



Southend East Community Academy Trust

Financial Regulations

&

Financial Scheme of Delegation

Document Detail	
Category:	Financial Management
Authorised By:	Board of Trustees
Status:	FINAL APPROVED
Chair of Trustees Signature	
Date Approved:	26 April 2021
Issue Date:	13 April 2021
Next Review Date:	April 2022

CONTENTS

Financial Scheme of Delegation/Authorisation & Approval Summary	4
Expenditure Limits/Ordering Procedures	4
Standing Order/Direct Debit/BACS Signatories	4
Disposal of Surplus Stock, Stores & Assets	5
Write off of Bad Debts	5
Other Monetary Limits.....	6
1.0 INTRODUCTION.....	6
2.0 ORGANISATION.....	6
The Trust Board (The Board).....	7
The Resources Committee.....	7
The Accounting Officer	7
Chief Financial Officer	8
Local Academy Committee (LAC).....	8
School Office Team Leader/Senior Finance Assistant.....	9
Clerk to the Board.....	9
Register of Business Interests.....	9
Trading with Connected Parties.....	10
3.0 DAY-TO-DAY DELEGATION OF AUTHORITY.....	10
Expenditure Limits	10
Funding Reconciliation.....	11
Bad Debts.....	11
Disposal of Assets or Adjustments to School Inventory	11
Mileage Allowances and Subsistence Claims.....	11
Receiving of Goods / Acknowledgement of Service	12
Staff Appointments/Terminations	12
Payment of Additional Hours.....	13
Monitoring Salary Payments.....	13
Supply Staff.....	13
Contract Approval.....	13
Insurance.....	14
4.0 FINANCIAL PLANNING AND REVIEW	14
Budget Planning / Setting	14
Budget Monitoring.....	15
Resource Management.....	15
Financial Returns.....	15
5.0 INTERNAL CONTROL.....	16
Separation of duties.....	17

Accounting Arrangements	17
6.0 ASSETS AND INVENTORY.....	18
7.0 BANKING ARRANGEMENTS.....	19
8.0 PURCHASING AND PAYMENT PROCEDURES.....	21
Charge Cards	23
8.0 TENDERING PROCEDURES.....	24
Introduction to Tendering.....	24
Forms of Tenders	24
8.32 Aspects to ConsiderFinancial	25
Technical/Suitability	25
Other Considerations.....	25
Tender Instructions.....	26
Tender Opening Procedures	26
Tendering Evaluation and Acceptance	26
9.0 PETTY CASH.....	27
10.0 PAYROLL AND PERSONNEL PROCEDURES.....	27
11.0 INCOME.....	28
Custody	28
Automated On- Line Payments.....	29
12.0 RISK MANAGEMENT	29

Financial Scheme of Delegation/Authorisation & Approval Summary

Expenditure Limits/Ordering Procedures

If approval for a contract that spans more than one year, the limits below apply to the total value over the life of the contract not the per annum cost.

Process	Value	Delegated Authority
Order Approval	up to £2,000	Budget Holder
Order Approval	£2,001 to £20,000	Headteacher
Order Approval	Over £20,000	CEO/COO
3 competitive quotations	£5,000 to £50,000	
Formal Tender Process required	Over £50,000	Trust Board to sign off
OJEU Tendering Procedure	<p>This process applies if:</p> <p>you cannot get what you need through one of the DfE recommended deals for schools or a framework agreement you are buying something over the EU procurement thresholds The thresholds are:</p> <p>goods – £189,330 works – £4,733,252 most services – £189,330 Some services for education are covered by the ‘light touch regime’.</p> <p>The threshold for these is £663,540.</p> <p>Check the list of all the services covered by the light touch regime in the legislation. The Public Contracts Regulations 2015 (legislation.gov.uk)</p>	
Related Party Transactions	Over £20,000	ESFA approval is required prior to entering into any transaction. All related party transactions, regardless of value, must be reported to the ESFA

Standing Order/Direct Debit/BACS Signatories

Value	Delegated Authority	Additional Guidance
Any two of:	CEO Headteacher COO Finance Director Financial Controller Trustee	Ensure bank mandate is complied with.

Virement Approval

Value	Delegated Authority	Additional Guidance
All	Finance Director/COO	All virements must be recorded on a sequential numbered virement form and reported to the Trust Board

Disposal of Surplus Stock, Stores & Assets

Value	Delegated Authority	Additional Guidance
Up to £250	Headteacher/CEO/COO	
£251 to £1,000	CEO/COO	
£1,001 to £250,000	Board of Trustees	
Check Academies Financial Handbook for latest guidance	ESFA Approval/Notification	Applies to land and buildings

Write off of Bad Debts

Value	Delegated Authority	Additional Guidance
Up to £100	Headteacher	
£101 to £250	Finance Director	
£251 to £1,000	CEO/COO	
£1,001 to £250,000	Board of Trustees	
Check Academies Financial Handbook for latest guidance	ESFA Approval	Max of £250,000 1% of total income up to £45,000 per single transaction 2.5% of total annual income per category if accounts qualified or late 5% of total annual income per category if accounts not qualified or late

