



The  
**Maltby** Learning Trust

# MLT Financial Regulations Manual

## Delegated Authority Levels

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Reviewed by: Chief Finance Officer  
Approved by: MLT Board

Maltby Learning Trust

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## 1. INTRODUCTION

The purpose of this manual is to ensure that the Maltby Learning Trust and all its Academies, maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).

The Trust must comply with the principles of financial control outlined in the Academies Financial Handbook (AFH) published by the Education Skills and Funding Agency (ESFA). This manual expands on the AFH and provides more detailed information on the Trust's accounting procedures and systems. This manual should be read by all staff involved with financial systems. It should also be read in conjunction with other MLT Policies which provide more detailed guidance in the operation of the Trust's finances:

- Anti-bribery
- Cash Handling
- Charging and Remissions
- Expenses
- Fraud
- Gifts and Hospitality
- Investment
- Lettings
- Pay for Associate Professionals
- Pay for Teachers
- Scheme of Delegation

Systems and processes outlined in this document extend to the treatment of restricted and unrestricted funds.

## 2. ORGANISATION AND STRUCTURE

The Trust has defined the responsibilities of each committee and key person involved in the administration of its finances in the MLT Scheme of Delegation. The financial reporting structure is illustrated in Appendix 1 of this document.

### MLT TRUSTEES

The MLT Trustees are both Charity Trustees and Company Directors. They oversee the Trust's finances and hold the executive leadership to account. Trustees will meet at least 6 times each year to ensure regularity and propriety in use of the Trust's funds, and achieve economy, efficiency and effectiveness – the three key elements of value for money.

Trustees will apply the highest standards of governance ensuring they follow the Governance Handbook and take full ownership of their duties. They must comply with the Trust's charitable objects, with company and charity law and the funding agreement and supplementary funding agreements. The Board of Trustees will:

- Ensure that financial plans are prepared and monitored, satisfying itself that the Trust remains a going concern and financially sustainable.

- Take a longer term view of the Trust's financial plans consistent with the requirement to submit three year budget forecasts to ESFA
- Explain the Trust's policy for holding reserves in the annual report as outlined in the Accounts Direction.

The main responsibilities include:

- Adherence to the guidance in the Academies Financial Handbook, ensuring that grants from the ESFA are used only for the purposes intended;
- Ensuring regularity and propriety in the use of the Trust's funds, achieving economy, efficiency and effectiveness.
- Development and regular review of the Scheme of Delegation;
- Approval and monitoring of income and expenditure against the annual budget forecast;
- Utilising integrated curriculum and financial planning tools to ensure they can deliver the best curriculum and deliver the educational priorities with the funding available.
- Fulfillment of the statutory requirements to prepare the Trustees Report and Financial Statements;
- Ensuring that its accounts are audited annually by independent auditors;
- Appointment of the Accounting Officer and;
- Appointment of the Chief Finance Officer;
- Appointment of the Clerk to the Board, who is not a Trustee, Principal or Chief Executive of the Trust

## STAFFING, RESOURCE, FINANCE AND AUDIT (SRFA) COMMITTEE

The SRFA Committee is a committee of the MLT and contains a majority of Trustees. The SRFA Committee meets at least four times each year but more frequent meetings can be arranged if necessary.

The main responsibilities and levels of delegated authority of the SRFA Committee are detailed in the Terms of Reference and the MLT Scheme of Delegation, but include being the Trust's dedicated audit and risk committee. The SRFA committee will direct the Trust's programme of internal scrutiny and ensure that risks are being addressed appropriately through internal scrutiny and reported to the Board. The Chair of the SRFA Committee will not be the same as the Chair of Trustees as stated in the Academies Financial Handbook 2020, Paragraph 3.10

## LOCAL GOVERNANCE COMMITTEE (LGC)

The LGC is a committee of the MLT. The LGC of an Academy will meet at least once per half-term. The LGC will adopt the MLT Scheme of Delegation, Financial Regulations Manual and all Financial Policies authorised by the Trustees.

Each LGC will develop their own Academy Development Plan and submit its priorities to the CEO/CFO/SRFA Committee in order to draft the Budget Forecast for the MLT.

The LGC will be responsible to the MLT for the delegated responsibilities contained in the MLT Scheme of Delegation.

## CHIEF EXECUTIVE OFFICER (CEO AND ACCOUNTING OFFICER)

The Board of Trustees must appoint, in writing, a permanently employed senior executive leader who may also be appointed as a Trustee. The responsibilities and delegated authorities of the CEO are outlined in the MLT Scheme of Delegation.

The CEO is appointed as the MLT Accounting Officer and has responsibility to the MLT for ensuring: regularity and propriety; prudent and economical administration; avoidance of waste and extravagance; efficient and effective use of available resources and; the day to day organisation, staffing and management of the Trust.

The Accounting Officer is required to familiarise themselves with the Academies Financial Handbook which sets out the specific requirements should there be any breach of the Master and Supplemental Funding Agreements. The Accounting Officer must take personal responsibility (which must not be delegated) for assuring the Board that there is compliance with the funding agreements and handbook.

The Accounting Officer role includes specific responsibilities for financial matters. It includes a personal responsibility to Parliament, and to ESFA s Accounting Officer, for the Trust s financial resources as stated in the Academies Financial Handbook, Paragraphs 1.25 to 1.35.

## CHIEF FINANCE OFFICER (CFO)

The responsibilities and delegated authorities of the CFO are outlined in the MLT Scheme of Delegation.

The CFO is responsible for supporting the Accounting Officer in ensuring that appropriate financial governance and risk management arrangements are in place to safeguard the Trust.

The CFO and their finance staff must be appropriately qualified and/or experienced. The CFO should maintain continuing professional development and undertake relevant ongoing training as required by paragraph 2.38 of the Academies Financial Handbook.

The CFO also has direct access to the Trustees and the SRFA Committee and will be responsible for leading on all matters relating to finance at each of the MLT Board and SRFA meetings.

## 3. LETTERS ADDRESSED TO THE ACCOUNTING OFFICER

If the Accounting Officer receives a letter from the Secretary of State for Education, addressed "Dear Accounting Officer" it will be shared with the Trust Board. The Trust Board in consultation with the Accounting Officer and Chief Finance Officer will decide what action if any needs to be taken to amend its current policies, governance arrangements or financial affairs.

## 4. BUSINESS INTERESTS

All Members, Trustees, Governors and staff with significant financial powers will declare any direct or indirect pecuniary or business interests. Further information about what needs to be recorded on the register can be found in the Academies Financial Handbook, paragraphs 5.44 to 5.47

The Clerk to the MLT and Clerks to each of the Academies are required to update the business interest register and publish this on the appropriate website during the first half-term of each academic year.

The MLT Clerk and Academy Clerks are required to include an agenda item for the disclosure of any business interest in respect of the items being discussed at the meeting.

The CFO or MLT Finance Director will undertake checks of the business interest disclosures made by Members, Trustees, Governors and senior leaders, held by the Clerk, against the register of approved suppliers. Careful consideration will be made before entering into any contract involving a declared business interest. Further information in relation to contracts that could be deemed novel or contentious is available in the Academies Financial Handbook, paragraph 5.43 and those that are referred to above.

## 5. RELATED PARTY TRANSACTIONS

All Members, Trustees, Local Governors and senior employees will be even handed in their relationships with related parties and will manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the seven principles of public life.

