

FINANCE PROCEDURE MANUAL & FINANCE POLICY

Learning Academies Trust
Effective from 1st September 2024

Version: 1.8
Approved by: Trust Board
Last review date: 05 March 2025

Ratified date: 10 December 2024
Next review date: 05 March 2026



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POLICY UPDATES/CHANGES

Policy date	Summary of change	Author	Version	Review date
01/11/2016	Policy has been created.	Kay Mabin, CFO	1.0	12/05/2024
01/09/2021	Summary of financial approval levels & Appendix G: Finance Policy – section 3.1	Bid from reserves process updated and policy amended	1.3	01/09/2022
01/09/2021	5.6 Multi Pay Cards – Finance Policy	List of cardholders/limits updated.	1.3	01/09/2022
01/09/2021	Appendix F Memorandum to support the Scheme of Delegation/Record of Signatories	Staffing updated for all schools/PTSA	1.3	01/09/2022
01/09/2021	Appendix B Related parties & declaration of business interest form – 2021	Related Parties & Business Interest Form updated (provided by Bishop Fleming, Accountants).	1.3	01/09/2022

01/01/2022	5.6 Multi Pay Cards – Finance Policy	List of cardholders/limits updated.	1.4	01/01/2023
01/01/2022	3.34 Routine Purchases	Policy updated to reflect purchase ordering process and Purchase Invoices.	1.4	01/01/2023
12/07/2022	Summary of financial approval levels & Appendix G: Finance Policy – section 3.1	Policy updated to reflect revised Reserves Policy	1.5	01/07/2023
12/07/2022	Whole Policy Document	High View Primary School added to all relevant sections. Joined Trust 1 st July 2022.	1.5	01/07/2023
12/07/2022	Whole Policy Document	Procurement & Tendering sections updated. Removed OJEU references and replaced with Competitive Tendering Policy (standalone)	1.5	01/07/2023
01/12/2022	Summary of financial approval levels & Appendix G: Finance Policy – section 3.1	Policy updated to reflect revised Reserves Policy	1.6	31/08/2023
01/12/2022	Summary of financial authorisation levels: Write Off limit	Bad debts write off limit increased from £250 to £1,000	1.6	31/08/2023
01/12/2022	3.64 Fixed Asset Register	Capitalisation limit increased from £1,000 to £5,000 . Effective from 1 st September 2022.	1.6	231/08/2023
01/09/2024	Summary of financial approval levels &– section 3.1 Limits updated.	Approval limits reviewed/increased to reflect larger Trust	1.7	31/08/2025
25/02/2025	Updated to reflect Procurement Act 2023 & limits reviewed.		1.8	05/03/2026

1. ROLES, RESPONSIBILITIES AND FINANCIAL OVERSIGHT

Framework

Under the Funding Agreement (FA) with the DfE, The Learning Academies Trust (LAT) must comply with the principles of financial control set out in the Academy Trust Handbook ('Handbook' or ATH), issued by the Education and Skills Funding Agency (ESFA).

The Trust Board

As a Charitable Company, LAT is governed by its appointed Trustees (who are also Directors of the company. Trustees are also referred to as Governors/Trustees or the Trust Board or Trust Board).

The Trust Board's responsibilities include:

- Ultimate responsibility for the proper stewardship of funds, ensuring value for money and compliance with the Funding Agreement (FA), the Articles of Association and the Academy Trust Handbook (ATH).
- Approval of the annual budget
- Approval of the annual report and accounts

The Trust Board must understand their statutory duties as set out in section 1 of the ATH and will undergo regular skills audits.

The Trust Board must meet at least once a term. The financial responsibilities of this committee include:

- Initial review and approval of the annual budget.
- Monitoring of actual income and expenditure against budget.
- Ensuring annual accounts are produced and their initial approval prior to presentation to the Board of Members.
- Authorising the award of contracts as specified within the financial scheme of delegation.
- Authorising changes to LAT's personnel establishment as proposed by the CEO and in accordance with the Scheme of Delegation.

Audit & Risk Committee

The Trust Board have responsibility for ensuring a process exists to provide assurance that financial risks are being adequately identified and managed by:

- Reviewing the risks to internal financial controls at the trust.
- Agreeing a programme of work to address and provide assurance on those risks.

This will be undertaken by the Trust's Audit & Risk Committee which will meet 3 times a year (as a minimum).

The audit function includes reviewing all internal audit reports on the effectiveness of the financial procedures as well as accepting the annual, audited accounts.

The Chief Executive Officer (Accounting Officer)

The Chief Executive Officer (CEO) is the Accounting Officer (AO), who takes overall accountability for financial control of the Trust.

Much of the financial responsibility of the Chief Executive Officer (CEO) as AO has been delegated to the Chief Finance Officer (CFO).

Please refer to the Trust's Scheme of Delegation for full details.

The Chief Finance Officer

The Chief Finance Officer reports to the CEO and has direct access to the Trust Board through the termly Trust meetings. The main responsibilities are:

- The management of LAT's financial position at a strategic level, reflecting the longer-term financial needs of LAT as determined by the Trust Board.
- Ensuring preparation of monthly management accounts for the Chair of the Trust Board, including the monitoring of actual income and expenditure against budget.
- Ensuring preparation of termly management accounts for the finance committee/Trust Board, including the monitoring of actual income and expenditure against budget.
- Ensuring the day-to-day management of finance matters including the establishment and operation of a suitable accounting system.
- Ensuring the maintenance of effective systems of financial control.
- Ensure payments are processed appropriately.
- Ensuring the preparation of annual accounts, with the assistance of LAT's external auditor.
- Ensuring forms and returns are sent to the DfE/ ESFA in line with the DfE/ESFA timetable.

Trust Staff

Other members of Trust staff will have some specific financial duties and responsibilities, and these are detailed in the following sections of the manual. Tasks may be delegated to them by the Chief Finance Officer.

All staff are responsible for the security of LAT property, for avoiding loss or damage, for ensuring economy and efficiency and for conformity with LAT's financial procedures policy.

Academy Trust Handbook

The following requirements of the ATH must be in place:

- Bank accounts, financial systems and financial records must be operated by more than one person (1.34).
- Measures must be in place to safeguard assets, to prevent loss or misuse (1.34).
- Full and accurate accounting records must be maintained (1.34).
- Annual accounts must be prepared (4.1).
- There must be a written scheme of delegation of financial powers so that it is clear who is responsible for what (2.4).
- The Trust Board must be satisfied that the LAT's finance staff are suitably qualified and/or experienced (1.40)

2. BUDGET PLANNING AND MONITORING

Budget Planning and Monitoring

The Chief Finance Officer has delegated responsibility from the CEO for the preparation of the budget planning and monitoring for all Trust schools/locations:

- 3 year rolling strategic plan – financial plans prepared as part of LAT's strategic planning process - high level projections linking anticipated income levels to resource planning.
- Annual budget, detailed budget identifying revenues by source and expenditure by cost type.

This is primarily delegated to the Deputy Chief Finance Officer & School's Finance Lead for all Trust schools. The CFO maintains responsibility for the central Trust budget and PTSA. Budgetary and finance support is provided by the CFT, not at school level.

Strategic Plan Projections

The strategic plan projections, once established, should be updated annually when the budget for the coming year is prepared, with Year 1 being the annual budget for the next year, commencing 1st September. The strategic plan projections will run alongside the Chief Finance Officer's narrative plan and must reflect the allocation of resources to achieve LAT's longer term plans and should include:

- Income and expenditure projections.
- Pupil led income based on anticipated future pupil numbers.
- Other income based on documented assumptions.
- Proposed use of accumulated surpluses/reserves (GAG plus unrestricted funds).
- Documented assumptions supporting expenditure.
- Capital expenditure projections, based on planned capital schemes and anticipated funding sources, including accumulated surpluses and unspent capital funds.
- Balance sheet projections, showing the build-up and use of accumulated surpluses, and the retention of reserves for contingencies across the LAT, as appropriate.

Budget

The Chief Finance Officer is responsible for ensuring the overall annual budgets are prepared, approved by the CEO and Trust Board and submitted to the ESFA by the date required.

Any changes to the budget post submission to the ESFA must be approved by the Trust Board. (i.e. more than a 5% change). Any significant changes will also be communicated to the ESFA in line with current guidelines.

The finalised budget must be communicated to all members of staff with budgetary control responsibilities.

The budget of each school within the LAT must be balanced in year without reliance on retained earnings/reserves from previous financial years.

The budgeting process will be undertaken by the CFT and will include:

- Forecasts of likely pupil numbers and the latest estimate of GAG receivable.
- Latest estimates of other ESFA/LA funding, based on expected levels (e.g. Pupil Premium, SEN).
- Estimates for other income, based on prior years and known variations.
- Review of past expenditure performance against budgets; identification of efficiency savings and consideration of known changes (pay increases, inflation).
- The pay budget to be supported by a list of known and planned staff, fully costed.
- Agreeing the recharge of each constituent academy's GAG funding to fund LAT's Central Services.
- A statement of assumptions highlighting areas of vulnerability and outlining possible remedial actions should a shortfall arise if these assumptions do not hold.

Budget Monitoring

Each school will be allocated a School Finance Officer to support budget monitoring and reforecasting.

A selection of finance reports are available to each school within the IRIS Financials reporting suite and IMP budgeting software.

The Deputy CFO must submit to the Chief Finance Officer the following reports so they can be included in the Trust Board's strategic report:

- Latest re-forecast position for the Trust and schools

Staff with spending approval limits must not initiate transactions on an overspent budget or which would result in a budget overspend, without prior approval of the CEO/CFO/DCFO.

If a potential or actual overspend against budget (or underachievement of income) is identified (at school or Trust level, the Deputy CFO/Chief Finance Officer should establish the reason for the overspend and detail it in the reforecast reports prepared for the schools and CEO and the Trust Board, together with a recommendation for action.

Capital Schemes

Capital schemes expose LAT to substantial risks. In many cases, the expertise required to oversee such schemes will not be available solely from within LAT's staff. Whenever a scheme is initiated, the Trust Board must decide whether to engage external specialists to manage the project on behalf of LAT.

