**

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

### **Objectivity**

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

### **Accountability**

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

### **Openness**

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

### **Honesty**

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

### **Leadership**

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

## History of Changes

Version	Date	Page	Change	Origin of Change
1.0	30.11.2022		Original Draft	
1.1	15.02.2023	46	Paragraph 14.4 Updated	Finance, Staffing & Remuneration committee held on 17th January 2023
1.2	15.02.2023	64	Declaration of Business & Pecuniary Interest Annual Form Updated	Finance, Staffing & Remuneration committee held on 17th January 2023
1.3	15.02.2023	46	Anti Money Laundering Policy added (not Fraud)	Finance, Staffing & Remuneration committee held on 17th January 2023
1.4	03.08.2023	20	Alteration to 10.1	Approved by Finance, Staffing and Remuneration committee on 10th July 2023
1.4	03.08.2023	20	Alteration to 10.2	Approved by Finance, Staffing and Remuneration committee on 10th July 2023
1.4	03.08.2023	20	Alteration to 10.2	Approved by Finance, Staffing and Remuneration committee on 10th July 2023
1.4	03.08.2023	20	Alteration to 10.3	Approved by Finance, Staffing and Remuneration committee on 10th July 2023
1.5	13.12.2023		Revisions following annual review of the policy	