Approval of Returns & Reconciliations

Return	Delegated Authority	Additional Guidance
VAT 126 Return or VAT return if registered	Finance Director	One VAT return must be prepared centrally for the whole Trust
Bank Reconciliations	Finance Director	To be prepared at least monthly
Funding Reconciliation	Finance Director	To be prepared at least monthly
Budget Forecast Return Outturn Budget Forecast Return 3Y	CFO (COO) to prepare, Full Trust Board to approve	
Risk Register	COO to prepare and review Central. Trust Board to monitor and review	
Register of Business Interests	Trustees and Local Academy Committee	
Gifts and Hospitality Register	Trustees and Local Academy Committee	
Business Continuity Plan	Trustees and Local Academy Committee	

Other Monetary Limits

	Limit	Additional Guidance
Mileage Allowance	HM Revenue and Customs approved rate	Check HMRC website for the current rate.
Safe Cash/Cheque Limits	£10,000 Cash £250,000 cheques and other certificates, bonds, stamps as detailed in RPA rules £5,000 monetary not in a locked safe e.g. in transit	Details as per Risk Protection Arrangement.
Inventory Register	Items that are portable and attractive or over £1,000 per individual item	
Asset Register	Capitalisation limit £ 1,000 per individual item	Enter capitalisation amount as per Trusts accounting policy

The finance policies listed below should be read in conjunction with the Trust other financial management related policies and the ESFA Academies Financial Handbook;

1.0 INTRODUCTION

- 1.1** The Southend East Community Academy Trust Board, who are both directors and Trustees, (The Board) is the legal entity which is responsible for all the Trust's academies. It is their duty to ensure that each school operates efficiently, legally, judiciously and safely.
- 1.2** The purpose of these regulations is to ensure that the Trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of The Trust's funding agreement with the Secretary of State for Education.
- 1.3** The school must comply with the principles of financial control outlined in the Academies Financial Handbook published and updated by the Department for Education (DfE). These regulations expand on that and provide detailed information on the school's accounting procedures and systems and should be read by all staff involved with financial systems.
- 1.4** The general conditions that follow are subject to annual review and consideration by the Trust Board, who must formally minute the review and any subsequent amendments and approval each year.
- 1.5** The Trust Board confirms that failure to observe these conditions is considered a serious matter and may involve disciplinary procedures being taken against the individual concerned.

2.0 ORGANISATION

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

The Trust Board (The Board)

- 2.2** The Board have overall responsibility for the administration of the school's finances. The main responsibilities of The Board are prescribed in the Funding Agreement between the academy Trust and the Secretary of State for Education and in the school's scheme of delegation. The responsibilities of The Board are as outlined in the scheme of delegation and also in the Academies Financial Handbook
- 2.3** The Trust Board meets at least 6 times per year in accordance with the academies financial handbook

The Resources Committee

- 2.4** The Resources Committee is a committee of The Board. The committee meets at least once per term, but more frequent meetings can be arranged if necessary. The main responsibilities of the Resources Committee are detailed in the written terms of reference which have been authorised by The Board.

The Accounting Officer

- 2.5** The Trust has designated the Chief Executive Officer as its Accounting Officer. Whilst the Accounting Officer has responsibility, under The Board's guidance, for the Trust's overall management and staffing, their appointment as Accounting Officer confers specific responsibilities for financial matters. In particular, the Accounting Officer is personally responsible to Parliament and to the Accounting Officer of the ESFA, for the resources under their control, and must be able to assure Parliament and the public of high standards of probity in the management of public funds.
- 2.6** The essence of the role is a personal responsibility for:
- regularity – dealing with all items of income and expenditure in accordance with legislation, the terms of the Trust's funding agreement and these regulations, and compliance with internal Trust procedures. This includes spending public money for the purposes intended by Parliament;
 - propriety – the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary control. This covers standards of conduct, behaviour and corporate governance;
 - value for money – this is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the Trust's charge, the avoidance of waste and extravagance, and prudent and economical administration. A key objective is to achieve value for money not only for the Trust but for taxpayers more generally.

The Accounting Officer also has responsibilities for keeping proper financial records and accounts, and for the management of opportunities and risks.

- 2.7** Whilst the Accounting Officer is accountable for the Trust's financial affairs, the delivery of the Trust's detailed accounting processes will be delegated to the Chief Finance Officer. Within the Trust the role of Chief Finance Officer is included within the job description of the Chief Operating Officer (COO).

2.8 The Accounting Officer must advise The Board in writing if, at any time, in his or her opinion, any action or policy under consideration by them is incompatible with the terms of the Academies Financial Handbook or Funding Agreement. Similarly, the Accounting Officer must advise The Board in writing if The Board appears to be failing to act where required to do so by the terms and conditions of the Academies Financial Handbook or Funding Agreement. Where The Board is minded to proceed, despite the advice of the Accounting Officer, the Accounting Officer must consider the reasons The Board gives for its decision. If, after considering the reasons given by The Board, the Accounting Officer still considers that the action proposed by The Board is in breach of the Handbook or Funding Agreement, the accounting officer must advise the ESFA's accounting officer of the position in writing.

Chief Financial Officer

2.9 The Chief Financial Officer works in close collaboration with the Accounting Officer through whom he or she is responsible. The Chief Financial Officer also has direct access to the Trustees via the Resources Committee. The main responsibilities of the Chief Financial Officer are as outlined in the COO post holder job description.