The MLT recognises that some relationships with related parties may attract greater public scrutiny. It is the responsibility of the CFO to keep sufficient records and ensure disclosures are made in the annual accounts to evidence that these transactions have been conducted in accordance with the high standards of accountability and transparency.

The CFO will be responsible for reporting all contracts and other agreements with related parties to the ESFA in advance of the contract or agreement commencing and will gain prior approval from the ESFA for contracts and agreements identified within the specified limits as per the Academies Financial Handbook paragraphs 5.40 to 5.42.

Further information on related party transactions can be found in the Academies Financial Handbook paragraphs 5.34 to 5.47.

## 6. GOVERNANCE ARRANGEMENTS

The Trust recognise the importance of transparency in relation to its governance arrangements.

As required by paragraph 1.40 of the Academies Financial Handbook the Trust must appoint a clerk to support the board of trustees. A clerk can help the efficient functioning of the board by providing:

- Guidance to ensure the board works in compliance with the appropriate legal and regulatory framework, and understands the potential consequences of non-compliance;
- Advice on procedural matters relating to operation of the board;
- Administrative and organisational support.

The Clerk to the MLT Board will ensure that the Trust meets its statutory requirements in terms of the publication of its governance arrangements on the Trust website. The Clerks to the Local

Governance Committees will ensure that the governance arrangements are published on their respective Academy websites.

Full details of the statutory information which must be published on websites is referenced in the Academies Financial Handbook paragraph 2.50.

The Clerk to the MLT Board will also ensure that the ESFA is notified of any changes to the governance information as described in the Academies Financial Handbook, paragraphs 2.53 to 2.57 within 14 calendar days of the change.

## 7. RISK MANAGEMENT

The Trustees will ensure sound internal control by putting in place appropriate arrangements for considering the management of key risks facing the organisation. Overall responsibility for risk management, including ultimate oversight of the risk register will be retained by the Board of Trustees, drawing on advice provided to it by the audit and risk committee. A Risk Register will cover the full operations and activities of the Trust and will be discussed regularly at SRFA Committee and Trust Board Meetings. The Trust has put in place an MLT Risk Management Policy and will employ external and internal Audit Services to review aspects of risk throughout the year.

In addition to the MLT Risk Management Policy, the Trust has put in place a Business Continuity Plan.

## 8. INSURANCE ARRANGEMENTS

The Trust has put in place commercial insurance with Zurich Municipal to protect the Trust. Insurance arrangements for the Trust and its Academies, includes cover for the following areas of risk:

- A combined policy for:
  - Material damage;
  - Business Interruption;
  - Money held;
  - Public Liability;
  - Employers Liability;
  - Libel and Slander;
  - Governors Liability;
  - Hirer's Liability;
  - Legal Expenses and Uninsured Loss Recovery;
  - Fidelity Guarantee;
  - Motor Vehicles;
  - Personal Accident of employees, volunteers, governors and students;
  - Educational Visits;
  - Inspection of Plant and Engineering;
  - Terrorism;
  - Professional Indemnity.
  - Covid 19

The Trust Board will consider whether to continue with the commercial insurance arrangements or to opt into the Education Skills and Funding Agency - Risk Protection Scheme (RPA). At this

point, Trustees will need to determine whether commercial insurance offers better value for money and coverage of the perceived risks to the Trust.

Further information and guidance about insurance arrangements is included in the Academies Financial Handbook, paragraphs 2.40 to 2.42.

## 9. ACCOUNTANCY AND AUDIT ARRANGEMENTS

The Trust Board will be responsible for engaging with the auditors, having considered that there is impartiality between the different activities and advice provided by the appointed auditor. To ensure that the Trust has considered during due diligence the independence and objectivity of the auditor, for each area of business, a separate engagement letter will be entered into and signed by both parties. Further advice can be found in the Academies Financial Handbook, Paragraphs 4.5 to 4.8.

The Trust and appointed auditor will have separate engagement letters for the following services:

- External and Regularity Audit to include the audit of the Teachers' Pension Scheme;
- 
- Preparation of Financial Statements;
- Preparation of Abbreviated Accounts Returns;
- Taxation Services.

To ensure effective internal scrutiny the internal audit services cannot be performed by the Trust's external auditor, as stipulated in the Financial Reporting Council's Ethical Standard and Academies Handbook section 3.15.

### EXTERNAL AUDIT ARRANGEMENTS

The external auditor will be appointed by the Members each year at their Annual General Meeting. The external auditor will undertake their duties in accordance with the ESFA Accounts Direction and Academies Financial Handbook. The external auditor will be appointed to undertake the following works:

- Audit the Trustees Report and Financial Statements;
- Audit the Teachers' Pension Scheme annual return;
- Audit the Academies accounts return (AAR)
- Review of Regularity

The Trust reserve the right to appoint an external auditor for a period of greater than one year, based on previous performance and evidence that they are receiving value for money (VfM).

The Trust will ensure each year, the audited accounts are:

- Presented to every member at their Annual General Meeting
- Presented to every Trustee at their December meeting;
- Submitted to ESFA by 31 December;
- Published on the trust's website by 31 January;
- Filed with Companies House by 31 May;
- Provided to anyone who requests a copy.

Proposals to remove auditors require a majority vote of the members, who must provide reasons for their decision to the board, as required in section 4.7 of the Academies Financial Handbook.

The board of trustees must notify the ESFA immediately of the removal or resignation of the auditors. For removal, the trust must notify ESFA of the reasons. For resignation, the trust must copy to ESFA an explanation from the auditors. A change in auditor at the expiry of their agreed term of office does not require notification to ESFA (section 4.8 Academies Financial Handbook).

## INTERNAL SCRUTINY

The Trust has opted to appoint bought-in internal audit services, that are suitably qualified and experienced, to provide the Trustees with an independent view of the MLT risks, in relation to its financial affairs, broader business objectives, providing an appropriate curriculum and safeguarding arrangements for its students. The Trust will also ensure that it details the reasons why this option was applied within the governance statement which accompanies the annual accounts.

Due to the specialist experiences required to ensure effective internal scrutiny of the different financial and non-financial identified risk areas, the Trust has chosen to use a combination of financial internal auditor services and specialist consultants. This approach has been approved in the Academies Financial Handbook, section 3.17 to 3.19.

Both the appointed internal auditor and specialist consultants will be directed by the SRFA Committee to review a range of functions which will be determined from the risks identified in the MLT Risk Register. In addition, the internal auditor will undertake a review of financial controls at least annually to comply with the Academies Financial Handbook.

Upon completion of the works, the appointed internal auditor and consultants will:

- Produce a written report with their findings and recommendations;
- Present the report directly to SRFA;
- Complete a short annual summary report to SRFA for each year ended 31 August outlining the areas reviewed, key findings, recommendations and conclusions.

The advisory report will be considered by the SRFA Committee with a regular report to the Trust Board on the findings and progress against agreed actions from the internal auditor recommendations.

The Trust will submit its annual summary report of areas reviewed, key findings, recommendations and conclusions, as presented to SRFA, to the ESFA by 31 December each year when it submits its audited annual accounts.

## 10. FINANCIAL ACCOUNTING SYSTEM

The CFO, in consultation with the Trust Board and Accounting Officer, is responsible for procuring a financial software solution that is able to deliver the financial requirements outlined in the Articles of Association, Funding Agreement and Academies Financial Handbook.

All financial activities relating to income and expenditure, including petty cash, must be recorded on the Trust Financial Accounting software.