If external project managers are not appointed, the Chief Finance Officer/Estates Lead, in consultation with the CEO, must establish project management procedures, in writing, for approval by the Trust Board. These procedures must cover the following:

- Plans and planning consents.
- VAT recovery.
- Contractor selection and contract structure.
- Project timetable with milestones.
- Monitoring construction progress/quality assessment.
- Payment profile and cash flow management (including VAT).
- Final sign off.

3. RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

The ATH requires that the Trust has risk management arrangements in place. The Learning Academies Trust use the process described below as our minimum standard for risk assessment.

A contingency and business continuity plan is required, which is the responsibility of the Estates Lead and which must be approved by the CEO and Trust Board.

Adequate insurance/ Risk Protection Arrangements cover must be in place. This is the responsibility of the CEO and Trust Board but delegated to the DCEO to secure insurance and renewals in a timely manner.

Risk register

The Trust Board must agree the main financial risks that LAT faces and assess the likelihood of occurrence and materiality of each risk. A live risk register is maintained and is available to all Trustee's/Director's on EVERY.

The register will include as a minimum the following key financial risks and descriptions of the controls in place to mitigate:

- Overspend budget, caused by weak expenditure management.
- Overspend budget, caused by poor budgeting.
- Receive less income than budgeted, caused by poor budgeting/changes to funding.
- Overspend on capital schemes.
- Short term cash shortages.
- Long term cash shortages – insufficient reserves.
- Improper or irregular use of funds.
- Errors in accounts caused by inadequately skilled/experienced finance staff.
- Loss caused by lack of security over assets, including cash.
- Fraudulent payments to suppliers.
- Fraudulent payments to staff.
- Insufficient insurance cover.

Scheme of Delegation

The Scheme of Delegation is a separate document and is published on our website.

Fraud and theft

The establishment of effective segregation of duties combined with the detailed controls set out in this section are designed to minimise the risk of fraud and theft.

In the event that fraud or theft of any level is identified, the CEO/Executive Headteacher/Headteacher/Heads of School and Chief Finance Officer must report this to the Trust Board and, if the amount involved exceeds the sum notified by the ESFA annually in the ATH, the ESFA must be notified.

LAT has a whistleblowing policy that staff who have identified fraud or theft can use to report their concerns.

Please also refer to the Trust's Anti-Fraud policy.

4. NOMINAL LEDGER/ACCOUNTING SYSTEM

System security

Entry to the IRIS Financials accounting system is password protected and the Chief Finance Officer is responsible for implementing an appropriate level of system security, in conjunction with the software provider, IRIS Financials (anti-fraud controls are embedded within the software package). Only appropriate staff should be granted access, determined and authorised by the Chief Finance Officer. IRIS Accounting System passwords should be changed at least every 90 days.

The current finance system, IRIS Financials is cloud based and is stored in an off-site secure location and uses iCloud storage.

Access controls are embedded within IRIS Financials and are regularly reviewed by the Systems Administrator/s who are listed within the summary of financial authorisation levels.

Journal entries

All journal entries are reviewed by the Chief Finance Officer on a monthly basis. However, significant journals (i.e. payroll and opening balances) must be documented and the journal audit trail, together with the supporting documentation, should be reviewed and authorised regularly by the Chief Finance Officer (evidenced by a signature

on the audit trail). To the extent that a journal entry involves the allocation of costs against restricted funds, the Chief Finance Officer must be satisfied that the funds have been spent in accordance with the fund restrictions.

Transaction reports

The Chief Finance Officer and central finance team will spot check system reports on a monthly basis to ensure the accuracy of transactions posted to the accounting system. Any irregular transactions should be reported to the CEO.

Reconciliations

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

- Sales ledger – debtor control account
- Purchase ledger – creditor control account
- Prepayments
- VAT control account
- Charge Card control
- Salix
- Cyclescheme
- Childcare voucher control
- Payroll control
- Bank balance/s control

Any unusual or long outstanding reconciling items must be brought to the attention of the Chief Finance Officer who shall review all reconciliations and sign as evidence. All reconciliations should be retained.

Funds

Reports should be maintained to enable all revenues and costs to be allocated to the appropriate category of funds. These categories will include GAG (for the majority of costs, managed through the main budgetary control system), Pupil Premium, PE Grant, SEND, Specific Capital Projects, Devolved Capital, SCA, Trips, Clubs, PTSA and Unrestricted. Additional supporting documentation must be kept allowing for the audit process if not easily identifiable on a ledger/nominal code.

The Chief Finance Officer must ensure that there is a system in place to allocate costs against restricted funds and monitor the level of unspent amounts and must report on this within the year end annual finance audit.

5. INCOME AND DEBTORS

Grant income

The Chief Finance Officer is responsible for ensuring that all grants due to the academy are collected. The school should maintain a record of the total income expected and, as part of their review of monthly budget monitoring reports, establish that the correct amount of grant income has been received. The School should report to their School Finance Officer if grant monies expected are not received. The DPTSA/DDPTSA are responsible to liaise with the CFO to ensure all grant income expected is received.

Sales Invoices

Within IRIS Financials, each location has a sales ledger account to enable the production of sales invoices to be produced. Schools are to request with the CFT when a sales invoice needs to be raised, with the full details being provided:

- Date/s
- Who is to be invoiced

- Full name & address
- Reason for invoice and all supporting authorisation documentation should be kept. (i.e. approved letting agreement, copy of work undertaken).

Once produced, the CFT will email the invoice to the customer and follow up with a monthly statement for any balances outstanding.

The Aged Debtors report will be reviewed by the CFT monthly with comments to confirm what actions have been taken to chase payment for any unpaid invoices.

Charging and Remission of Fees

The Finance Committee will review the charging and remission policy annually and will be based on the guidance issued by the DfE and the Learning Academies Trust.

The policy will then be made available to all Trust schools who must add their own charging structure against the services they provide before publishing on their school website.

Catering

The provision of catering/school meals is outsourced to CaterEd for all schools in the Trust.

No monies are to be paid into the Trust's bank account and must be paid direct to CaterEd's own bank account via Arbor/School Money/cashless system (or paying slip should cash be held). The school will need to liaise directly with CaterEd for paying in slips.

The school office manager must ensure catering/school dinner debt is reconciled, monitored and chased regularly.

Free School Meals

Free School meals can only be provided if there is an entitlement.

Music Tuition

The Office Manager must ensure music tuition income is collected via Arbor/School Money/cashless system and is reconciled, monitored and debts regularly chased.

Clubs

The Office Manager must ensure clubs income is collected via Arbor/School Money/cashless system and payment's are reconciled, monitored and debts regularly chased.

Extended Services

The Office Manager must ensure extended services income is collected via Arbor/School Money/cashless system and is reconciled, monitored and debts regularly chased.

School trips

A lead teacher must be appointed to take responsibility for each trip.

A costing sheet for each trip must be supplied to the CFT by the school office manager so the trip can be set up in IRIS Financials with clear parameters of income due in and expenditure attributed to that trip. Schools are to use the Trust template provided.

Schools must ensure when costing the trip that board and lodgings for PP children cannot be recharged to the parents or spread across the total costing for other parents to pick up.

Please refer to the Trust's Charges and remissions policy for further details.

All payments for school trips are to be made via Arbor/School Money/cashless system.

Once the trip has occurred, the trip balance should be NIL. Any shortfall/non-payment will be charged back to the school. Where schools identify a shortfall as part of the costing, they should also identify where the subsidy will be charged to.

Uniforms

Where an external stockist has not been identified, and uniforms are sold on site minimal stock levels of core uniform should be kept on site. Uniform must be paid for online via Arbor/School Money/cashless system.

Lettings

All lettings must be approved as per the school's lettings policy.

The CFT will establish a sales ledger account to enable the school to request a sales invoice is raised via an invoice production request form. The CFT will chase outstanding debts by reviewing their debt balances report (monthly), sending monthly statements and sending chase letters. If payment is still not made the CFT will liaise with the schools to ensure that no further use is made of the facilities unless payment has been made.

Other sundry income

All income from other sources (e.g. educational consultancy, sponsorship, donations) must be priced in consultation with the Chief Finance Officer and an invoice raised. No value must pass (goods, services) until the price has been agreed and the credit worthiness of the customer assessed. It is the responsibility of the Chief Finance Officer to approve all credit arrangements.

VAT

Learning Academies Trust falls within the VAT 126 scheme and is not registered for VAT purposes therefore VAT is non-chargeable on sales and other income.

Under VAT 126 regulations for Academies, VAT can be recovered on all expenditure, revenue and capital where VAT has been charged by the provider of the goods or service. All transactions, expenditure and income, must be appropriately coded to the correct VAT rate when entered into the accounting system.

Input VAT should be claimed from HMRC on a monthly basis for cash flow purposes, one VAT return is submitted for the whole Trust and therefore VAT claiming will be coordinated by the CFT to fit in with monthly reconciliation processes. Once the VAT reimbursement has been received, this will be allocated out to the relevant location i.e. schools, central or PTSA. Schools are therefore able to set a budget based on Net values, assuming full recovery of VAT.

With effect from 1st September 2024, input VAT must be analysed and determined to correctly account for Business and Non-Business VAT. An adjustment is made prior to the VAT claim being submitted to reflect this calculation. A monthly calculation is also completed to ensure we have not met the VAT registration threshold.

Physical Security

If cash and cheques are accepted in exceptional circumstances, they must be kept in the office safe or where a site does not have access to a safe in an agreed locked location prior to banking.

Banking should take place at least weekly, or when the value of cash and cheques held exceeds, the limits identified in the Trust's Insurance policy.

Monies collected must be banked in their entirety in the appropriate bank account.

Cash collected for CaterED must be paid directly to their bank account.

All cash collected must be counted and checked under dual control using the spreadsheet provided by the CFT.

The cash collection form should be used and both staff counting the cash should sign the form in evidence of the check. The form should be forwarded to the CFT, quoting the paying in slip number to help with allocating income/reconciliation. The sums collected, deposited at the bank and recorded on the accounting system should be reconciled. after each banking, and these reconciliations should be reviewed and signed by the school administrative staff /PTSA.