Local Academy Committee (LAC)

2.10 Each school will have an LAC who will work in close collaboration with the academy Trust's central staff. The LAC's responsibilities are as set out in the scheme of delegation and include the following:

- Whilst the central finance team will draw the figures together with the school, the LAC will review the annual budget.
- Receiving management reports, to facilitate the monitoring of the school's actual financial performance compared with budgeted priorities and to take remedial action as necessary.
- Ensuring the local Register of Business Interests is kept up to date and published by the Governance Manager on the Trust website.
- Ensuring the gift and hospitality register is kept up to date.
- Monitoring all spending and income received in the school.
- Ensuring that funding from the ESFA, Local Authority and other sources is used only in accordance with any conditions attached.
- Receiving and commenting on the content of any audit report relating to the individual school and monitoring the implementation of the agreed action plan.
- Ensuring the school adheres to the policies and procedures as specified by The Board.
- Reviewing and monitoring of budget projections / medium term financial plans to ensure the school's budget is realistic and any financial decisions are sustainable.
- Declaring any connected party transactions or business interests with the Trust.
- Ensuring the school has an up to date business continuity plan.

- 2.11** The LAC confirms that the day-to-day financial management of the school is delegated to the Headteacher, subject to exceptions contained in these regulations. Throughout these conditions, delegation to the Headteacher shall imply further delegation to the Deputy Headteacher when the Headteacher is not on the school site. Where the Headteacher wishes to permanently delegate certain financial matters or activities, then the level of that delegation shall be notified in writing to the individual(s) concerned, reported to the LAC in writing and incorporated into these conditions.

School Office Team Leader/Senior Finance Assistant

- 2.12** For the purposes of this document the term School Office Team Leader (SOTL)/Senior Finance Assistant (SFA) refers to the person responsible for the day to day management of each individual school's financial operations. Each school should employ a suitably experienced SOTL/SFA to support the Headteacher and LAC to manage and protect resources appropriately or alternatively make use of the support services provided by the Trust.
- 2.13** The SOTL/SFA will work with the Headteacher and Senior Leadership Team to ensure the school's financial processes and finance policies are followed. They will be responsible for the effective use of resources within their organisation and will notify the Headteacher of any issues.

Clerk to the Board

- 2.14** The school Trust will appoint a suitably qualified clerk to The Board who is someone other than a Trustee, Headteacher or CEO of the Trust.

General Requirement

- 2.15** All employees of the school are expected to act professionally and with integrity and follow the internal control framework and financial policies of the school. All staff with financial management responsibilities should have access to the information and training required to perform their financial duties.

Register of Business Interests

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

The register should include all business interests such as directorships or shareholdings. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a Trustee, local academy committee member or a member of staff, by that person.

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

All Trustees, local academy committee members and school staff must be given the opportunity to verbally declare previously undeclared interests, and any previously declared

interests that may be relevant to the agenda, at every committee and Trust board meeting.

In accordance with the Academies Financial Handbook, the business interests of the Trustees, members, local academy committee members and the accounting officer will be published on the Trust's website.

Trading with Connected Parties

2.17 In accordance with the Academies Financial Handbook, the following will apply to goods or services provided by individuals or organisations connected to the school Trust:

The Trust must pay no more than 'cost' for goods or services provided by a connected party as defined by the Academies Financial Handbook.

The school must ensure that any agreement with a connected party is procured through an open and fair process and is supported by a statement of assurance from the individual or organisation to the Trust confirming that their charges do not exceed the cost of goods or services.

The 'at cost' requirement applies to any transactions for goods or services exceeding £2,500 cumulatively in a financial year.

Related Party Transactions

2.18 Trustees must ensure they avoid conflicts of interest, do not accept benefits from third parties and declare interests in proposed transactions and arrangements. No member, Trustee, local academy committee member, employee or related individual or organisation may use their connections for personal gain and no payments can be made to Trustees unless permitted by the articles or by authority from the Charity Commission.

2.19 Trustees must report all transaction to related parties to the ESFA in advance of the transaction taking place, using the ESFA's on-line form.

2.20 Trustees must obtain ESFA's approval for related party transactions that are;

- novel, contentious and or/repercussive

-the contract exceeds £20,000

-a contract of any value that would take the total value of contracts with the related party beyond £20,000 in the same financial year

3.0 DAY-TO-DAY DELEGATION OF AUTHORITY

Expenditure Limits

3.1 The Headteacher can authorise expenditure up to £20,000 on goods and services. Avoidance of obtaining higher authority by raising a sequence of smaller orders in place of one large order is not permitted.

The Headteacher may also authorise higher levels of expenditure for utility charges provided the value authorised has been clearly documented and approved by The Board in the school budget.

If the value to be authorised exceeds the Headteacher limit for goods and services, or the value set aside for utilities in the school budget, then a higher level of approval is required, as

specified below.

Authorisation for expenditure that is greater than the value of £20,000 must be referred to the CEO/COO.

Funding Reconciliation

- 3.2** The Finance Director is responsible for reconciling the Trust's funding budget entered on the school's financial accounting system with the monthly funding information provided by the ESFA and other government agencies. This reconciliation should be completed on a monthly basis and reviewed by the Chief Financial Officer.

Bad Debts

- 3.3** The write-off of debts owed to the school, can be approved as follows;

Up to £100 – Headteacher

£101 to £250 – Finance Director

£251 to £1,000 – CEO/COO

£1,001 to £250,000 – Trust Board

See section – ESFA approval required

A sequence of smaller write offs, all within the above limits, to cover a larger write off is not permitted.

Write offs exceeding £250 must be reported to The Board.

Disposal of Assets or Adjustments to School Inventory

- 3.4** The Headteacher can authorise the disposal / adjustment of recorded school inventory items up to the value of £250. Authority for disposals / adjustments up to £1,000 must be approved by the CEO/COO. Disposals/adjustments above £1,001 must be referred to The Board. Any disposals over £45,000 must be approved by the ESFA (check AFH for full details).