## SYSTEM ACCESS

The MLT's current financial accounting software, CIVICA Financials Live is protected by access permissions to authorised staff. The CFO is responsible for determining the access levels to the system. At the direction of the CFO, the MLT Finance Director will set up the access levels for each Academy, including the central and consolidated areas of the accounting software. At a minimum there will be at least two levels of responsibility to ensure that there is a separation of duties between the purchase and payment of goods or services.

Purchase requisition approval flows are set up in the financial system, in line with the scheme of delegation thresholds.

The accounting software will be set to request the regular changing of passwords and ensure that relevant complexity requirements are in place.

## BACKUP ARRANGEMENTS

Procedures for the recovery of financial data in the event of a significant incident or ICT failure are included in the MLT IT Disaster Recovery Policy, MLT Backup and Recovery Policy and MLT Business Continuity Plan.

## TRANSACTION PROCESSING

It is a requirement that all financial activities undertaken by the Trust or its Academies are recorded in the financial accounting software. All activities, including payroll, purchase and sales ledger transactions must be approved in accordance with the procedures set out in the remainder of this document. The CFO or MLT Finance Director will be responsible for reviewing these arrangements and reporting any findings to the Accounting Officer.

The reports to be reviewed by individual Academy Finance Officers or the centralised finance team on at least a monthly basis will include:

- Monthly payroll reports;
- Bank Statement Reconciliations;
- Procurement Card Statements;
- Petty Cash Reconciliations;
- VAT Reports;
- Aged Debtors;
- Aged Creditors;
- Management Accounts, including reasons for any significant variance in income and expenditure against the approved budget.

## BUDGET HOLDERS

Within the financial accounting software, a number of staff will be allocated the responsibility of 'budget holder'. The budget holder will be responsible for ensuring that the allocated budget is used for its intended purposes of providing goods and services for the Trust's curriculum and business activities.

The budget holder will receive regular income and expenditure reports from the MLT Finance Manager or Academy Finance Officer. In the event that the financial allocation is likely to be under pressure to remain within budget, the Finance Officer must discuss this with the Academy Principal.

If the overall budget for an individual Academy is forecasting a deficit position, the MLT or Academy Finance Officer must notify the CFO. The CFO will discuss the position with the Accounting Officer and Academy Principal to discuss what measures need to be taken to bring the finances back in budget. The CFO will also report this to the SRFA Committee and Trust Board for monitoring of the financial position.

## 11. FINANCIAL PLANNING

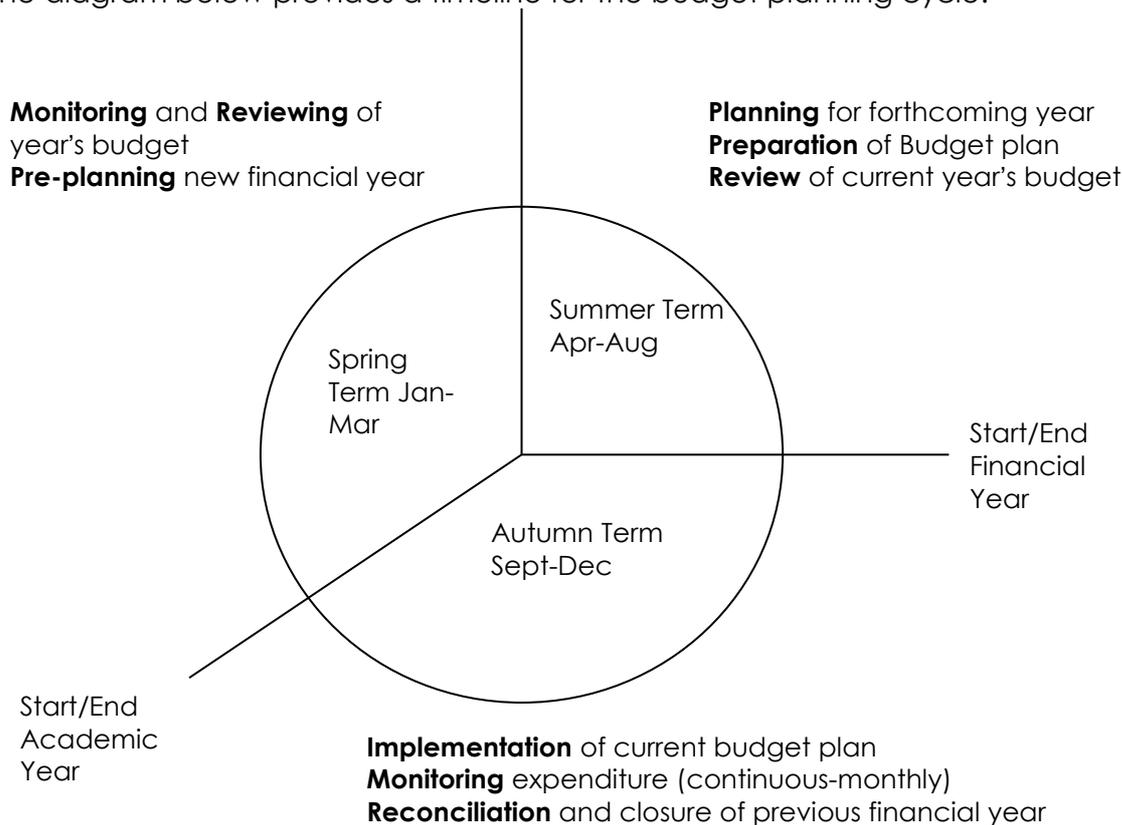
The MLT prepares both short and medium term financial plans for each of its Academies. It is the responsibility of the SRFA Committee in consultation with the CEO/CFO to consider the individual Academy Development Plans and staffing and resource requirements for the current and future years (minimum of three years) and to develop a consolidated budget forecast for the Trust.

The Trust has purchased the HCSS Budget Planning Software to assist the individual Academies in the preparation of short and medium term budget forecasts. The HCSS version of the software allows for the consolidation of individual academies and the centralised budget into the annual budget forecast.

In considering the consolidated budget forecast, the SRFA will ensure that expenditure does not exceed the expected level of income receipt, unless there are sufficient reserves to cover any forecast in-year deficit.

To help manage capital assets and budgets, the Trust will utilise the guidance provided in the Academies Financial Handbook, paragraph 2.8.

The diagram below provides a timeline for the budget planning cycle:



In addition to the above budget planning cycle, the SRFA Committee will use a range of KPI s, including both financial and none financial, to support the development of the annual and future year budget forecasts:

- Key Stage outcomes comparative to the National performance indicators;
- Future year student number projections;
- Teacher to Student Contact Ratio's (in particular, group sizes at KS4 and KS5);
- % spend of staffing against ESFA Revenue Income (School Budget Share) and against all income receipts;
- % spend of leadership arrangements;
- The spend (£) per student on other none staffing resources;
- Average costs per teacher and use of TLRs against those published in the Annual Workforce Census (ESFA Statistics).

As part of the budget cycle the Trust will take an integrated approach to curriculum and financial planning so that they are confident about planning the best curriculum for their pupils and delivering the Trust's educational priorities with the funding they have available, as recommended by Academy Financial Handbook section 2.13.

1. The board must ensure budget forecasts for the current year and beyond are compiled accurately, based on realistic assumptions including any provision being made to sustain capital assets, and reflect lessons learned from previous years.

The Board of Trustees must approve a balanced budget, and any significant changes to it, for the financial year to 31 August, which can draw on unspent funds brought forward from previous years. The board must minute its approval.