Unrecoverable debts

Debts up to £1,000 can be written off on the approval of the CFO. Debts exceeding £1,001 require the approval of the CFO but reported to the CEO and Finance Committee who must be informed of all debts written off. The ESFA's approval is also required if debts to be written off are above the value set out in the ATH.

Procurement & Tendering

Please refer to our Competitive Tendering Policy.

Cashless Systems

The Office Manager's are responsible for maintaining the accuracy of the cashless system in the school and ensuring payments are made promptly, debt issues are addressed and monitoring e.g. school trips are managed effectively.

Debt monitoring and Debt recovery

Office Manager's are to review their level of school debt balances at least monthly to check all income due is received in a timely manner. For any monies owing, The Office Manager is responsible for chasing the debt.

If debt is still outstanding a final reminder/pre proceedings letter is sent by CFT. Office Managers are to send full details to CFT for this letter to be issued.

Bad Debt Write Off

All debts, regardless of age, should still be attempted to be collected, and will remain as a bad debt until it is written off or charged back to the school against nominal:

Debtors < 1 year: XXX240150 Bad debts

Debtors > 1 year: XXX250150 Bad debts

The Headteacher/Executive Headteacher/PTSA must liaise with the CFO in order for any debts to be written off. The CFO is permitted to write off the debt (back to the school) and formally inform the CEO & Finance Committee at their next meeting for any amounts up to £1,000.

Before the decision to write off the debt can be made, each case will be considered on its merits and will include consideration of factors such as:

- the value of the debt in relation to the cost of recovery
- the likely success of proceedings
- the impact of bad press affecting the Trust.

Opening of Bank & Building Society accounts

The Learning Academies Trust operates a single bank account for all funds to be banked with Lloyds Bank plc who provide a comprehensive banking service to Academies and Multi Academy Trusts. Each school will receive their ESFA funding into this designated account, in accordance with ESFA Tranche funding arrangements and our own Learning Academies Trust MAT procedures. The setting up and opening of all accounts will be managed by the Chief Finance Officer and schools may not transfer official funds to any other account without the express authority of the Learning Academies Trust Chief Finance Officer. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds should also be subject to the same level of control. The bank should be advised that the account must not become overdrawn since schools are prohibited from borrowing to finance a revenue deficit in accordance with the DfE/MAT Master Funding Agreement.

Deposits

Schools and PTSA should ensure that particulars of any deposit are entered in a Lloyds paying in book. The details should include: -

- the amount of the deposit
- date of receipt
- a reference, such as the number(s) of the receipt(s) or the name of the debtor.

Additional paying in books are available from the central finance team on request.

Payments and Withdrawals

There should be robust controls over all ways in which funds may be drawn from accounts, including such operations as standing orders, direct debit mandates, BACS payments and salary payments.

The Central Finance Team should implement the following controls, ensuring that: -

- there is separation of duties between the authorisation, preparation and issue of cheques, so that any cheque issued has to have a second signatory;
- a minimum of 2 people are authorised to sign cheques in accordance with the bank mandate.

The Controls listed above exist over electronic withdrawals and electronic transfer of funds, including BACS and direct banking links such as telephone banking or computer banking e.g. for payroll purposes or the investment of surplus funds or other transfers of funds between accounts.

Cancelled cheques should be defaced and destroyed under dual control.

If payments are to be made by BACS transfer, the school must ensure that the details of the receiving bank account are correct and that there are controls in place to guarantee the accuracy and authenticity of transactional information. Bank details will be checked by the CFT before payments are released to the beneficiary.

Reconciliation of Bank Accounts

Statements must be reviewed, imported into IRIS Financials and formally reconciled to the accounting system weekly but no less than monthly. The reconciliation report must be retained on file with outstanding unreconciled debits and credits shown on the report.

Unpaid cheques

Statements must be checked by the CFT to ensure any unpaid cheques are identified and chased/replaced.

The monthly bank reconciliation reports must be signed by the CFO.

Investment Strategy

The Trust will only make investments with named institutions and must carry no risk to the capital sum. Arrangements must not be made through intermediaries.

The CFO will undertake detailed research before investing any funds in high interest accounts. The Trust will ensure that the best available return on investments is obtained commensurate with proper levels of security and liquidity.

All savings and investment arrangements will be reported at least annually to the Trust Board.

6. PURCHASES, PAYMENTS AND CREDITORS

Routine purchases

Purchase requisition orders (PORD's) are to be raised by the school office manager in IRIS Purchasing on receipt of a signed requisition form.

Approval will be given electronically through the accounting system by the SFO/TMA/DCFO/CFO/EL/CEO.

For all purchase orders raised in IRIS Purchasing, the signed requisition form is to be uploaded/attached. Failure to upload will prevent the order from being authorised in a timely manner.

Non-order invoices should be discouraged wherever possible, although it is inevitable, on occasion, goods will be purchased without a purchase order having been raised i.e. spending during non-term time or in emergency situations.

A Requisition Form (RF) must be raised for all orders and those services purchased by the school/LAT through agreed contracts or Service Level Agreement (Contracts and Service Level agreements should not be entered into without the required approval as per scheme of delegation). The budget holder must check that they have the available funding within their budget. The RF should contain details of supplier, the items, reference number, unit cost and quantity. If

known and the item is for use in a restricted funded scheme (i.e. Pupil premium) this should be highlighted on the RF by the member of staff requesting the item.

Goods/Services must not be purchased until the purchase order has been approved.

Please read in conjunction with our Competitive Tendering policy.

Proforma Invoice

If the order is being placed with a new supplier, then a new supplier request form should be completed.

Where a pro forma invoice is supplied for payment, we ask that a VAT invoice is sent once payment has been made, no later than 5 days later.

Non – Order Invoice (PI)

All purchase orders should be raised within the IRIS purchasing system. A purchase order (PORD) is placed on the system and then electronically authorised as per the scheme of delegation.

Under no circumstances should purchase orders be raised on IRIS where the invoice has already been received for payment or where goods/services have already been ordered/placed. These invoices must then be raised as a non-order invoice (PI).

Where it is identified that the invoice does not relate to an order on the system, the goods or services received must subsequently be authorised and will be input into IRIS financials for approval. All non-purchase order invoices (PI's) will be posted into the REG period within IRIS and will need approval before they will be placed onto the payment run.

The internal audit process will spot check this area and identify high usage of non-order invoices for non-compliance of the financial procedure manual. Persistent levels of non-order invoices will be reported to the Chief Finance Officer for review and an explanation sought from school to identify why it has occurred.

Emergency Spend

Where emergency works are required, to allow the safe operation of the site or to secure the site, immediate actions taken sit outside of the routine purchase procedure. The Chief Finance Officer/Deputy Chief Finance Officer, Estates Lead or CEO must be contacted as soon as practicable and appropriate advice and guidance, when applicable, be taken and followed from the Trust's insurers.

Goods received

On receipt of the goods, the school must undertake a detailed check of goods against the PO and any accompanying goods received note.

They must ensure that goods/services received have been GRN'd in IRIS financials **within 2 working days** of the goods being received to ensure invoices can be processed and paid promptly on receipt.

Any issues with deliveries should be raised with the supplier by the OM/School and details recorded.

As a Trust, we are often awaiting schools to GRN good received. This leads the CFT potentially having invoices waiting to be authorised on the payment run, whilst awaiting GRN.

To enable the payment of invoices within the payment dates agreed, our GRN process is detailed below:

Goods Received (GRN) process

The following process will apply:

1. Schools must GRN goods/service within 2 working days of receipt of the items/service
2. Once an invoice has been received by the CFT and no GRN has been completed, the processing team will chase for an update 2 days after the date of the invoice.
3. If we do not receive a response and/or the GRN has not been actioned by day 5 we will GRN the goods/service centrally to enable us to process and pay an invoice.
4. If the CFT is notified of an issue with an order/delivery they will not GRN the items and will await further information from the school

The school is responsible to chase suppliers if goods are not received or have been invoiced but not received.

Goods returned

Each school must monitor returned goods and ensure that replacement goods or credit notes are received for all returns.

Approved Supplier List

Suppliers set up in IRIS Financials are approved for use.

Invoices

All invoices received for payment are to be emailed to invoices@learningat.uk on the day of receipt.

Failure to forward in a timely manner may result in the Trust making late payments and be subject to late payment fees.

Invoices are **not** to be sent directly to schools. All suppliers are to be advised to email all invoices for payment to: invoices@learningat.uk

If a paper invoice is received this must be date stamped with the date of receipt and forwarded onto the CFT in a timely manner.

Payment Runs

As a minimum, one BACS run will be completed per week. This will be checked and authorised by 2 staff authorised to do so.

Faster payments can be made in an emergency.

7. PAYROLL

Staff appointments

The Trust Board approves a personnel establishment annually by approving all budgets.

For Trusts schools supported by trust reserves, in-year staffing changes can only be made with the prior approval of the CEO in consultation with the DoE, HR Officer and the School Finance Officer.

For all Trust schools, the creation of any new posts and/or changes to existing posts, i.e. grade changes or changes in job description, is subject to approval from the CEO in consultation with the DoE, HR Officer and the School Finance Officer.

The Executive Headteacher / Headteacher in consultation with their DoE has the authority to appoint staff within the authorised establishment and approved budgeted structure, except for his or her replacement and any staff on the Leadership scale, whose appointment must follow consultation with the CEO and the Trust Board. The appointment of the Executive Head/Headteacher must be approved by LAT's Trust Board.

Payroll administration

Payroll processing is administered by Delt Shared Services under a Service Level Agreement. All staff are paid on the 25th of the month.

Payroll records for payroll administration are maintained by Delt Shared Services under this Service Level Agreement.

Gross pay checks

The CFT will check gross pay for all employees, with support provided by the HR team.

The CFT will check the gross pay reports monthly to ensure that that any changes expected:

- new starters
- leavers
- maternity, paternity/shared parental leave
- absence/sickness
- unpaid leave
- changes to grade/role
- mileage/subsistence claims

are reflected in the payroll. Failure to check this report accurately or in a timely manner could result in staff being under or over paid.

Gross pay reports are produced monthly which compares gross pay by individual compared to our budgeting software and HR record of changes as above. This report is reviewed by the CFT prior to instructing the payroll provider to make salary payments on 25th of each month.