All disposals / adjustments must be formally recorded in the minutes of the meeting at which they were reported and discussed.

Mileage Allowances and Subsistence Claims

- 3.5** The Trust will reimburse mileage expenses to individuals for business journeys at a rate in accordance with the limitations set out by HM Revenue & Customs. The claimant is entitled to be notified of this rate in advance of commencing their journey. The claimant must have suitable business use insurance in place to cover both the vehicle and passengers

- All expense claims are to be authorised by the Headteacher/CEO/COO for individual schools. For the Central Team expenses are authorised by the line manager or CEO/COO.
- The CEO/COO must authorise all claims relating to the Headteacher or members of the Central Team, the CEO for the COO and the Trust Board for the CEO.
- All expense claims are to be supported by VAT receipts (or other appropriate evidence of expenditure) which must be attached to the claim. Claims for subsistence can only be claimed to the maximum stated below.
- Rates of subsistence will be paid at the rate and within the conditions that adhere to the Trust's policy on travel and subsistence allowances.
- Claims for the purchase of alcohol will not be reimbursed.
- The school may not reclaim VAT without a proper VAT receipt.

Receiving of Goods / Acknowledgement of Service

- 3.6** The person accepting the goods will be responsible for signing the delivery note to confirm the correct goods have been received. This will then be processed on the financial accounting system by the SOTL/SFA/Headteacher/Budget Holder who will record on the system who has checked the goods and scan in the delivery note on to the financial accounting system.

Staff Appointments/Terminations

- 3.7** The Trust Board have approved a personnel establishment for the Trust. Changes can only be made to the establishment with the express approval of The Board who will also ensure that adequate budgetary provision exists for any changes.

- 3.8** The approval required for the appointment of staff or changes to contract is as follows:

Headteacher Appointment	CEO
All other staff	Headteacher/CEO/COO subject to the agreed establishment and budget constraints, Scheme of Delegation and in accordance with the Trust's recruitment and appointment policy.
Chief Operating Officer (Chief Financial Officer)	CEO and The Trust Board
Chief Executive Officer	The Trust Board

- 3.9** All relevant forms and paperwork with regard to the appointment of, or amendment to contracts of staff should be sourced from the Trust's Human Resources department. All personnel pre-employment checks must be completed and relevant clearances obtained and

contract of employment issued for staff before they start their employment.

- 3.10** The Board has authority to approve individual staff severance payments and compensation payments as per the relevant section contained within the Academies Financial Handbook, providing the non- statutory/ non-contractual element is under £50,000. Above £50,000 prior approval must be sought for the non-contractual element from the ESFA.

Payment of Additional Hours

- 3.11** With regard to staff overtime etc, the Headteacher is authorised to incur expenditure up to the level agreed within the annual budget. Beyond this limit, authorisation can only be made by the CEO/COO. No overtime should be undertaken without the prior approval of the Headteacher or in the case of the Central Team the CEO/COO.

Monitoring Salary Payments

- 3.12** It is the responsibility of the COO to ensure that systems are in place to record all staff contract details and that they are regularly updated to take account of new appointments, amendments and terminations of employment. This will ensure that all information on the Trust's financial accounting system is correct and will avoid distortion of financial information.

Any payroll transactions relating to Headteachers will be authorised by the CEO/COO.

Supply Staff

3.13

- a) All supply staff will be appointed by the Headteacher within budget limits set. At the same time the appropriate commitment for the estimated costs incurred will be entered on to the school finance system. It is the responsibility of the SOTL/SFA to ensure this is actioned.
- b) It is the responsibility of the individual member of staff to agree with their line manager the hours worked in the particular payment period. The line manager will then sign the claim and forward it to the Headteacher for authorisation or CEO/COO for Central Staff. If a dispute arises over hours claimed, the Headteacher will be informed immediately. The SOTL/HR will process with payroll using the appropriate forms.

Contract Approval

- 3.14** Any lease agreements will require the approval of The Board.

By law an operating lease is the only type of lease available to schools. These leases involve the school paying a rental for the hire of an asset for a period of time and have the character of a rental agreement. No other lease, such as finance leases or hire purchase, may be entered into by the school as this is a form of borrowing.

Insurance

3.15 Insurance cover for Trust and its constituent schools will be arranged at Trust level.

Insurance will include:

Public Liability

Buildings and Contents

Terrorism

Business Interruption

Employer Liability

Hirers Liability

Governors Liability

School Journey

Personal Accident

Motor

Engineering

If maternity or sick pay insurance is required, this will be arranged by the central team and in agreement with the school and the Finance Director. Business continuity plans should be established in each school by the Headteacher and COO and reviewed annually.

4.0 FINANCIAL PLANNING AND REVIEW

Budget Planning / Setting

- 4.1** The school's overall budget plans (both one year annual and multiyear forward financial plans) will be prepared by the Headteacher, central finance function and Accounting Officer in consultation with the LAC. The budget will be prepared having regard to all known needs of the school including the Academy Improvement Plan. It is the responsibility of the Accounting Officer to ensure that all the required budgeting paperwork is submitted to The Board in accordance with the published timetable.
- 4.2** An asset management plan and budget will be prepared by the COO and submitted for approval to the Trust Board.
- 4.3** Detailed records will be kept of all information used in preparing the budget, including estimations of staffing requirements and calculations of all costs, cross referenced to the assumptions made.
- 4.4** The Finance Director / Central Finance Team and SOTL/SFA will be responsible for ensuring that the school has budget business plans in place for all trading activities e.g. catering, nursery, lettings etc. The business plan should clearly show the anticipated operating surplus or deficit. If a subsidy is required to cover a budgeted deficit, then this must be formally approved by the CEO. All budgeted business plans should be clearly linked to the Academy Improvement Plan.
- 4.5** The consolidated individual school and central budget will be reviewed by the Accounting Officer and submitted to The Board for final approval.