The Trustees will approve the budget forecast outturn and three year budget forecast return and submit to the ESFA by the published dates (see the Academies Financial Handbook 2020 Paragraphs 2.15.)

If the Trust are proposing to set a deficit budget which cannot be met from its reserves, it will notify the ESFA within 14 days of the proposal.

## 12. BUDGET MONITORING

### INDIVIDUAL ACADEMY BUDGET MONITORING

Monitoring Reports will be prepared by the individual Academy Finance Officers and include the following information for review by the MLT Central Finance Team:

- Income and Expenditure Report to include reasons for any significant variance in income or expenditure against the budget (Monthly);
- A budget forecast to include a projected year-end outturn position (in February, April and June each year).

It is the responsibility of the Academy Finance Officer to provide a financial report on a monthly basis to the Academy Principal. The Finance Officer must also provide a financial report to the Local Governance Committee (LGC) at least once each term.

The MLT Finance Director is responsible for providing training and guidance to the Academy Finance Officers in respect of the financial accounting software and its use. In addition to the CIVICA Financials Live training manuals, the MLT Finance Director has provided additional guidance in respect of the monthly tasks to be completed, and require the respective Finance staff to complete their allocated tasks as specified in the month end timetable.

### CENTRAL AND CONSOLIDATED BUDGET MONITORING – MANAGEMENT ACCOUNTS

The MLT Finance Director will be responsible for preparing and maintaining the following reports:

- A consolidated Income and Expenditure Report, to include any significant variances and challenges being identified in the individual Academy Reports that contribute to either a negative or positive position on the consolidated report;
- A consolidated Trust Balance Sheet;
- A consolidated Cash flow report, for a period of a minimum of 12-months;
- An Income and Expenditure report for the Central Services budget, including reasons for any significant variance;
- A Fixed Asset Register.

The CFO will be responsible for reviewing the information submitted by the MLT Finance Director. This will be communicated as follows:

- The Management Accounts will be issued to the Chair of the Board, Trustees and SRFA Committee members on a monthly basis;
- The Trust Board Meetings will include an agenda item to receive a financial report in respect of the current financial position against the consolidated budget forecast. The report will identify any significant challenges being experienced by individual academies in respect of achieving an in-year balanced position, or a significant variance from any agreed in-year deficit; The management accounts discussion will be captured within the minutes.
- The SRFA Committee Meetings will include an agenda item to receive;

- A financial report in respect of the latest financial position against the consolidated approved budget forecast;
  - A review of the consolidated approved budget forecast identifying any significant challenges being experienced by individual academies in respect of achieving an in-year balanced position, or a significant variance from any agreed in-year deficit.
- The management accounts will be distributed to Trustees monthly. If there is no meeting in the month of preparing the Management Accounts, this will be circulated via email to Trustees and SRFA committee members with an opportunity to comment and ask questions about the content of the information provided.

(Please see the Academies Financial Handbook, paragraph 2.8 to 2.22 for more information)

## INTERNAL BUDGET MONITORING

The CFO or MLT Finance Director will undertake regular review at each of the Academies within the Trust. The review will undertake a range of tests to ensure that individual academies are following the policies and procedures of the Trust. The test will include the following areas and will be written in a report with recommendations for any areas of improvement:

- Income/Cash Transactions;
- Procurement of Goods and Services;
- Bank Controls;
- Petty Cash;
- Budget Planning and Monitoring;
- Voluntary Income;
- Aged Debtors;
- Payroll administration;
- Asset Registers.

The SRFA Committee will review reports submitted by the CFO and in the event of a failure to respond to recommendations to improve performance, they will consider whether it is appropriate to remove the financial responsibilities delegated to the Academy.

The Trust Board receiving a recommendation from the SRFA Committee will have the authority to remove the delegated financial responsibilities of the LGC and its key staff.

## 13. BANK ACCOUNTS

### OPENING MLT BANK ACCOUNTS

The Trust Board are responsible for authorising the opening of all bank accounts for the Trust and its Academies. In the process of opening any new account, the CFO will ensure that the bank are notified that the account cannot overdraw.

The Accounting Officer and CFO are responsible for ensuring that bank mandates include for an appropriate number of signatories, with a minimum of two persons, for the signing of cheques on each account. The person who is responsible for preparing the cheque

(Academy Finance Officer, Academy Finance Manager or MLT Finance Director), is not permitted to be one of the authorised signatories.

The CFO will be responsible for ensuring that the ESFA are notified of all accounts held by the Trust by completing the ESFA Bank Account Set-up Form to ensure the correct payment of monthly remittances.

Additional bank accounts for school funds are not permitted. All unrestricted income should be recorded and deposited into the Academy's current account.

## RECONCILIATIONS AND CASH FLOW

The CFO or MLT Finance Director is responsible for ensuring that cash held at the bank attracts the best rate of interest and that bank charges for services are kept to a minimum.

The MLT Finance Director or MLT Finance Manager are responsible for ensuring that there is a regular reconciliation of the bank accounts with the accounting software; preferably, a minimum of once per week. This should include for the anticipation of large payments such as direct debits, payroll and standing orders.

In the event of a potential problem with an individual Academy's cash flow, the CFO should be notified immediately. The CFO/MLT Finance Director will undertake an investigation into the discrepancy and in the event that it is not resolved, the CFO working with the Accounting Officer will determine whether to notify the External Auditor or ESFA for further support.

## TRUST/ACADEMY CHEQUES

It is the Trust's preference to make payments to its suppliers via BACS transfer, therefore reducing the number of cheques being issued from the Trust's accounts.

The serial number of all cheque books will be recorded. Cheques will be securely stored and cancelled cheques will be retained and not destroyed. Cheques will only be signed by the authorised signatories.

## PROCUREMENT CARDS

The Trust authorise the use of one Procurement Card per Academy. The card will be registered to the Academy and be in the name of the Principal only. The card is limited to a maximum of £10,000 (secondary) and £3,000 (primary) spend in any month.

The PIN will be retained solely by the named person on the card, to verify spending online and should not be disclosed to any other person.

The card will only be used for the purposes when a normal requisition is not permitted, e.g. on-line purchasing of goods and services, such as travel, accommodation or via websites.

Supporting evidence will be retained to reconcile the card payment. E.g. email receipt screenshot of the transaction.

The Procurement Card will be cleared in full at the end of each month and reconciled to the financial accounting software.

When the card is not in use, it will be locked in the Academy safe.

## INTERNET PURCHASING PROCEDURES

Internet purchases should only be made if there is a significant benefit to the Trust in doing so and may include, but not limited to:

- A cheaper price;
- A better delivery time;
- The product is unique to that supplier;
- The supplier does not accept an official requisition form for the goods or services.

For each internet purchase a printed confirmation form will be retained with a completed order form, raised on the financial accounting software. Where possible, the order number will be quoted on the internet order for cross reference.

## DIRECT DEBITS

Direct Debits (DD) may be used for regular payments for services such as cleaning and rates. If an Academy Finance Officer wishes to set up a DD arrangement, they should contact the MLT Finance Director/CFO for approval in the first instance.

Following approval to set up the DD, the Academy Finance Officer must ensure that:

- A record is kept of the DD, including dates of payment, length that the DD will run;
- Cash flow is maintained to allow for the DD transaction to take place;
- There is regular reconciliation of the DD with the accounting software.