For monthly gross pay checking, the following finance roles are permitted to have access to staff personnel files should the need arise:

- Chief Finance Officer
- Deputy Chief Finance Officer
- Trust Management Accountant
- Finance and payroll administrator/s
- School Finance Officers

The Trust's HR team are responsible for checking that all payroll information is correctly entered into the Arbor MIS system for staff contracts and any changes or amendments are supported by appropriately authorised documentation.

Copies of all payroll documentation must be emailed/stored in electronic folders and the vacancy spreadsheet will be updated and maintained by HR and the CFT.

Please refer to the Scheme of Delegation as to who can approve pay progression for senior staff.

Office Managers/PTSA/Central HR must ensure that the HR team has (in time for monthly processing) complete details of absences or unpaid leave, new appointments, contract amendments, terminations, overtime or other payments (including expenses). This information has to be authorised prior to despatch to the Payroll Provider. All authorised documents must be retained.

Payroll summary and costing file

A costing file will be produced and be reconciled and uploaded by the CFT into Iris/PS Financials each month.

From the information provided, the payroll provider will prepare payments to be made to the pension agencies and HMRC.

The LAT monthly payroll summary should be signed and dated by the Chief Finance Officer and the CEO as evidence of their review.

Staff Expenses Claims

Please refer to the staff expenses policy: [Staff-Expenses-Policy](#)

Use of personal cards

Under no circumstances must personal debit/credit cards be used for the purchase of goods for the LAT. In exceptional circumstances, where a personal card has been used, the school must inform the CFO to agree reimbursement. Purchases should be made via a LAT multi-pay card or by purchase order and invoice wherever possible.

Staff expenses claims should purely relate to claims for the staff member in question up to a maximum of £50 per transaction.

Mobile Phones

Where possible, approved staff who need a mobile phone should be allocated a work mobile on the LAT mobile contract, with the cost being picked up by the school. Schools are not permitted to take out mobile phone contracts themselves without the permission of the CEO.

Recruitment Expenses

Removal expenses to new members of LAT staff are not paid.

Interview expenses are paid at the discretion of the interview panel and will only be settled on the production of valid invoices or receipts. Travel expenses, if approved, will be calculated at public transport rates and/or appropriate fuel prices, bearing in mind the distance travelled.

Staff severance payments

The guidance on staff severance in the context of the proper use of public funds is detailed in the ATH and must be referred in all cases where staff severance payments are being considered.

Annual review of payroll arrangements

On an annual basis, the Chief Finance Officer or responsible named person must check that, for each academy school/PTSA, a sample of staff files will be checked that the gross pay per the payroll system agrees with the contract of employment held in the personnel file. On a rolling cycle, the personnel files of all LAT staff may be audited to ensure the correct contractual paperwork is held and the file contains the correct HR paperwork, including right to work in the UK and that they are being paid correctly.

8. FIXED ASSETS

Fixed asset register (FAR)

All capital items purchased over the capitalisation limit of **£5,000** must be entered into the LAT Fixed Asset Register (FAR) by the CFT. This must record:

- Asset Description
- Date of acquisition
- Source of Funding
- Asset Cost
- Depreciation
- Schools/location
- Net Book Value
- Disposal of assets.

This must be reconciled with the accounting software at the end of each financial year to enable the external auditors to draw conclusions on the annual accounts.

Sale/disposal of assets

The guidance on asset sales in the context of the proper use of public funds is set out in the ATH, which should be referred to whenever assets are being considered for disposal.

Items on the fixed asset register which are to be disposed of by sale or destruction must be authorised for disposal by the Trust Board. For all asset disposals where expected value exceeds £2,500, the Chief Finance Officer must ensure that an appropriate process is undertaken if the nature of the asset permits. If this cannot be achieved the method adopted to ensure value for money must be approved by the Trust Board.

Surplus portable assets financed from the schools delegated funding can only be disposed of by sale or destruction following authorisation by the relevant team lead in conjunction with the Exec HT/Headteacher. The income realised from the sale of assets will be retained by the school making the original purchase. The funds received must be used for the same purpose the original funding was allocated for. E.g. Proceeds from an asset funded by capital funding must be used for capital purchases only.

1. Surplus assets funded from non-delegated funds will be offered to the Learning Academies Trust schools for relocation.
2. Items expected to realise up to £100 will be advertised via the school notice board.
3. Items expected to realise between £100 & £10,000 will be offered for sale.

4. Items expected to realise in excess of £10,000 will be approved by the Finance Committee and the school should seek advice from the Learning Academies Trusts' Chief Finance Officer.

Loan of assets

If a member of staff wishes to borrow an asset for personal use this must be organised through the Executive Headteacher/Headteacher/DPTSA of each site, and insurance arrangements verified. The Office Manager's/PTSA must keep a record of the loan, sign the item in and out and check the condition of the asset on its return. Loans must be for short periods only to avoid potential benefit-in-kind.

9. CASH MANAGEMENT

Bank Accounts

The Trust operates a single bank account that can only be accessed by approved central members of staff with varying authorisation levels. Schools will not operate their own bank account or have direct access to the Trust's bank account.

The opening of all bank accounts must be authorised by the Chief Finance Officer and reported to the Finance Committee/Trust Board.

Cash

The Learning Academies Trust is cashless organisation. No cash should be accepted.

All payments are to be made online via Arbor/ParentPay/Cashless systems which are linked directly to the Trust's bank account.

Petty Cash

The Learning Academies Trust does not hold petty cash.

All requests for reimbursement of staff expenses will be made following approval via the weekly BACS run direct to staff's own bank accounts (Bank details to be provided with the request for payment) and a credit advice note will be emailed to their email address held on file.

Deposits

Each school will have its own paying-in book with a unique reference so deposits into the Trust's bank account can be easily identified.

Particulars of any deposit must be entered on a paying-in slip and should include:

- The amount of the deposit
- The number of the receipt.
- The name of the debtor
- The date

Any supporting paperwork relating to the deposit i.e. grant donation should be forwarded to: centralfinance@learningat.uk

Cash Management

The Chief Finance Officer must monitor review the monthly cash flow forecast for the Trust to ensure that the bank account is not overdrawn or projected to be overdrawn and that LAT abides by its contractual obligations (pays on time). The forecast should be updated monthly with actuals and shared with the Finance Committee.

In the event that these forecasts identify any potential cash shortfalls, the Chief Finance Officer must report to the CEO.

The Chief Finance Officer is the System Administrator at the bank and responsible for setting up and maintaining security access/levels and administering cash transfers between individual bank accounts of each constituent academy/PTSA and the LAT.

Payments and withdrawals

All payments will be undertaken by the CFT via BACS or faster payment and are only to be actioned against an approved invoice or staff expenses requisition.

All payment runs via BACS or faster payments must be approved by **two** members of staff, irrespective of amount.

For transfers of funds into or out of our savings accounts, these can be actioned solely by the CFO and via the telephone to the Money Market trade support team.

All deposits and withdrawals must be notified to the CEO and Chair of Finance Committee on a termly basis and bank balances will be reported to the Finance Committee termly.

Cheques

A cheque book is held for the Trust's current account and is held by the Chief Finance Officer.

Cheques are to be kept in a locked drawer/safe overnight.

Cheques are no longer used/issued (although kept for emergency use).

Password security

Bank passwords and memorable information should not be shared and must be held securely and separately from card/card readers.

Lloyd's Bank - Payment Authorisation

Approver List – BACS/Faster Payments – any TWO to approve.	
Chief Finance Officer	Kay Mabin
Deputy Chief Finance Officer	Claire Upton
Management Accountant	Madeleine Wakeham
School Finance Officer	Zeana Bevan
School Finance Officer	Miles Wren
School Finance Officer	Tammy Christie
Payroll & Finance Administrator	Gosia Mlodziniak

Bank Signatories

Bank Signatories	
CEO	Simon Spry
Chair of Trust Board	John Butcher
Chief Finance Officer	Kay Mabin
Deputy Chief Finance Officer	Claire Upton
Executive Headteacher	Cheryl Brake

Multi Pay Cards

The Multi Pay Card is issued for the express function of obtaining goods and services for the school or for payments relating to business expenses incurred in the course of the Cardholders official duties.

Cards should be used for **emergency use only** and not day to day ordering as purchase orders should be raised and approved in the normal manner. This is to ensure Value for Money (VfM) rules are followed at all times.

Spend on the following non-emergency areas is considered appropriate (for example):

- Train/tube travel
- Paying for subsistence if away on a course i.e. paying for evening meal
- Paying for hotel accommodation if attending a conference
- Provisions for Breakfast and Afterschool clubs

The CFO will approve any applications for additional Cardholders and associated limits, and these will be regularly reviewed to ensure consistency across the Trust.

For all card purchases, the Office Manager/PTSA/cardholder should submit to the central finance team an approved/signed copy of the excel spreadsheet, supported by VAT receipts and signed requisition form/s.

Care should be taken to ascertain whether a VAT receipt will be produced, as otherwise VAT cannot be reclaimed (and the goods will be charged to the budget at the VAT inclusive price).

All cards must be kept securely / held personally at all times. Cardholders are solely responsible for their own cards and **must not hand their card to another person to buy services or goods.**

A list of current cardholders in the Trust are available from our online, Lloyds Bank Multi Pay programme.

The CEO/CFO have the right to suspend any card usage if usage is deemed inappropriate and/or outside the terms of the policy.

Reserves and Investments

The Learning Academies Trust operates reserves pooling. Please refer to our Reserves Policy.

The Trust will build and maintain a revenue reserve fund to provide flexibility and certainty in forward planning. This will be reviewed on a regular basis but at least annually.

- All revenue and capital reserves are controlled by the CEO and CFO including those transferred in upon conversion and cannot be spent without the approval of the CEO. Please refer to Appendix B - summary of financial authorisation levels.
- In accordance with ESFA and charity accounting standards, the Trust will maintain financial records which identify revenue reserves by academy/PTSA. These will then be centrally pooled to build up revenue reserves in line with the reserves policy approved by the Board.