- 4.6** The approved budget should be promptly loaded onto the Trust's financial accounting system and reported to relevant bodies.

Budget Monitoring

- 4.7** The Finance Director will be responsible for monitoring actual income and expenditure against budget for each line item and producing and circulating appropriate reports to the LAC and Trust on a monthly basis. Urgent budget issues will be reported to the COO / HT and LAC immediately.
- 4.8** The Finance Director will circulate monthly management accounts, including income and expenditure reports on an accruals basis, cash flow forecasts and balance sheets to the Trust Board, together with a written explanation of significant variances against budget, and with a projection of income and expenditure to the year-end. Reports will be circulated to LACs as required.

Resource Management

- 4.9** The Trust will ensure that it manages its resources effectively. To support with fulfilling this responsibility they will ensure that the following is carried out;
- Regular benchmarking with other Trusts in a similar context
 - Annually completing the School's Resource Management Self-Assessment Tool and preparing an action plan. The completed tool must be submitted to the ESFA by their required deadline.
 - Engaging with the DfE's approved frameworks when procuring goods and services.
 - Ensuring each school's curriculum is integrated with the Trust's financial planning strategy.
 - Ensuring each school's staffing structure is reviewed regularly and is integrated with the Trust's financial planning strategy.

Financial Returns

- 4.10** The CFO will be responsible for preparing all the financial returns required by the Education Skills Funding Agency. All returns will be completed in the required timescales.
- 4.11** In order to give a true and fair view the annual report and financial statements must be prepared according to the requirements of the Companies Act 2006 and Regulations made under the Act, and applicable United Kingdom accounting standards. Trusts must

also prepare their accounts in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (revised) ('the SORP'). They must also be prepared in accordance with the accounting policies agreed by The Board. A copy of the SORP together with accompanying information sheets, other Charity Commission guidance and legislation are available to view and download from the Charity Commission website at:

http://www.charitycommission.gov.uk/Charity_requirements_guidance/Accounting_and_reporting/Preparing_charity_accounts/

- 4.12** The Board is responsible for approving the Trust's annual report and financial statements and ensuring the annual accounts are audited and submitted to the Education Skills Funding Agency by the required deadlines. Details of all financial information required are as set out in the latest Accounts Direction for the year being reported.
- 4.13** In addition to submitting the annual report and financial statements to the Education Skills Funding Agency, under section 442 (2a) of the Companies Act 2006, accounts must be filed with Companies House within 9 months of the end of the accounting period.
- 4.14** The ESFA require the Trust to publish its Annual Accounts and Annual Report by 31st January. This will be done via the Trust website.
- 4.15** The Trust's audited accounts must be provided to the Members at the Annual General Meeting.

5.0 INTERNAL CONTROL

The objectives of Internal Control are to give the Trust confidence that as far as is reasonably possible:

- a) the Trust's accounting records are accurate and complete
 - b) the financial procedures in operation minimise the risks of misappropriation of funds and assets
 - c) the Trust achieves best value.
- 5.1** The Financial Controller is responsible for preparing monthly bank statement reconciliations for all bank accounts within two weeks of receipt. All discrepancies are to be investigated immediately and reported to the Finance Director and, if appropriate, the bank. The Finance Director is responsible for reviewing and approving all bank reconciliations.
 - 5.2** The Financial Controller is responsible for ensuring that VAT transactions are recorded accurately and the VAT control accounts reconciled to support in the preparation of a central Trust VAT return. The Finance Director is responsible for submitting the VAT 126 monthly to HMRC
 - 5.3** The Trust board are responsible for ensuring that internal control audits take place to provide assurance that the internal controls are robust. The Board will commission an external provider to carry out an annual audit of the controls. The Board will ensure that an action plan is drawn up to address any weaknesses identified and will review this on a regular basis. All internal audit reports will be reviewed by The Board.

- 5.4** The Board or a delegated committee, will approve the scope of the internal work to be conducted per financial year.
- 5.5** The Board must submit to the ESFA an annual summary of the internal audit work that has been completed which includes areas reviewed, key findings, recommendations and conclusions annually by 31st December
- 5.6** It is a legal requirement for the Trust to prepare audited, consolidated accounts. The Members will appoint the statutory auditors to audit the accounts and confirm that they are “true and fair”. The CEO and CFO will be required to ensure that up to date and accurate accounts are available and that year end processes are followed. The CFO, FD and CEO will need to be available to support the statutory auditors in conducting their work.

Separation of duties

- 5.7** It is the responsibility of the CEO and Headteachers to ensure that key financial duties are properly separated between individuals. Functions to be separated between staff will include:
- a) Execution – the placing of an order and receipt of goods and services, and the charging and receipt of a fee.
 - b) Authorisation – the authorisation of a transaction such as a purchase order and the payment.
 - c) Payment – the raising of cheques / BACS and cheque / BACS signatories.
 - d) Custody – the holding of goods and services.
 - e) Recording – the completion of the accounting records.
 - f) Post transaction management checking– reviewing previous transactions to identify errors or intentional manipulation.