## 14. INVESTMENTS

Investments will only be made in accordance with the Articles of Association and MLT Investment Policy. Other than transfers to a 95-day deposit account, all investments require the consideration of the SRFA Committee and approval of the Trust Board. If appropriate the Trust Board should consider taking professional advice from an independent consultant if in any doubt about and investment decisions.

Further advice and guidance in making appropriate investments is included in the Academies Financial Handbook , paragraphs 2.25 to 2.26.

## 15. ENDOWMENT FUND – DEED OF GIFT

The Trust has received a Deed of Gift from Rotherham Metropolitan Borough Council with a value of £500,000. This was made to Maltby Academy in the form of a Deed of Gift and Declaration of Trust to establish an Endowment Fund.

The Trust will take appropriate steps to ensure that the powers granted in respect of the Endowment Fund are followed at all times.

## 16. PETTY CASH

Each Academy may hold a maximum cash balance of £150 which must be securely locked in the Academy safe.

Petty cash will only be used for expenditure on small amounts, not greater than £30.00, for which a purchase order is not relevant.

The payment of petty cash will only be made on production of a receipt and a full record of the items and reason for the refund must be kept.

At the end of each month, the Academy Finance Officer will reconcile the petty cash and arrange for the petty cash to be reinstated to the £150.00 threshold.

Petty cash will not be used for personal gain, for example, I owe you, or to cash personal cheques.

## 17. INCOME RECEIPTS

In the main, the Trust and its Academies will receive the majority of its income via remittance advice and BACS transfer directly to one of the Trusts accounts.

In addition, the Trust or its Academies may receive income, either by cheque or in cash to make a payment for events or items such as:

- Lettings;
- School Uniform;
- Educational Visits;
- Catering Income;
- Fund raising activities;
- Sale of equipment/revision guides.

For all cheques and cash received, the Academy Finance Officer will ensure that a receipt or record of all income is maintained. This may take the form of an official receipt or class register and will be signed by both the person depositing and receiving the income.

Cash/cheques will be held securely in the Academy safe and deposited at the bank at the earliest opportunity via the cash courier arrangements. The financial accounting system will be updated at the time that the cash is deposited to the bank to ensure the accuracy of the current financial position for each Academy.

Further advice and guidance in respect of cash handling can be found in the MLT Cash Handling Policy.

## 18. DEBT MANAGEMENT AND DEBT WRITE OFF

Unless it is specifically detailed on the invoice, the MLT and its Academies payment terms will be 30 days. At the end of each month, the Academy Finance Manager will review the monthly debtors report from the CIVICA Financial Live software. In the event that there are any debtors greater than 30 days, the following actions should be completed:

- >30 days after the original invoice is issued – issue a first reminder letter to the debtor. The following wording is suggested for inclusion in the letter: ***The above invoice is overdue and I should be grateful if you would arrange settlement within fourteen days from the date of this letter. If payment has already been dispatched within the last three working days then please accept my thanks and ignore this letter.***

- If there is no response to the first reminder letter after fourteen days, send a second reminder letter to the debtor. The following wording is suggested for inclusion in the letter: **We have not received any response to our letter dated..... and the above invoice is still overdue. Please can you arrange settlement within seven days from the date of this letter to avoid further, more formal action being taken on behalf of the Academy. If payment has already been dispatched within the last three working days then please accept my thanks and ignore this letter.**
- If no response to the second reminder letter, issue a final letter to the debtor. The following wording is suggested for inclusion in the letter: **Payment has not been received for the above invoice, nor any valid reason as to why payment is being withheld. Under these circumstances I must advise you that if settlement is not received by ..... action will be taken to issue you with formal legal proceedings to recover the overdue sum. When taking such action, the Academy will not only claim the amount due, but also the costs incurred in issuing the legal proceedings. I trust that such action will not be necessary and that the Academy will receive your payment in full, by return of post.**
- If payment is still not received, the matter should be referred to the CFO. The CFO will consult with the MLT Finance Director having reviewed the write off procedures, included in the Academies Financial Handbook, paragraphs 5.18 to 5.21.
- If there is a decision to write off a debt the following write off levels will apply:
  - Up to £1,000 – by the MLT Finance Director;
  - Over £1,000, but less than £5,000 – by the SRFA Committee;
  - Debts greater than £5,000 – by the MLT Board, subject to the amount of debt being within the limits set by the Secretary of State for Education.

The Trust will not write off any debts that exceed the limits outlined in the Academies Financial Handbook, paragraph 5.19, nor will the Trust enter into any guarantees, letters of comfort or indemnities without seeking prior approval from the ESFA.

## 19. ACCOUNTING FOR VAT

### VAT REIMBURSEMENTS

The Trust is currently not registered for VAT and have arrangements in place to recover VAT from HMRC via the Claim Form VAT126. Staff in the Central Finance Team are responsible for preparing the Trust's claim each month. The Finance Director is responsible for signing the claim before submission to HMRC.

VAT will only be reclaimed from HMRC providing that:

- The goods or services are for use by the Trust or its Academies;
- There is a valid VAT invoice or VAT receipt

On receipt of the income from HMRC, the MLT Finance Manager will distribute the income across each of its Academies to match the monthly VAT Reports taken from the financial accounting software.

A termly internal review will be completed by the MLT Finance Director to ensure the Trust is not going to achieve the VAT turnover compulsory registration threshold limit of £85,000. The CFO may instruct an external review, if projections indicate registration is likely within the next 12 months.

## 20. PAYROLL

### STAFF APPOINTMENTS

The MLT Board will approve a staffing establishment for each Academy and its centralised function prior to the start of each academic year. Changes to the establishment are only permitted with the express permission of the SRFA Committee, who will ensure that there are adequate funds available.

The CEO in consultation with Academy Principals has the delegated authority to appoint staff within the approved establishment, with the exception of Principals, and the CFO.

The CEO will consult with the Trust Board in respect of the appointment of Principals and the CFO.

Staff leading the recruitment and appointment process will refer to the MLT Recruitment Policy for further information. The lead officer in consultation with the Director of HR, should ensure that when inviting Members, Trustees or Governors to participate in the recruitment or appointment of staff to a post within the Trust, that business interest declarations have been checked to ensure a fair process.

The Director of HR is responsible for ensuring that following appointment, resignation or a variance to contract, the Dataplan portal is updated to ensure the accurate payment of salaries.

### PAYROLL ADMINISTRATION

The designated administrator within the individual Academy is responsible for making adjustments to monthly payroll via the Dataplan portal including:

- Variations to contract;
- New starters;
- Leavers;
- Absence;
- Approval of Expenses and overtime.

The designated administrator within each academy will undertake a review and reconciliation against the previous month payroll report to highlight any significant variations. All variations greater than £20.00 will be fully investigated.

The MLT Finance Director or CFO are responsible for undertaking a sample review each month of a minimum 5 payroll records for each Academy and approving the monthly payroll.

Following approval of the payroll, it is the responsibility of the Payroll provider to complete the HMRC and pension authority upload of information via the respective on-line portals.

The MLT Finance Officer is responsible for preparing the journals for the entry of payroll information to the CIVICA Financials Live software.

The appointed external auditor will be responsible for the external audit on the Teachers Pension Scheme.

The payroll provider is responsible for issuing monthly payslips, annual P60 s and P45 s following a termination of employment.

## PAYROLL PAYMENTS

All staff will be paid on the 26<sup>th</sup> of each month unless this falls on a weekend or public holiday, in which case payment would be made on the last working day, prior to the due date.