Document Retention

10. PROPER AND REGULAR USE OF PUBLIC FUNDS

Academy Trust Handbook Requirements

The ATH sets out the requirements of the LAT to put in place internal procedures to ensure regularity and propriety in the use of public funds. To comply, the LAT must:

- Establish controls to ensure that spending has been for the purpose intended.
- Maintain a register of trustees' business interests.
- Establish controls to ensure no payments are made to Members, Directors/Trustees/Governors/Trustees/LGB's or other related parties, unless permitted (Section 3)
- Ensure payments made to senior employees comply with the DfE's directions re avoidance of tax (Section 3)
- Ensure a competitive tendering policy is in place and applied.
- Assets are not disposed of without appropriate consent.
- The Accounting Officer's statement on governance, regularity, propriety and compliance must be included in the LAT's annual report. The AO also has a responsibility to advise the Trust Board and the ESFA on any instances of irregularity or impropriety, or non-compliance with the terms of the Funding Agreement.

Key Financial Controls checklist

To help to enable the CEO to sign off on this statement, the LAT maintains a Key Financial Controls Checklist. The Chief Finance Officer is responsible for maintaining this checklist and signing it on a monthly basis to confirm compliance.

Register of Business Interests

Members, Directors, Local Governing Body members and staff with significant financial powers must declare any financial interest they have in organisations or individuals from which the LAT may be making purchases. The register is open to public inspection. All Members, Directors, Local Governing Body members and relevant staff will be asked to confirm on an annual basis that the register of interest is up to date and complete.

The register should include all business interests, such as directorships, shareholdings and other appointments within a business or organisation which may have dealings with the LAT. The disclosures should also include business interests of relatives or business partners where influence could be exerted. This register to be made available on the company website and should be a live document, available to all staff with purchasing ability.

The register of business interests does not detract from the duties of 4.4. Members, Directors, Local Governing Body members and staff to declare interests whenever they are being discussed by the Trust Board or a Committee. Where an interest in a matter has been declared, Members, Directors, Local Governing Body members and staff should not attend the part of the meeting dealing with the matter.

For any new suppliers there is a need to ensure that the member of staff involved in the requisition have provided a declaration of interest. Where a supplier is identified as a possible related party organisation this needs to be identified on the accounting system, approval sought from the ESFA (ATH, Section 5.41), the CEO informed and the member of staff with the interest to not be party to any decision making with regards to the use of that supplier.

Trading with Connected Parties

According to the Academy Trust Handbook 2024 (Subject to Sections 5.35 to 5.55) 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 academy trust

Any individual or organisation connected to a member of the trustee of the academy trust. For these purposes the following persons are connected to a member, or trustee:

- 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 relative of a member (taken separately or together), and/or a trustee or a relative of a trustee (taken separately or together), hold more than 20% of the share capital or is entitled 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 trustee (acting separately or together). For these purposes an organisation is controlled by the 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 academy trust; or anybody related to such individual or organisation

The 'at cost' requirement applies to contracts for goods and services from a connected party:

- The 'at cost' requirement applies to contracts with a related party exceeding £2,500, cumulatively, in any one financial year. Where a contract takes the trust's cumulative annual total with the related party beyond £2,500, the element above £2,500 must be at no more than cost.
- Academy trusts must ensure that any agreement with an individual or organisation referred to in section 5.55 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 the trust confirming that their charges do not exceed the cost of the goods or services;
- On the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply.
- For any organisation identified as a connected party a statement of assurance must be provided using the pro-forma and a copy of the signed document passed to the Chief Finance Officer.

Payments to Directors, Local Governing Body Members, Employees or other Related Parties

Members, Directors, Local Governing Body members and staff will avoid accepting excessive hospitality, entertainment or other services from existing or prospective suppliers. A register of hospitality and gifts received shall be maintained by the academy school/PTSA/CFO/central finance team for any items over £20.00

Unless an individual has provided clear evidence of self-employed status all payments to individuals will be processed only through the payroll system.

Governor's Expenses

Members, Directors and Local Governing Body members will receive no remuneration for their work other than payment of reasonable out of pocket expenses such as travel or accommodation charges incurred in connection with their duties as a Members, Directors or Local Governing Body members.)

Please refer to Governor's expenses policy: [Governor-expenses-and-allowance](#)

Abnormal Transactions and Delegated Authorities

The following non-routine transactions are identified in the ATH:

- Overpayments
- Unrecoverable debts
- Guarantees, letters of comfort and indemnities
- Losses of stock and other assets
- Gifts or hospitality received or given
- Gifts of surplus assets
- Staff severance payments and compensation
- Asset sales, leases and tenancy agreements

For all of the transactions above and any other transaction which falls outside the usual planned range of activities, LAT should obtain relevant professional advice where appropriate, ensure decisions reflect value for money, agree internal delegation levels and disclose the aggregate of such transactions in the annual accounts. All abnormal transactions must be reported to the Trust Board, regardless of the internal approval delegated authorities.

One of the recommendations of the ATH is that LAT should set internal delegation levels for the approval of the above non-routine transactions. These delegation levels are included in Appendix A below.

Where a constituent academy is considering entering into a lease arrangement the approval of the Chief Finance Officer is required prior to entering into any agreement to ensure it is an operating lease.

The ATH now confirms that that trusts are able to enter into finance leases where the lease category appears on the DfE approved list (5.25 and 5.26)

Fees and charges

Fees for chargeable services should normally be set at full cost, but a higher amount may be used when in a commercial environment.

Whistleblowing

Anybody who has concerns regarding the propriety or regularity of any activity undertaken by LAT or a member of its staff should follow the LAT's whistleblowing (confidential reporting) policy.

In the very unlikely event that the concerns are such that this would also be inappropriate (and only in these extremely rare circumstances), the member of staff must contact the ESFA directly.

All staff must be made aware of these whistleblowing procedures.

Borrowing

ESFA approval is required for borrowing and certain other similar liabilities (leases, tenancies, indemnities). In the event that LAT considers entering into any such transaction, full Trust Board approval is required.

Managing surplus GAG

Section 5.29 of the ATH sets out the ESFA's guidance on the use of GAG 'carry-forward' and its monitoring arrangements. This is required reading for the CEO and Chief Finance Officer. There must be a clear plan which demonstrates how the surplus funds are to be used for the benefit of the current pupils of LAT. This plan must be put to the Full Trust Board and approved formally at the time of the approval of the annual report and accounts.

Pooling of GAG

The Learning Academies Trust does not currently GAG pool.

We do however pool our reserves at year end. Please refer to our Reserves policy.

Annual Accounts and Audit

Overview of Audit Arrangements

Audit requirements are set out in detail in the ATH and are not reproduced in this FPM.

External auditors must be appointed (and if necessary removed) in accordance with the guidance given in the ATH and scheme of delegation.

The LAT must have in place a process for independent checking of financial controls, systems, transactions and risks. To achieve this (depending on its size and complexity), the LAT must choose to have either a separate audit committee or a committee which fulfils the role of an audit committee.

The role of this committee is set out in 3.12 of the ATH. Arrangements must be put in place to deliver the controls assurance work required and may be carried out by:

- an internal audit service
- a supplementary programme of work performed by the external auditors
- a Responsible Officer – internal/external appointment
- a peer reviewer from another Academy Trust

The LAT must set up appropriate arrangements and the appointed body/person must follow the programme of work required is attached at Appendix E as a minimum.

CFO - Short term absence cover

The Deputy CFO will take responsibility for the financial control and management of the Learning Academies Trust and its member schools in the extended absence of the CFO.

Approval of official forms/documentation

Authorised staff are permitted to sign documentation in accordance with the record of signatories list attached as Appendix C.

Segregation of Duties

In order to reduce the risk of error or intentional manipulation, the Learning Academies Trust Board and the CEO, Executive Headteacher and Headteachers will ensure the separation of those responsibilities or duties which would, if combined, enable one individual to record and process a complete transaction.

Wherever possible the following duties will be separated: -

1. authorisation – of a transaction such as a purchase order or payment.
2. execution – the placing of an order, receiving of goods and services.
3. custody – the holding of goods and services.
4. recording – the completion of accounting records.

Separation of duties Matrix (School Example)	
Task	Responsible officer
Requisition Form raised	Staff member
Purchase Order Requisition raised in IRIS	Office Manager
Purchase Order Authorised	CEO, CFO, Deputy CFO or TMA, SFO, EL.
GRN on IRIS authorised and Goods and Services checked in	Office Manager
Processing of invoices	Transactional team – LAT central
Payments/BACs Runs authorised	Any two to authorise from approved list.

Staffing of the Finance function

The appointment of staff should be made with due regard to the qualifications, experience and capabilities commensurate with their duties. Inevitably, the proper functioning of any system depends on the competence and integrity of those operating it. The qualifications, experience and personal qualities of those involved with financial arrangements are important features of an effective control system.

Consequently, the Learning Academies Trust should establish procedures to ensure that: -

- Personnel are competent, suitably qualified and trained to perform at a level commensurate with their responsibilities
- Training needs and opportunities for staff, particularly for those with financial responsibilities, are reviewed on a regular basis
- Clear statements of criteria for personnel selection and formal job descriptions are maintained.

Personal qualities are essential for all finance staff and must include attention to detail, accuracy, ability to remain confidential and maintain professional relationships with LAT employees at all levels, a team player and promoting the benefits of working together as a Trust.

The Chief Finance Officer will ensure that:

- Finance staffing levels are adequate and regularly reviewed
- There are effective arrangements in place to deal with the absence of key financial personnel to ensure the effective operation of the finance function and to ensure that financial control is maintained. This may be achieved through a combination of - work shadowing, documented financial procedures, specified cover responsibilities are included in job descriptions and that support is sought, as required, from other suitably placed staff across the Learning Academies Trust or from external supply.

Human Resources and Payroll

The HR Lead will, where possible, allocate duties to ensure that an appropriate division of duties exists in the area of completing, checking and authorising of all documents and claims relating to appointment and termination of employment and expenses.

Payroll transactions will be processed only through the approved Learning Academies Trust payroll system. Payments for employment will not be made to staff etc. through any other mechanism.