Accounting Arrangements

- 5.8** The financial transactions of the school must be recorded in accordance with the Trust’s approved accounting policies and recorded on the accounting system. All transactions input into the accounting system must be authorised in accordance with the procedures specified in this manual.
- 5.9** Entry to the accounting system is password restricted. Passwords should be changed termly.
- 5.10** Access to the component parts of the accounting system can be restricted and the FD is responsible for determining access levels for all members of staff using the system.
- 5.11** The Trust will have a standard chart of accounts which will be used by the individual academies. Requests to set up new nominal codes need to be made to the FD. The SOTL/SFA can request additional cost centres to suit their own individual internal budget monitoring requirements from the FD.
- 5.12** The CFO is responsible for ensuring there is effective back up procedures for the accounting system.

5.13 The Finance Director is responsible for ensuring the following reconciliations are carried out on a monthly basis and account balances reviewed.

- Debtor control accounts
- Creditor control accounts
- VAT control accounts
- Payroll control accounts
- Bank
- Sundry creditors/accruals
- Sundry debtors/prepayment
- Suspense accounts
- Intra-company accounts
- Fixed asset accounts
- Any other balance sheet accounts as appropriate

Any unusual or long standing reconciling items should be brought to the attention of the Chief Finance Officer.

6.0 ASSETS AND INVENTORY

6.1 The Financial Controller should ensure that all items which have a useful life and value lasting more than one year and which is above the de minimis level set in the Trusts accounting policies (currently £1,000 per item) are recorded on a fixed asset register and capitalised in the accountingsystem. The asset register should include the following information.

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding
- expected useful economic life
- depreciation
- current book value
- location
- supplier
- warranty information

Condition of the items should be reviewed annually and adjustments made to the register if required.

Inventory

6.2 Each school in the Trust will keep an inventory to

- Ensure proper physical control of school equipment.
- Provide a basis for insurance cover and claims if equipment is damaged or destroyed.
- Provide an up-to-date record of the equipment available for teaching purposes.
- Help the school plan its equipment replacement programme.

All portable items of equipment will be security marked with the name and postcode of the school.

The following categories of inventory will be entered in the inventory register at the time of acquisition by the school:-

- All items valued at £1,000 or more at the time of acquisition or purchase.
- Items below the value noted in (i) above but which are considered attractive and portable.
- Items considered by the Headteacher as being worthy of inclusion.
- Items hired to or leased by the school, that match any of the above criteria will be included, but identified accordingly.

The inventory register will record the following information;

- Item description.
- Serial number or asset reference number.
- Date acquired.
- Acquisition cost.
- Asset location.
- If item has been security marked.
- Date of last physical check.

The SOTL/SFA is responsible for maintaining the inventory register.

All inventory items recorded in the register will be checked annually by the relevant delegated person, and certified as correct. Any adjustments arising from the physical check must be authorised as laid down above. Evidence of the annual check taking place will be by date and signature of the person responsible for the check on the inventory sheets used for the check. These sheets will be retained on file for at least 24 months to provide an audit trail for changes made to the register as a result of the check.

All authorised disposal of school inventory must be recorded, showing the method of disposal and the authority for such action (As per 3.4).

A separate 'Register' shall be kept for all items loaned to members of staff and pupils from the school. In the event of any items not being on site when the inventory is checked, reference shall be made to this on the documentation used for the inventory check.

7.0 BANKING ARRANGEMENTS

7.1 All decisions with regard to the choice of banking service provider and subsequent banking arrangements will be made by The Board.

7.2 The Finance Director must ensure that the school accounts never become overdrawn. Any concerns regarding cash flow should be reported to the CFO.

- 7.3** The Financial Controller is responsible for carrying out monthly bank statement reconciliations for all bank accounts within two weeks of receipt. Any un-reconciled payments older than six months, and unreconciled receipts older than one month, must be investigated and appropriate action taken.
- 7.4** The Board and will wish to maximise income as far as possible and, where appropriate, a high interest or deposit account will be maintained, in addition to the normal current account.
- 7.5** Direct Debit or Standing Order payment arrangements must be authorised by two of the following authorised signatories, and retained on file for reference.

Any two of:

CEO

CFO

Finance Director

Headteacher

Trustee

Financial

Controller

A current bank mandate must be retained on file and the mandated signatories should be consistent with those detailed above.

- 7.6** BACS / Faster Payment procedures and control are as follows:

- On initial set up, the Finance Officer will contact the supplier for written confirmation of their bank details, signed by 2 members of the company on their company headed paper
- On receipt of their bank details (or subsequent changes thereto) the Finance Officer will telephone the company to verify their bank details and will write/sign on the letter that this has been completed.
- The bank details are then input into the Financial Accounting System and are double checked and signed off by the Financial Controller. This signed evidence of independent checking is to be retained for audit purposes.
- On a monthly basis, an audit trail report will be generated to show any suppliers' bank details that have changed- all changes on this report are to be checked off against bank details provided by the supplier and authorised by the Finance Director. This signed evidence is to be retained for audit purposes.
- All BACS payments generated on the accounting system, together with supporting invoices, will be signed individually by 2 approved signatories, in accordance with the bank mandate and the financial regulations, to confirm authorisation for payment.
- The BACS bureau procedures will be completed, ensuring the separation of duties are maintained. Payment advices are to be sent to each supplier.