## 21. SPECIAL PAYMENTS

Special payments are those that fall outside the Trusts planned activities. Special payments are non-statutory or non-contractual and are subject to greater control; they include:

- Staff severance payments;
- Compensation payments;
- Ex-gratia payments.

If the Trust consider using any of the above payments, staff will always refer to the Academies Financial Handbook paragraphs 5.6 to 5.17.

In respect of ex-gratia payments, the Trust will always obtain prior approval from the ESFA, paragraphs 5.16 to 5.17 of the Academies Financial Handbook.

## 22. EXECUTIVE PAY

The Trust will ensure that executive remuneration is transparent, proportionate, reasonable and justifiable as outlined within the Executive Pay principles adopted by the Trust. Trustees will follow a robust evidence-based process when setting levels of executive pay which is reflective of an individual s role and responsibilities. All decisions on executive levels of pay will be documented to include the rationale behind the decision making process. Trustees will also consider the broader business interests held by senior executives ensuring they are satisfied that payments made in relation to such interests do not undermine the transparency requirements for disclosing pay in accordance with the Academies Account Direction. No individual can be involved in deciding their remuneration. Trustees will refer to the Academies Financial Handbook paragraphs 2.30 to 2.32 for further guidance.

The Trust will also ensure that its senior employees' payroll arrangements fully meet their tax obligations and comply with HM Treasury guidance by ensuring they are exclusively paid via payroll as specified in the Academies Financial Handbook, paragraph 2.34.

The Trust will publish on its website the number of employees whose benefits exceeded £100k, in £10k bandings, as an extract from the disclosure in its financial statements for the previous year ended 31 August. Benefits for this purpose include salary, other taxable benefits and termination payments, but not the Trust's own pension costs.

In the case of employees who are trustees, their salary and other benefits will also be disclosed in £5k bandings in the Trust's financial statements, as set out in the model Trustees' remuneration note in the Academies Accounts Direction.

## 23. GENDER PAY GAP REPORTING

The Trust will publish annually the gender pay gap information in line with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The CFO or MLT Finance Director are responsible for uploading the information on the governments reporting website and ensuring publication on the Trust website.

## 24. EXPENSES

The Trust has a separate policy for the payment of expenses to Members, Trustees, governors and staff. Expenses will only be reimbursed for travel, accommodation and subsistence for official business within the UK. Expenses claimed in respect of consultancy work undertaken on behalf of the Trust are set out in the MLT Charging and Remission Policy.

If possible to avoid the payment of expenses for travel and accommodation, these should be booked in advance with the finance office, using the Academy procurement card. Under no circumstances should 1<sup>st</sup> class travel be booked or reimbursed. Booking in advance is likely to achieve the most advantageous price given last minute bookings are likely to be more expensive.

In the event that a claim for expenses is required, Members, Trustees, governors and staff will be required to complete a claim form and present copies of all receipts.

All payments made in respect of expenses will be processed through payroll or the financial accounting package by BACS transfer or cheque. Finance staff will not use petty cash to reimburse expenses.

Further advice and information about expenses are included in the MLT Expenses Policy.

## 25. PROCUREMENT OF GOODS AND SERVICES

Additional guidance to support finance personnel and relevant Trustees/Governors with procurement arrangements, including rules outlined within the Public Contracts Regulations 2015 and the Treasury's guidance and hyper-links on managing Public Money is available in the Academies Financial Handbook, paragraphs 2.28 to 2.29.

## PROBITY AND VALUE FOR MONEY (VFM)

The Trust's objective is to achieve value for money from all its purchases. This means that the Trust and its Academies want to purchase what we need, with the correct quality, at the right time and at the best possible price. Any staff who undertake purchasing and procurement will ensure an economic, efficient and effective use of resources to ensure that spending represents value for money. Examples of how this can be undertaken are to benchmark against similar purchases, review the range of other options available, consider economies of scale and the renegotiation of services and contracts.

The Academy Finance Officers will refer to the DfE website, Deals for Schools, to benchmark purchases.

## USING CONSULTANTS TO SUPPORT PROCUREMENT

The MLT may from time to time require specialist consultants to support to procurement of large scale projects, for example, capital building programmes, or large contracts such as Catering or Cleaning.

In deciding whether to work with external consultants, the CFO, AO, or SRFA Committee will need to demonstrate that the services offer a clear advantage to the Trust and value for money. The cost of the services will be agreed in advance, either as a flat fee or as a % of the overall cost of the contract. A letter of engagement or an agreement signed between both parties should be put in place before work commences.

## SUPPLIERS

The MLT Finance Director is responsible for maintaining a register of approved suppliers on the financial accounting system. Before entering any details to the approved list, the MLT Finance Manager will undertake a range of checks to establish the propriety of the supplier. This will include gaining confidence in their economic standing, ensuring they have not been convicted of any fraudulent activities and cross referencing with Business Interest declarations.

The MLT Finance Director will also undertake a regular check of the business interest declarations against the register of suppliers to identify any potential contentious purchases. For any proposed purchases that involve a declared business interest, they should be referred to the CFO/AO.

The CFO/AO in consultation with the SRFA Committee must decide whether to include the supplier in an open and fair procurement process. Following a decision to retain a connected party supplier, the MLT Finance Director will circulate a list of connected party suppliers at the start of each year, or when there is a change in Members or Trustees.

Academies wishing to use suppliers that are not on the approved list should consult with the MLT Finance Manager to ensure that the relevant checks have been undertaken to confirm their authenticity. If a member of the Trust or Academy Finance team receives a letter or email correspondence informing that there has been a change in bank details; it is essential that this is confirmed by making a call to the supplier concerned using telephone details from the system. The following information must be recorded on the letter to confirm that the changes are accurate: date of the conversation; name and position of the individual confirming the change.

For suppliers that provide a service in relation to the repair and maintenance of buildings, the CFO or MLT Facilities Manager should be contacted for advice and support in ensuring that the contractor has the relevant qualifications to undertake the work.

For further information on protecting the Trust from exposure to fraudulent activities, staff should refer to the MLT Fraud Policy.

## ROUTINE PURCHASING WITH A VALUE OF LESS THAN £1,000

A supplier will be chosen from the list of approved suppliers maintained on the financial accounting software. Before committing to a supplier, it is essential that the following actions are confirmed:

- A quotation or price for the goods or services must always be obtained for any order under the value of £1,000;
- A check of the government website 'Deals for Schools' to compare prices;

- That there are sufficient funds held by the Trust or Academy to meet the commitment to the supplier;
- If there are insufficient funds available, the order will be referred to the CFO to consider whether to commit the order to the financial accounting software;
- Before requesting that an official requisition be raised on the financial accounting software, reasonable steps have been taken to achieve value for money. Best value could be achieved by:
  - Bulk purchasing of common consumables;
  - Negotiating discounts;
  - Taking advantage of sales seasons and avoiding peak times, for example, not to purchase computer hardware just before Christmas; ordering furniture during the summer term in preparation for the new academic year.
- The order has been approved by the person with the appropriate level of financial delegation;
- Following approval of the requisition, the order should be emailed to the supplier, alternatively, the supplier may be provided with the official order number obtained from the financial accounting software;
- An official requisition is only used for the purchase of goods and services provided to the Trust or one of its Academies. An official requisition, must never be used for personal gain;
- Verbal telephone orders may only be made in exceptional circumstances; for example, by site staff who require emergency repairs out of normal working hours.