Faster payments, direct from the Trust's bank account, will only be made in exceptional circumstances on the approval of the CFO/DCFO in conjunction with the HR team and approval from the payroll provider.

Employment status for tax

All Learning Academies Trust schools will comply with the procedures laid down by the Learning Academies Trust on determining employment or self-employment of individuals (Appendix E). Unless an individual has provided clear evidence of self-employed status all payments to individuals will only be processed through the payroll system, in line with HMRC (IR35) guidance.

All checks will be completed using HMRC's 'check employment status for tax (CEST)' tool to ascertain:

- the employment status of a worker or an individual you engage or represent
- if the off-payroll working (IR35) rules apply to a contract
- if HMRC will consider you as employed or self-employed for tax and National Insurance contributions purposes, if you have (or expect to have) a work contract

When a new supplier form is submitted to the CFT, it must be accompanied by the employment status/IR35 check from HMRC. This will then be reviewed by the CFT to ensure the same result is obtained.

If the new supplier is deemed an 'off payroll' worker, the account will be set up in IRIS Financials and the invoice processed in the normal manner.

If the new supplier is deemed an **employee**, they will be set up as an employee in the payroll system and paid on 25th month in the normal manner.

Should the following occur, the tool must be re-run:

- there has been a change to an existing contract or service agreement
- the information you originally provided is no longer accurate

Consistent Financial Reporting

The Learning Academies Trust Board have adopted the DfE's chart of accounts. This will allow the Learning Academies Trust to extract/report all financial data and year end accounts for all Learning Academies Trust schools/locations for presentation to the ESFA by set deadlines and in the correct format.

Best Value, Purchasing and Payments

The Trust Board recognises the principles of Best Value and aims to achieve best value for money from all its purchases.

The CEO/CFO are responsible for ensuring procedures are in place for testing the market, placing of orders and paying for goods and services in accordance with DfE/MAT Master Funding Agreement and Financial Regulations.

Payment of Accounts

Invoices will only be paid on receipt of a GRN in the accounting system when goods & services have been received and are of the quality expected. Payment should be made within reasonable time limits and discounts taken for quick payment where appropriate, ensuring that the school has paid the invoice within 30 days of receipt.

If payment is made outside the terms of payment, the school may be liable to a financial penalty under the provision of the Late Payment of Commercial Debts (Interest) Act 1998 and Late Payment of Commercial Debts (Amendment) (No. 2) Act 2002.

Banking with Lloyds Commercial Online

In certain circumstances it is deemed appropriate to make a payment directly through Lloyds Commercial On-line banking service. These transactions must be recorded with supported documentation and authorised at the appropriate level in accordance with the Scheme of Delegation and in accordance with the bank mandate.

Goods and Services for Private Use

The school will avoid practices such as obtaining goods and services that may include an element of private use for Board Members, LGB Governors/Trustees/LGB's or staff. They will also avoid accepting excessive hospitality, entertainment, or other services from existing or prospective suppliers.

11. SECURITY OF ASSETS

Letting of School Premises

The letting of School Premises and Grounds should always be subject to a formal lettings contract, even when the Hirer or User is connected to the school such as a member of staff, parent, governor, the Parent Teacher Association, the Parish or the Community.

Insurance

The DCFO will review the insurance needs of the school annually and liaise with the CFO/CEO where appropriate to ensure that specific arrangements remain appropriate. Following the approval of the Finance Committee, the CFO will ensure the agreed arrangements are in place.

The Finance Committee will periodically consider whether to insure risks that are not covered by an existing policy arranged within the MAT or other voluntary body. The cost of premiums for any additional cover should be met from the school's delegated budget.

The Headteacher/Executive Headteacher will be responsible for ensuring that the CEO & CFO are made aware of all new risks, and all incidents which may give rise to an insurance claim (e.g. accident, theft etc) should be reported immediately to the insurers as well as the Estates Lead.

Computer Systems

The CEO recognise the importance of protecting computerised financial management systems and the data held therein. The Data Protection Officer (DPO) will ensure that the School is registered in accordance with the Data Protection Act 2018 & UK GDPR 2018.

The DPO together with the ICT Network Manager will ensure that effective backup procedures are in place and that all back-up disks or tapes are stored securely.

Access to school management computer systems will be limited to authorised staff. These staff will use passwords which should not be disclosed and should be changed regularly. Only authorised software will be used to prevent the import of computer viruses. Staff will only have access to those modules appropriate to their duties.

The DPO together with the ICT Network Manager will ensure that a robust system is in place for the secure and encrypted transfer of data by email to ensure the Trust is not open to any data protection breaches.

Controlled Stationery

The following are defined as Controlled Stationery and should be recorded by the CFT before distribution to the schools

- Cheque books
- Paying-in Books

As cheques are very rarely used – a cheque book is held by the CFO for emergency use only.

Security of Stocks and Other Property

The Headteacher/Executive Headteacher/Director PTSA is responsible for the care and custody of all assets within the school and will maintain proper security for all buildings, vehicles, plant, stocks, stores, furniture, equipment, keys, cards and cash.

The Office Manager's/PTSA will ensure that a inventory system is maintained in accordance with the provisions of the DfE Academy Trust Handbook.

Inventories **must** be checked at least annually, and any discrepancy shall be investigated. The Finance Committee will be informed of surpluses and deficiencies revealed by an inventory check.

An inventory should: -

- form an important part of the school's procedures for ensuring that staff take responsibility for the safe custody of assets
- enable school management to undertake independent checks on the safe custody of assets, as a deterrent against theft or misuse
- help the school to manage the effective utilisation of its assets and to plan for their replacement
- support insurance claims in the event of fire, theft or other losses.

Asset Management tagging and reporting

The school's assets need to be asset tagged and an annual physical check should be done in the Spring term by the Office Manager's/PTSA to ensure that all assets included on the system exist and are unimpaired. Any differences should be investigated and, if significant, reported to their School Finance Officer.

Items will include:

- Furniture
- ICT – PC's, screens, iPads, tablets, printers
- Small, portable items e.g. cameras

It is good practice to ensure that items particularly at risk should be asset tagged as the school's property and scanned to confirm existence. Scanned data will be held on the Asset Management system. An annual audit report will be produced by the Office Manager/Site Manager and forwarded to the central finance team to be held for audit purposes.

Safe

Safes and similar storage facilities will be kept locked and the keys removed to be held by the key holder who will be nominated by the Headteacher/Executive Head. Normally key holders will carry keys on their person and keys must not be left on the premises overnight. A list of key holders will be maintained by the school and loss of any keys must be reported to the Headteacher/Executive Head and where necessary the central MAT.

School Funds/Private funds

As an Academy, all funds – official and unofficial – are accountable to the ESFA and have to be included in all financial statements. To this end, all transactions must be entered into the accounting system on a regular basis and reconciled.

APPENDIX A SCHEME OF FINANCIAL DELEGATION

Please refer to Learning Academies Trust's Scheme of Delegation: [Scheme-of-Delegation](#)

APPENDIX B SUMMARY OF FINANCIAL AUTHORISATION LEVELS

The authorisation levels should be reviewed against the LGB terms of reference and amended for any site where the delegated power and duties are different from below, where amendments are made this needs to be approved by the Trust Board.

Delegated Duty	Value	Delegated Authority	Notes
Ordering Goods and Services	IRIS Approval Limits per order	Up to £10,000 School Finance Officer's Up to £10,000 TMA/EL Up to £20,000 DCFO Up to £50,000 CFO Up to £100,000 CEO Above £100,001 FC/Trust Board	
Entering into contracts or Service Level Agreements	Contract with annual value Where a contract is for a period of x years, approval limits will be aggregated to reflect the whole value of the contract.	Up to £10,000 TMA/EL Up to £20,000 DCFO Up to £50,000 CFO Up to £100,000 CEO Above £100,001 FC/Trust Board	
Authority to accept other than lowest quotation	Authority to accept other than lowest quotation from	Up to £10,000 TMA/EL Up to £20,000 DCFO Up to £50,000 CFO Up to £100,000 CEO Above £100,001 FC/Trust Board	Evidence of value for money exhibited and reason documented. May be requested by External Audit at year end.
Procurement spend thresholds	Low value Up to £5,000 Medium Value £5,001 to £30,000 High Value £30,001 to £100,000 Very High value/Upper Threshold £100,001 and above All are excluding VAT.	Up to £1,000 HT/EHT Up to £10,000 TMA/EL Up to £20,000 DCFO Up to £50,000 CFO Up to £100,000 CEO Above £30,000 FC/Trust Board	Follow guidance in Competitive Tendering policy to include Procurement Act 2023 requirements for contract award notices and contract details notices.

Charge Card Spend	All charge card spreadsheets to be reviewed and authorised prior to import into PSF.	School staff cards EHT/HT cards Estates Team Director of Education cards CEO/DCFO/TeamLeads CFO card	HT/EHT CFO EL CFO CFO CEO	
Staff training/courses	All staff training/courses over £200, to be linked to performance management targets and must be approved in advance by the member of staff's line manager before being booked	<ul style="list-style-type: none"> Teaching/Support Staff Approved by Exec HT/HT Exec HT/HT Approved by CEO Central Team Approved by CFO/CEO 		
Signatories for cheques, BACS payment Authorisations and other bank transfers	All amounts	<ul style="list-style-type: none"> Any two authorised signatories 		Before payment is processed and authorised all invoices should be correctly authorised for payment.