- 7.7** When banking money received (either cash or cheques) the bank paying-in slips will be completed in full, clearly showing the split between cash and cheques, and each cheque will be listed separately. All income must be banked in full and intact. Cash should not be retained.

8.0 PURCHASING AND PAYMENT PROCEDURES

8.1 Budget holders will be responsible for requesting the purchase of items or services from their own budgets and in accordance with their delegated limits.

This will be done by the completion of a Requisition on PS Financials Purchasing Portal.

8.2 On receipt of an authorised requisition, a check will be carried out to determine that the appropriate budget has sufficient funds to meet the order. Where sufficient budgeted funds are identified, the Finance Officer will raise an official, sequentially-numbered Purchase Order to send to the supplier/contractor. Reference will be made as appropriate to the procurement standards laid down by the Trust.

8.3 Orders are to be authorised in accordance with the 'Authorisation Limits' set out in the front of these Regulations and section 3.1 of these Regulations.

8.4 A GRN (Goods Receipt Note) must be entered on to the financial accounting system to allow invoices to be paid. All invoices received will be checked against the original purchase order for accuracy (and delivery notes where appropriate) and entered promptly on the Trust's financial accounting system.

8.5 The bank account signatories are any two from the following:-

CEO

COO

Finance Director

Headteacher

Trustee

Financial Controller

8.6 The Financial Controller is designated to control cheques / BACS and must ensure that:

- a) A current bank mandate is kept on file and that the mandated signatories are consistent with those noted in 7.5 above.
- b) Cheque / BACS run / remittance reports are kept on file and are signed by at least one cheque signatory confirming an unbroken sequence of cheque numbers.
- c) Spoiled cheques are cancelled on the financial system, defaced and retained on file to confirm that all cheques have been accounted for.
- d) All blank cheques are securely stored and properly accounted for.
- e) Blank cheques are not pre-signed.
- f) Where continuous cheque stationery is used, the approved format is complied with, in accordance with Trust guidance.
- g) All raised cheques / BACS are entered correctly on the financial accounting system.
- h) Minimum remaining cheque levels are established with the bank.

- 8.7** The Headteacher/Finance Director must ensure that all prime financial records are retained for six financial years plus the current year and are stored in a secure and logical manner.
- 8.8** Cheques / BACS payments will be issued in accordance with the trading terms of the individual contractor or supplier since due regard must be taken of the 'Late Payment of Commercial Debts Regulations 2002'.
- 8.9** If discounts are available for prompt payment, then payments can be made immediately, having taken into account any loss of interest that might arise.
- 8.10** A copy of the computer-generated remittance advice relating to the cheque payment will be affixed to the original invoice. BACS run details are held in the finance system and emailed to suppliers.
- 8.11** Original invoices must be scanned in and tied up to the relevant transaction on the financial accounting system.
- 8.12** Copy invoices are not to be paid unless verified that payment has not previously been made. References back to the original order are to be made in every case. Once the checks have been made, the invoice should be signed to confirm this and endorsed "copy invoice not previously passed for payment".
- 8.13** Under no circumstances are payments to be paid against statements.
- 8.14** Where appropriate, adequate checks are to be made that the contractors employed for buildings work have Public Liability Insurance Cover, minimum value £5,000,000. It is the responsibility of the Headteacher/CEO/CFO to ensure that this is complied with.
- 8.15** For any order or purchase which is estimated to be less than £5,000 in value, for the supply of goods, materials or services, the budget holder must ensure value for money is obtained.
- Orders and purchases between £5,001 and £50,000, will be subject to the receipt of at least 3 competitive quotations, documentary evidence of the various quotations must be obtained and authorised by completing a Competitive Quotation summary form to be authorised by the CEO/COO/FD which should be attached to the purchase order and appropriately authorised. The Trust will check the DfE's approved frameworks when carrying out procurement activity.
- In the event it is not possible to obtain 3 quotations or the specialist nature of the work ties the organisation to requiring one particular supplier, a single tender action form must be completed and authorised by the Finance Director or CEO/COO. All single tender actions will be reported to the resources committee.
- In accordance with agreed procurement standards, approval of contracts over £50,000 will only be made after following the tendering procedure. The Board will oversee all tendering processes on behalf of the Trust.

Internet Purchases

- 8.16** At all times, the same rigour of internal control must be placed on internet purchases as is normally applied to standard procurement with regard to separation of duties, authorisation controls and independent management checking.
- 8.17** The SOTL/Senior Finance Assistant will be authorised to place pre-authorised online purchases. The internet order must be raised in the name of the school with the school's address, and not to an individual.

- 8.18** Requests should be made to the Finance Officer from the SOTL/SFA/budget holder in the normal manner (section 8.4), an official order should be raised on the financial accounting system and authorised as specified (section 8.4). Where possible the official order number should be quoted on the internet order as a cross reference.
- 8.19** It is the responsibility of the Finance Officer/ Finance Assistant / SOTL / SFA to ensure the internet is the most appropriate means for procurement.
- 8.20** The preferred method of payment for internet purchases will be the request of an invoice from the supplier, which can be paid via the school's normal payment route.
- 8.21** Payment via an issued charge card should be made in the event this option is not available and approved in the usual manner.
- 8.22** Payment by an individual's personal credit card should only be considered when the above options have been exhaustively attempted and failed. The correct authorisation procedure for purchases should still be adhered to and the school retains the right to refuse to reimburse the individual if the school's procedures are not followed.
- 8.23** Reimbursement to individuals should be made in the normal manner upon production of an original invoice/receipt.
- 8.24** Supplier invoices, delivery notes and all relevant documentation should be obtained for all internet purchases and retained within the normal filing system (section 8.4). This is especially important if the school is to recover any VAT element.
- 8.25** All purchases should only be made from secure websites that the SOTL/SFA has gained reassurance are safe and free from fraudulent activity. The use of online auction websites is not recommended.