#### PURCHASING OF GOODS AND SERVICES BETWEEN A VALUE OF £1,000 AND £5,000

In addition to the above procedures for goods of less than £1,000 the Trust or its Academies must confirm the following:

- For goods and services with a value of between £1,000 and £5,000, a minimum of three verbal or written quotations should be obtained;
- It is not a requirement for the lowest price to be accepted; however, the reasons for not accepting the lowest price will be recorded and kept with the documentation for future reference. Reasons for not accepting the lowest price may include, but are not limited to:
  - Specification not being met;
  - Delivery dates;
  - Quality issues;
  - Unsatisfactory references

- If the order is via the list of pre-authorised suppliers, the need for three quotes is waived. The list of pre-authorised suppliers should be compiled and utilised in the following way:
  - a) Must be reviewed at least annually using the correct procedures for the value of the goods/services being purchased (unless a longer contract has been agreed);
  - b) Wherever possible, there should be up to three suppliers for a specific type of service included in the list and usage rotated equally to ensure fairness as well as best value amongst suppliers;
  - c) The order has been approved by the Principal/Executive Principal within the individual Academy.

#### PURCHASING GOODS AND SERVICES WITH A VALUE OF OVER £5,000 BUT BELOW £20,000

In addition to a minimum of three written quotations, the appointment of the preferred supplier will require the approval of the CEO or the CFO.

#### PURCHASING GOODS AND SERVICES WITH A VALUE OF OVER £20,000 BUT BELOW £40,000

Orders should follow the above procedures and will require dual approval of both the CEO and the CFO.

#### PURCHASING OF GOODS AND SERVICES WITH A VALUE OF OVER £40,000 AND UP TO A VALUE OF £100,000

For the procurement of all goods and services with a value of between £40,000 and £100,000, the approval of the SRFA Committee will be required. In most circumstances, orders of this value will be subject to a tendering process, however, the SRFA Committee may authorise the procurement of a particular service/product based on three written quotations if necessary. The arrangements for the tendering of goods and services are provided later in this document.

Where a contractual arrangement exists between the supplier and MLT, creating a legal obligation to make payment, for example, arrangements associated with the specialist provision, further approval will not be required subject to the original contract being approved in line with the MLT Financial Regulation Thresholds.

#### PURCHASING OF GOODS AND SERVICES WITH A VALUE OF OVER £100,000

For the procurement of all goods and services with a value of more than £100,000, following a tendering process, they will additionally require approval by the Trust Board.

Where a contractual arrangement exists between the supplier and MLT, creating a legal obligation to make payment, for example, arrangements associated with the PFI contract, further approval will not be required subject to the original contract being approved in line with the MLT Financial Regulation Thresholds.

#### SINGLE SUPPLIERS – PURCHASING ARRANGEMENTS

In the event that the Trust or any of its Academies are unable to purchase goods or services through the above procurement routes. With the permission of the CFO and CEO, procurement may be discussed with individual suppliers. A single supplier will only be accepted if an extreme urgency exists, the goods are bespoke, or there are locality issues, for example, this might include an alternative curriculum provider within easy travel distance from the Academy.

For orders with a single supplier over £1,000, a single supplier form will be completed by the Academy Finance Officer and approved by the person with the appropriate level of financial delegation ie;

- £1,000 - £5,000 Academy Principal or Executive Principal
- £5,001 - £20,000 CEO or CFO
- £20,001 - £40,000 CEO and CFO
- Over £40,000 SRFA

To ensure Academies adhere to these Financial Regulations, the Trust Finance Manager will conduct monthly reviews of the procurement process to maintain value for money, regularity and transparency.

**Failure to follow the above procedures may result in the delegated responsibilities to the budget holder, being withdrawn.**

## OPERATING WITHIN AN

**Where there is a framework in place with approved suppliers, full quotations will be sought on the first occasion, however, . We reserve the right to review quotations at any time during the period.**

## 26. LEASE ARRANGEMENTS

The Trust and its Academies should refer to the Academies Financial Handbook, paragraphs 5.24 to 5.27 for the latest information and guidance before considering or entering into a lease.

Trusts must obtain ESFA s prior approval for the following leasing transactions:

- Taking up a finance lease on any asset for any duration from another party, which are subject to the borrowing restrictions described in paragraphs of Academies Financial Handbook 5.32 and 5.33;
- 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.

Any potential contentious lease arrangements, in the first instance, will always be discussed by the SRFA Committee. The SRFA Committee will consider whether ESFA approval is required and will refer this to the Trust Board, for a decision on whether to proceed with the request for approval.

To ensure that adequate due diligence has taken place, the Trust Board will consider taking professional advice from Audit and Legal services before making a request to the ESFA.

## 27. TENDER PROCEDURES

There are three forms of tender procedure:

- OPEN TENDER – this is when all potential suppliers are invited to tender. The budget holder must agree with the CFO how best to advertise for the suppliers. This is the preferred method of tendering as it is most conducive to competition and the propriety of public funds;
- RESTRICTED TENDER – This is when suppliers are specifically invited to tender. Restricted tenders are appropriate when:
  - There is a need to maintain a balance between contract value and administrative cost;
  - A large number of suppliers would come forward or because of the nature of the goods and services which are specific to certain suppliers;
  - The cost of advertising the tender might outweigh the potential benefits of an open tender.
- NEGOTIATED TENDER – the terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in circumstances when:
  - The above methods have resulted in either no or unacceptable tenders;
  - Only one or few suppliers are available;
  - Extreme urgency exists;
  - Additional requirements from existing suppliers are justified.

If a Restricted Tender is issued, then an invitation to tender will be issued. If there is a decision to pursue with an Open Tender, the invitation to tender may be offered after an initial enquiry.

## DRAFTING THE TENDER INVITATION

Before issuing a tender to potential suppliers, consideration will be given to the following items in drafting the requirements:

- An introduction to the requirements of the goods or services required;
- Specific technical or quality conditions, including warranties, if required;
- Whether there are any specific qualifications required; in particular, if procuring a consultancy, advisory or delivery of a provision;
- The form of the contract, for example, length of the contract, options to extend, timeline for delivery of goods;
- Quality control procedures and goods return arrangements;

- Restrictions about access, for example, delivery of large items when the Academy is in session;
- How costs should be presented to ensure they can be compared and to ensure there are no hidden costs;
- Potential for discounts, following early settlement of the invoice;
- Whether there is potential for group buying to drive down the cost, are other Academies purchasing similar goods or services, for example, ICT hardware and software, SLA's such as HR, Educational Psychology;
- Whether references are required, financial checks on the stability of the supplier;
- Has the contractor provided good or services before, was the experience a positive one;
- Date and who the tender should be returned to; include information about whether hard copies are required, whether email tenders are accepted:
  - Tenders of an expected value of up to £50,000 should be addressed to the Academy Principal, CFO;
  - Tenders of an expected value above £50,000, but less than £100,000 should be addressed to the Chair of the SRFA Committee;
  - Tenders with an expected value above £100,000 should be addressed to the Chair of the MLT
- How the tenders will be evaluated, for example, scoring matrix, weighting of various factors included in the submission.

## RECEIPT, OPENING AND DECISION IN RESPECT OF THE TENDERS RECEIVED

All tenders received by the due date, should be opened and recorded at the same time. There should be a minimum of two persons present for the opening of the tenders:

- For Tenders up to £50,000, one of the following must be present at the opening of the tender documents:
  - CEO;
  - CFO.
- For Tenders up to a value of £100,000, one of the above, plus the Chair or a representative from the SRFA Committee should be present at the opening of the tender documents;
- For Tenders of a value over £100,000, a representative from the MLT Board must be present at the opening of the tender documents.