Delegated Duty	Value	Delegated Authority	Notes
Signatories for ESFA grant claims and ESFA returns	Any	<ul style="list-style-type: none"> Two signatories (or as required by ESFA) from: CFO/DCFO CEO Nominated Director 	
Designated/Restricted Funds	<p>Where designated (unrestricted) or restricted funds have been agreed in the financial statements, the CEO can allocate these funds for the benefit of the Trust and up to the limit set aside for each designation.</p> <p>For example – urgent school improvement/senior leader absence cover.</p> <p>Budgets may be delegated by the CEO to another budget holder.</p>	<ul style="list-style-type: none"> CEO 	Spend or allocation to be reported to be reported to the next available Finance Committee.
Bid from Reserves	Bid from Reserves up to £50,000	<ul style="list-style-type: none"> CFO 	All approved Bids from Reserves are to be reported to the next available Finance Committee.
	Bid from Reserves up to £100,000	<ul style="list-style-type: none"> CEO 	
	Bid from Reserves above £100,000	<ul style="list-style-type: none"> Trust Board 	
Write-off of bad debts	Up to £1,000	<ul style="list-style-type: none"> CFO and reports to CEO & FC 	
	Over £1,001	<ul style="list-style-type: none"> CEO and reports to FC 	
Purchase or sale of any freehold or leasehold property	Any	<ul style="list-style-type: none"> ESFA approval required 	
Granting or take up of any leasehold or tenancy agreement exceeding three years	Any	<ul style="list-style-type: none"> ESFA approval required 	
Raising invoices to collect income e.g. lettings	Any	<ul style="list-style-type: none"> Central Finance Team 	OM's to complete invoice request form with details and send to central finance team to raise.
Collecting Pupil Income e.g., uniform, nursery fees, dinner monies	Any	<ul style="list-style-type: none"> Office Manager 	School Cashless system. Zero tolerance on debt.

Monitoring Pupil Income e.g. uniform, nursery fees, dinner monies Grants -- PTSA	Any	<ul style="list-style-type: none"> Office manager PTSA administrator 	Use of information available from secure access Key 2 Success, liaising nursery staff regarding pupil numbers, trip monitoring forms and cashless/cash collection records.
Delegated Duty	Value	Delegated Authority	Notes
Emergencies	Where covered through Zurich Insurance Policy Arrangement	<ul style="list-style-type: none"> Estates Manager (if Estates/Premises related) to be advised and to submit claim on behalf of school/Trust. ICT Network Manager (if ICT related) to be advised and to submit claim on behalf of school/Trust. For all other claims against the insurance policy, please discuss with CEO/CFO/DCFO as to whether claim to be submitted with excess taken into consideration. And to inform CFO/CEO – In consultation with the Insurance company 	<p>To ensure all claims are dealt with appropriately, the Estates Manager will submit all premises related claims.</p> <p>Schools can submit insurance claim requests direct to Zurich subject to approval listed but need to copy CFO/Estates Lead/DCFO into all email correspondence.</p>

IRIS Administrators	Kay Mabin	CFO
	Claire Upton	DCFO
	Madeleine Wakeham	Trust Management Accountant

APPENDIX C MEMORANDUM TO SUPPORT THE SCHEME OF DELEGATION/RECORD OF SIGNATORIES

By signing this Memorandum, you are confirming you have read and understood the Trust's Financial Procedures Manual & Finance policy as it applies to your role and confirming where applicable the authorisation limits as per the scheme of delegation.

Ordering and Payment and HR/Payroll								
	CEO	CFO/DCFO	Exec HT/ HT	Estates Lead	Office Manager/PTSA/HR Admin	Trust Management Accountant/SFO's	Central Finance TransactionTeam	HR Lead/ IT Lead
The raising of a requisition for goods / services	Y	Y	Y	Y	Y	Y	Y	Y
Input of requisition to Finance System to create order/ commitment	Y	Y	N	N	Y	Y	Y	Y
Email of order to supplier	N	Y	N	N	N	Y	Y	N
Receiving goods into School (GRN)	N	Y	N	Y	Y	Y	Y	Y
Verification that goods received agrees with delivery note and original order	N	Y	Y	Y	Y	Y	Y	Y
Upload invoices received for payment into IRIS	N	Y	N	N	N	Y	Y	N
IRIS - approval of purchase invoice PI or purchase order PORD	Y	Y	N	Y	N	Y	N	N
Signing/Auth proposed BACS / cheque run	Y	Y	CB only	N	N	Y	N	N
Approval of changes to payroll	Y	Y	Y	Y	N	N	N	AB only
Update and/or view IMP budget planning software	N	Y	N	N	N	Y	N	View only
Update Arbor MIS software	Y	Y	Y	Y	Y	Y	N	Y
Approval of monthly payroll documentation including scale point changes, additional hours and overtime (within delegated budget and approved staffing schedule & Scheme of Delegation)	Y	Y	Y	Y	N	N	N	Y
Authorisation of staff mileage and travel expense claims	Y	Y	Y	Y	N	N	N	Y
Authorisation of Staff Expenses	Y	Y	Y	Y	N	Y	N	AB only
Approval of Multi Pay Charge Card expenditure	Y	Y	Y	Y	N	N	N	AB only

APPENDIX D FINANCIAL RISK REGISTER

The Learning Academies Trust maintains one Risk Register on EVERY which is reviewed 3 times a year by the Audit Committee. All financial risks to the Trust will be detailed on this register and monitored and reviewed. Any financial risks identified above the agreed reporting level will be reported to the Trust Board.

APPENDIX E INTERNAL AUDIT ASSURANCE PROGRAMME

The programme below forms the basis of the LAT's programme of internal audit/control checks performed by LAT's appointed Internal Auditor to cover the areas our Trustee's seek assurance on. This list is not exhaustive.

Programme of work

1. This programme covers the following system area:

- Income
- Purchases and Payment
- Payroll
- Nominal ledger and management reporting
- Risk Register
- Governance
- Trust efficiency

Income
Grant income – review the grant income accounts in the nominal ledger and check that monitoring of that income from grants is in accordance with the FPM
Miscellaneous income – obtain from the CFT a list of all sources of miscellaneous income (i.e. income not covered in the grants category above). On a cyclical basis select one income area (e.g. catering, lettings, uniform etc) and check that procedures have been followed in accordance with the FPM.
Purchases and Payments
Supplier purchases and payments – select from payments records 20 non-payroll supplier payments and check that: <ul style="list-style-type: none"> • Approval for payment is in accordance with the LAT’s financial procedures and scheme of delegation • The payment is supported by a valid invoice or invoices • The invoice(s) has been matched with a valid, authorised purchase order(s) and there is evidence that this has been checked • Where appropriate, there is evidence that the related goods or service has been received • The related purchase invoice(s) is posted to the correct nominal ledger account.
Contracts – at each visit establish from the contracts register if any contracts have been awarded in the period. If so, check that all contracts have been awarded in accordance with the FPM.
Capital Projects – for all capital projects in progress or completed during the period, review project management documentation to check that procedures have been followed in accordance with the FPM
Payroll
Payroll review – review the final payroll print for 3 months to check that it has been appropriately authorised
Salaries to contracts – select 20 employees from the payroll and check salary details back to personnel records to confirm that the amount paid is correct
Payroll changes – check 20 amendments to payroll to ensure appropriately authorised source documentation exists.
Payroll new starters – check annually all new starters have been allocated the correct continuous start date. (Failure to do so could result in staff being under/overpaid and receiving the incorrect holiday entitlement).
Staff expenses – check 20 expense claims in each quarter (used for supply teachers, additional hours for staff and travel expenses) to ensure that procedures have been followed in accordance with the FPM
Nominal ledger and management reporting
Bank reconciliations - review 3 monthly bank reconciliations to check that the reconciliation works; that there are no old outstanding items; and that there is evidence of review as per the scheme of delegation
Other reconciliations - Review for one selected month the following control account reconciliations to check that the reconciliations work; that there are no old outstanding items; and that there is evidence of review as per the scheme of delegation:[delete/add as appropriate] <ul style="list-style-type: none"> • Salaries control account/Fund Control • Payroll deductions control account • VAT control account • purchase ledger control account • Sales ledger control account
Tests

Management reporting – at each visit, check that budgetary control reports / management accounts are prepared as per the financial procedure manual and are reviewed by the CFO/CEO and presented to the Finance & Audit Committee

Key controls checklist - at each visit, confirm that the CFO is maintaining the Key Controls Checklist and report on any key controls which have not been signed off as completed.

Risk Register

Ensure all risks are covered in the risk register. Those risks are reviewed 3 times a year by the Audit Committee and risk scores updated.

Governance Review

Ensure an annual governance review is undertaken to cover:

- Governance skills audit
- Ensure all have the relevant skills, knowledge and behaviours to provide effective governance:
 - Strategic leadership
 - Accountability
 - People Skills
 - Trust Structure
 - Compliance
 - Evaluation of working practices
 - Ability to make a positive contribution
- Check Get Information about Schools (GIAS) is updated within 14 days of any changes
- Check any changes to Members/Directors are updated within 14 days at Companies House.
- Check Register of Business Interests and Related Parties is a live document and published on the Trust's website and complies with the Academy Trust Handbook. A link from each school's website to this document is essential.

Trust Efficiency Review

- Ensure the Trust's efficiency is regularly reviewed to ensure:
- No duplication of work
- Costs to deliver all services represent Value for Money, as per our Master Funding Agreement (4.12 & 4.15)

APPENDIX F ABBREVIATIONS

AAR	Annual Accounts Return
AC	Audit Committee
ATH	Academy Trust Handbook
AO	Accounting Officer (CEO/Executive Headteacher)
AT	Academy Trust
BoD	Trust Board
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CFT	Central Finance Team
CTB	Clerk to Trust Board
DCFO	Deputy Chief Finance Officer
DDPTSA	Deputy Director PTSA
DHT	Deputy Headteacher
DPTSA	Director PTSA
DfE	Department for Education
EA	External Auditors
EH	Executive Headteacher
EL	Estates Lead
ESFA	Education & Skills Funding Agency
FAC	Finance & Audit Committee
FC	Finance Committee
FPM	Financial Procedures Manual
GRN	Goods Received Note
HOS	Heads of School
HRLBP	HR Lead & Business Partner
IA	Internal Auditors
LAT	Learning Academies Trust
LGB	Local Governing Body
OM	Office Manager
RO	Responsible Officer
SFO	School Finance Officer
SRMSAT	School Resource Management – Self Assessment Tool
TFA	Trust Finance Assistant
TMA	Trust Management Accountant
VfM	Value for Money

APPENDIX G EMPLOYMENT STATUS – EMPLOYED OR SELF-EMPLOYED – IR35 CHECK?

The following guidance applies to payments to individuals or sole traders.