Those involved in the opening of the tenders should disclose whether there is a potential conflict of interest, if so that person must withdraw from the process.

Individuals involved in making the decision about which tender to accept should take care not to accept gifts or hospitality from the potential suppliers that could compromise or be seen to compromise their independence. Further guidance about gifts and hospitality can be found in the MLT Gifts and Hospitality Policy.

Once the documents have been opened, the following information should be recorded:

- The names of all the suppliers/contractors that have tendered;
- The contract value of the tender;
- The scores and comments made during the evaluation of the tenders;
- The reason for selecting the economically and most advantageous tender for the Trust/Academy

**All tenders received should be retained for a minimum of 6 years.**

## 28. GIFTS AND HOSPITALITY

Each Academy within the Trust will maintain a register for the recording of Gifts and Hospitality, either received, offered or declined.

A member of the Academy's Local Governance Committee will review the register at least annually and sign to indicate that there are no potential conflicts of interest being noted.

Further guidance is available in the MLT Gifts and Hospitality Policy.

If a Trust or Academy decide to provide a gift, they will ensure that the value of the gift is reasonable and is within the Trust's Scheme of Delegation of financial powers. The decision about the award of the gift must be fully recorded in the relevant minutes, having due regard to propriety and regularity in the use of public funds.

Alcohol and excessive gifts are specified as irregular expenditure and are not permitted.

## 29. REPORTING OF SUSPECTED THEFT/FRAUDULENT ACTIVITIES OR INCIDENTS OF BRIBERY

Academies will follow the guidance set out in the following MLT Policies if it suspected that there has been a suspected theft, fraudulent activity or incidents of bribery:

- MLT Whistleblowing Policy - *The Trust will ensure it appoints at least one trustee and one member of staff who other staff can contact to report concerns. Details contained with the policy.*
- MLT Fraud Policy;
- MLT Anti-bribery Policy.

## 30. INTERNET TRADING SITES

Internet trading sites such as e-Bay and Gumtree may be used to sell equipment and resources that are no longer required by the MLT or its Academies. However, before making

this available on the internet, Academies will offer the opportunity to purchase the goods to other schools and academies within the locality or employees.

The offer of sale to other educational institutes or employees must be at the reserve price which is based on the net book value, condition and remaining life expectancy.

The Strategic Leader - ICT will be responsible for placing the items on the preferred internet site and monitoring the product to point of sale. The item will be sold to the person with the highest bid (as long as the reserve has been reached). Post and packaging will be added to the bid placed to agree the total amount to be paid by the bidder.

Payment for the goods will only be received by PayPal account or in the event of an educational establishment or employee purchasing the goods, a cheque or cash will be accepted.

Goods will be dispatched or made available to the purchaser to collect once full payment has been received or cleared through the respective bank account.

The MLT Finance Manager will be responsible for collecting and reconciling the income against sales and distributing the income to the correct Academy.

## 31. EDUCATIONAL VISITS AND TRIPS

The appointed leader for the trip must prepare a financial plan to ensure that the cost of the activity can be funded from voluntary contributions. Wherever possible the visit leader should utilise the Parent Pay arrangements for receiving the income.

The Academy Finance Officer will be responsible for maintaining a record of income and expenditure in respect of each visit. In the event that there is a surplus (greater than £2.00 per student), it should be returned to the parents contributing to the event.

All payments in respect of expenditure will be paid via the normal creditor arrangements on receipt of an invoice. All cash collected will be paid into the Academy bank account and not retained for the payment of entry tickets, transport etc. In the event that cash is required for the trip, to pay for food, arrangements will be made with the Academy Finance Officer prior to the visit. The visit leader must retain all receipts and make these available to the Academy Finance Officer to reconcile the balance of cash with the receipts.

No Academy trip will run at a loss, if a trip does run at a loss the Academy Principal should review the circumstances with the Academy Finance Officer and Visit Leader to avoid future losses.

Further guidance about the administration arrangements for educational trips and visits are detailed in the MLT Charging and Remissions Policy.

## 32. LETTINGS ARRANGEMENTS

Trust and Academy Finance staff should refer to the MLT Lettings Policy and annual lettings charges for guidance on the administration of facilities let to individual members of the public or community groups.

All income receipts must follow the same procedures for Restricted income received by the Trust. Income received should be receipted in the normal way and cash should not be given to the site staff on duty. Hirers should be asked to send a cheque or if they wish to pay in cash,

should be asked to report to the Academy reception so that a receipt can be provided by the finance office.

In the event of an unpaid amount, the hirer should be contacted to postpone the lettings arrangement until full payment has been received. The debt recovery arrangements previously outlined in the document should be followed.

### 33. FIXED ASSETS AND DISPOSALS

#### RECORDING OF ASSETS

The Trust is required to maintain a register of assets. Items with a value of over £1,000 must be entered onto the register. In addition, to the above, other items such as computers, ipads, printers, mobile telephones and cameras should be recorded due to their desirability and risk of theft.

If the Trust wish to acquire a freehold of land or buildings, prior written approval is required from the ESFA. Further information can be found in the Academies Financial Handbook, paragraph to 5.22.

The minimum information to be recorded on the register is:

- Asset description;
- Serial number;
- Date of purchase;
- Value;
- Location;
- Name of person responsible for the asset.

#### DEPRECIATION OF ASSETS

The Trust Board have approved fixed depreciation rates for assets as follows:

- Buildings at 2%
- ICT at 20%
- Furniture and Equipment at 10%

#### DISPOSAL OF ASSETS

The Trust and its Academies may dispose of assets with the exception of freehold land and buildings or heritage assets, paragraphs 5.22 to 5.23 of the Academies Financial Handbook provides further guidance.

ICT, furniture and equipment at the end of the depreciation period may be removed from the Asset Register providing that it is still not being used and has no further use. If disposing of the equipment, the Trust will ensure that it considers the principles of regularity, propriety and value for money. This may include the selling off of the equipment, for example, to other educational establishments, employees or advertising it for sale on the internet rather than to incur the cost of disposal.

Items of ICT, furniture and equipment that have not reached the end of their useful economic life (end of depreciation period) and are considered no longer useful to the Trust or its Academies, may be written off or disposed of; however, approval will first be obtained from the SRFA Committee. The SRFA Committee will be provided with enough advice to inform their decision:

- Why it is no longer of use;
- When it was purchased;
- Current net book value;
- Quantities no longer required;
- Intentions for disposal, for example, resale, scrap

## LOAN OF ASSETS

Items of Trust property will not be removed from any of its premises without the authorisation of the respective Academy Principal. Some staff may be provided with equipment such as computers, ipads, and mobile telephones to support them in their role. A record of equipment must be recorded in the loan book. Equipment must be returned and recorded in the loan book when staff leave the Trust.

# APPENDIX 1 – MLT FINANCIAL REPORTING STRUCTURE

## Members

### MLT Board of Directors/Charitable Trustees

**Skill Set:** Finance/Leadership/Education/Governance/HR/Marketing/Capital Development/Change Management/Legal

Standards and  
Performance  
Committee

Pay Committee

Staffing,  
Resource,  
Finance and  
Audit Committee

### Local Governance Committees





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