It does not apply:

- where payment is to organisations - limited companies, Partnerships, charities, trusts, clubs, public sector bodies etc. - normal purchasing processes apply;
- where individuals are appointed as “office” holders under statutory requirements for example School Improvement Partners, National Challenge Advisors or similar roles. These individuals must be paid via payroll even if they have their own limited company;
- entertainers, musicians, actors – special rules apply; please check with the MAT Finance Team.

Guidance for those Engaging Individuals

Why is employment status important?

Whenever a school engages the services of an individual, HM Revenue and Customs (HMRC) requires that a decision is made regarding their 'employment status', i.e. whether the individual should be treated as self-employed or as an employee. Naturally, this has implications for any payments the school makes. In particular, when it is determined that the individual is to be regarded as an employee, deduction of income tax and national insurance is made from payments through the payroll system. This is obviously the case for staff with a contract of employment, but it does also apply to other people who undertake work for the school without such a contract.

HMRC are very clear that an assumption of self-employment cannot be made, even where the individual has been treated as self-employed previously. The following quotes are taken from their web site:

"It is a general requirement that those wishing to take on workers consider the terms and conditions of a particular engagement to determine whether the worker is an employee or self-employed."

"Just because a worker is self-employed in one job, doesn't necessarily mean he or she will be self-employed in another job."

Deciding whether an individual can be treated as self-employed or not is sometimes contentious, particularly with the individual concerned, who may regard a previous decision of self-employment as sufficient to support similar treatment on subsequent engagements. However, the following points are useful to bear in mind:

- It is the responsibility of the employer and not the individual to ensure that appropriate tax and National Insurance (NI) deductions are made.
- If an individual is treated as self-employed and HMRC discover, when auditing, that this is an error the school would become liable for the tax and NI that should have been deducted. Dependent on the extent of any transgression, fines and interest could also be imposed. If a person is treated as self-employed and the decision is later reversed, it is very difficult to then recover the tax and NI that should have been deducted. However, if a person is treated as employed and this decision is reversed, it is relatively simple to refund the tax and NI.

What do I need to do?

The following advice applies whenever you are considering engaging an individual, except:

- where the engagement will be through the normal recruitment process;
- where the individual is to be involved in work of a construction nature and has a valid Construction Industry Scheme (CIS) registration – normal purchasing procedures apply

In all other cases, these are the steps you should take before you engage someone:

- Make sure you have a defined contract or service level agreement prepared prior to the engagement that will govern the work that will be undertaken and include the requirements for Public Liability Insurance. This will help to make sure there is agreement on what is required, but it will also help to determine whether the work is to be treated as employment or not.

Once you have decided on your intention to engage an individual:

- Make sure you inform the individual you are engaging that you must complete the employment status process. You may wish to use the Employment Status Questionnaire (ESQ) which you will need their help to complete and both of you are required to sign it. This will provide you with most of the information you will need to use the HMRC on-line employment status indicator tool. They must also be told that completion of the questionnaire is no guarantee of self-employment status.

If the employment status has been determined as:

- **Self-employment** - you can follow your usual purchasing process. If applicable, future payments to this individual for the same kind of work would also be paid without deductions. If the engagement changes or becomes on-going it is likely that the status will change to that of employee.
- **Employee** – the invoice submitted by the worker will be submitted for payment by our payroll provider. Tax and NI will be deducted at this point.

What if the individual is unhappy with our decision?

- It is important to note that this process has been developed in line with HMRC guidelines, and that a similar process is in place in all schools and local authorities (indeed all organizations should work on this basis). You must impress on the individual that it is not an optional activity.
- If the individual disagrees with the decision, ask them to write to a nominated person at the school giving their reasons for disagreeing, and ask them to include any supporting evidence that did not form part of the original questionnaire.

Where can I find out more?

HMRC guidance on employment status can be found at www.hmrc.gov.uk/calcs/esi.htm

APPENDIX H RELATED PARTIES AND DECLARATION OF BUSINESS INTEREST FORM

Related Parties and Business Interest Form.

Definitions per FRS 102

Related party

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this definition referred to as the 'reporting entity').

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i) Has control or joint control over the reporting entity;
 - ii) Has significant influence over the reporting entity; or
 - iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii) Both entities are joint ventures of the same third party.
 - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v) The entity is a retirement benefit scheme for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a scheme, the sponsoring employers are also related to the reporting entity.
 - vi) The entity is controlled or jointly controlled by a person identified in (a).
 - vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- 1) that person's children and spouse or domestic partner;
- 2) children of that person's spouse or domestic partner; and
- 3) dependants of that person or that person's spouse or domestic partner.

Control

The ability to direct the financial and operating policies of an entity with a view to gaining economic benefits from its activities.

Key management personnel

Those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

Related party transaction

The transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a price is charged.

Definitions per the Charities SORP

Related parties is a term used by the SORP that combines the requirements of charity law, company law and the Financial Reporting Standard in the UK and Republic of Ireland. The term is used to identify those persons or entities that are closely connected to the reporting charity or its trustees.

The following 'natural persons' are classed as related parties:

- 1) any charity trustee and custodian trustee of the charity;
- 2) a person who is the donor of any land to the charity (whether the gift was made on or after the establishment of the charity); and
- 3) any person who is:
 - a) a child, parent, grandchild, grandparent, brother or sister of any such trustee (A) or donor (B) of land;
 - b) an officer, agent of a member of the key management personnel of the charity;
 - c) the spouse or civil partner of any of the above persons (A, B, C1 and C2);
 - d) carrying on business in partnership with any of the above persons (A, B, C1, C2 and C3);
 - e) a person, or a close member of that person's family, who has control or joint control over the reporting charity;
 - f) a person, or a close member of that person's family, who has significant influence over the reporting charity;

'Close member of a person's family' refers to:

- that person's children or spouse;
- the children, stepchildren or illegitimate children of that person's spouse or domestic partner;
- dependents of that person; and
- that person's domestic partner who lives with as husband or wife or in an equivalent same-sex relationship.

A charity is not necessarily related to another charity simply because a particular person happens to be a trustee of both. It will only be 'related' if the relationship means that one charity, in furthering its charitable aims, is under the direction or control of the trustees of another charity.

The following entities which are not 'natural persons' are classed as related parties of a reporting entity (including a reporting charity) if any of the following conditions apply:

- the entity and the reporting charity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- one entity is an associate or joint venture of the other entity (or a member of the group in which the other entity is the parent or a member);
- both entities are joint ventures of the same third entity;
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
- an entity that is controlled or jointly controlled by a person, or two or more persons, identified in A, B or C;
- an entity in which a person, or two or more such persons, identified in A, B or C, taken together, have a substantial interest or a significant interest or significant influence over the entity;

Control is presumed to exist when one or more persons identified in A, B or C, taken alone or together, hold directly or indirectly, more than half the voting power of an entity. However, control can also exist when they, directly or indirectly, control half or less than half of the voting power of an entity, if they have:

- power over more than half of the voting rights by virtue of agreement with other investors;
- the power to govern the financial and operating policies of the entity under a statute or an agreement;
- the power to appoint or remove the majority of the members of the Trust Board or equivalent governing body, and control of the entity is by that board or body; or
- the power to cast the majority of votes at the meeting of the Trust Board or equivalent governing body, and control of the entity is by that board or body.

An individual has a substantial or significant interest in an entity where that person, or two or more persons identified in A, B or C, taken together, have an interest in the equity share capital, or is entitled to exercise, or control the exercise of, more than one-fifth of the voting power any general meeting of that entity.

Control (of an entity) is the power to govern the financial and operating policies of an entity in order to obtain benefits from its activities. For example, a charity may exercise control over a subsidiary in order to raise funds for the charity through trading activities or as a vehicle to carry out the charity’s aims.

Key management personnel is a term used by FRS 102 for those persons having authority and responsibility for planning, directing, and controlling the activities of the charity, directly or indirectly, including any Director (whether executive or otherwise) of the charity. This definition includes trustees and those members of staff who are the senior management personnel to whom the trustees have delegated significant authority or responsibility in the day-to-day running of the charity.

Related party transactions are the transfer of resources, services or obligations between related parties regardless of whether a price is charged.

Related Parties & Business Interest Form

This form should be completed as a minimum, by each Trustee and member of key management personnel.

Please duplicate additional copies as required and complete the below. Alternatively, we can email this template to you separately, please let us know if you would like us to do this.

Learning Academies Trust	
Name:	
Position in the Trust	

Please list out your related party Relationships within the table below. Please summarise any transactions with the Trust during the period or confirm that there have been none in the period.

Name of Related Party	Nature of the interest (e.g % Shareholder, director, trustee)	Nature of the business	Date of interest began	Summary of Transactions during the period or confirm if none:
<i>Example- XYZ Co Limited</i>	<i>Director and 50% shareholder</i>	<i>Marketing agency</i>	<i>Appointment date to the Trust, 01.03.2021</i>	<i>Marketing services provided to the Trust. Total sales in the year of £25,000. Related party transaction managed in line with the ATH.</i>

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Please list out your close family, as defined in Appendix 2, and their relationship to you. Please summarise their related party relationships (or confirm that there are none) within the table below. Please summarise any transactions between the related party and/or their interests with the Trust during the period; or confirm that there have been none in the period.

Close family name and relationship to you	Name of related party	Nature of the interest (i.e. % shareholder, director, trustee)	Nature of the business	Date the interest began	Summary of Transactions during the period or confirm if none:
<i>Example Mr L Eagle, Brother</i>	<i>Legal Eagles LLP</i>	<i>Mr L Eagle is a partner with 30% interest in the partnership</i>	<i>Legal and HR advisors</i>	<i>Partnership formed 30.04.2021</i>	<i>No transactions in the year</i>

Notes:

- If there are no entries to be made in a table, please mark “none to all” on the first row.
- If any of the information in this form is unknown or uncertain, please indicate this, and give an indication of when the information will be made available or will have been verified at the audit date so that the audit team can follow up on this.
- If you have any queries in completing this form, please contact the audit team.

I confirm that the above is a complete and accurate record of my business and related interests.

These details have been provided in order to assist in the compilation of the related party transaction disclosures in the year end statutory accounts. Where there have been no material transactions with any of my business interests, no disclosure is required.

I will make The Trust aware of any changes with regard to the above.

Signed	
Date	