Charge Cards

- 8.26** Charge cards may be issued by the school for key staff members to purchase items for the school.
- Cards are issued in the school's name.
 - Cards are held by the CEO, COO Headteachers and Finance Director. The central Finance Team and the School Office Team Leaders / SFA are authorised to use cards for pre-authorised online payments as detailed above.
 - Cards are kept either in the school safes or on the holders person when not in use.
 - Card purchases are subject to the school's purchase/expenditure limits/procedures as detailed above.
 - Personal use is expressly prohibited and may result in disciplinary action.
 - Card holders are personally responsible for any spend made on their card.
 - Prime documents will be retained for 6 years + current.
 - Internet purchase limits are detailed above.
 - Monthly statements are authorised by the Headteacher/CEO/COO/FD. Any charge card in the name of the Headteacher will be signed by the CEO or COO or in the case of the CEO, signed by the Trustees.
 - Misuse of charge cards by individuals must be reported to the CEO or COO.
 - The central finance team will process transactions on the accounting system.

8.0 TENDERING PROCEDURES

Introduction to Tendering

8.27 Approval of contracts over £50,000 will only be made following the school's tendering procedure. If the school undertakes a high-value or EU-Qualifying purchase, an Invitation to Tender will need to be issued as part of the process, unless using an approved framework. An Invitation to Tender (ITT) is a pack of documents sent out to potential suppliers inviting them to submit a bid.

8.28 For more specialist or complex works and purchases, the school may choose to appoint a professional third party to carry out the tender process on their behalf i.e. consultant, architect etc. If a third party is used, it is expected to apply these regulations with the same rigour and ensure that the principles of the Office of Government Commerce (OGC) Procurement Policy and Standards Framework are adhered to.

Forms of Tenders

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

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

Restricted Tender: This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- there is a need to maintain a balance between the contract value and administrative costs,
- a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the school's requirements,
- the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

Negotiated Tender: The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- the above methods have resulted in either no or unacceptable tenders,
- only one or very few suppliers are available,
- extreme urgency exists,
- additional deliveries by the existing supplier are justified.

Preparation for Tender

- 8.30 Full consideration should be given to the objective of the project, overall requirements, technical skills required, after sales service requirements and form of contract. It may be useful after all requirements have been established, to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

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

An invitation to tender should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project;
- terms and conditions of tender
- form of response.

8.32 Aspects to Consider

Financial

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

Technical/Suitability

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

Other Considerations

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

Tender Instructions

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

Tender Opening Procedures

- 8.34 All tenders submitted should be opened at the same time and the tender details recorded. A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening. In the event a third party is used the third party will ensure an equal standard of procedure is applied and recorded.

Two people should be present for the opening of tenders as follows:

CEO
COO
Finance Director
Headteacher
Trustee.

Tendering Evaluation and Acceptance

- 8.35 The Board has set a minimum requirement of 3 tenders for fair evaluation purposes and in the interest of achieving best value. In any consideration of less than that number being received, The Board should consider whether this is sufficient and consider re-tendering. Decisions to go ahead should fully document the justification.
- 8.36 The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.
- 8.37 Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.
- 8.38 Full records should be kept of all criteria used for evaluation and a report should be prepared for the Trust Board highlighting the relevant issues and recommending a decision.
- 8.39 Where required by the conditions attached to a specific grant from the DfE/ESFA, their approval must be obtained before the acceptance of a tender.
- 8.40 The accepted tender should normally be the one that is economically most advantageous in terms of best value to the school that meets all the requirements. All parties should then be informed of the decision. Where a tender other than the lowest has been accepted, the reasons for its acceptance must be documented and reported to the Trust Board. All decisions made must be justified and recorded as such in the minutes of that meeting for future reference.

- 8.41 A copy of the tender documentation should be held on site for easy reference as required.
- 8.42 Acceptance of any tender will be confirmed to the contractor in writing and no work shall be started until this has been done.
- 8.43 Any contracts awarded will include a paragraph to the effect that any contractor will be prohibited from transferring or assigning, directly or indirectly, any portion of the contract to any other person or contractor, without the written permission of The Board.

9.0 PETTY CASH

- 9.1 Petty cash floats, expenditure and reimbursement are expressly not permitted. Expenses or charge cards are required to be used as alternatives.

10.0 PAYROLL AND PERSONNEL PROCEDURES

- 10.1 All staff appointments, amendments to an employee's terms of employment and terminations of employment are to be made in accordance with the arrangements laid down in 3.9.
- 10.2 Neither Headteachers nor the Deputy Headteacher can authorise amendments concerning their own pay and contract conditions. Changes to the Headteacher pay and contract conditions must be authorised by the CEO or COO.
- 10.3 Neither the CEO or COO can authorise amendments concerning their own pay and contract conditions. Changes to the CEO and COO pay and contract conditions must be authorised by The Board.
- 10.4 The Board must ensure its decisions around executive pay follow a robust evidence-based process and are reflective of an individual's role and responsibilities. As per the Academies Financial Handbook the following process should be followed. The arrangements for this are set out in the Executive Pay Policy.
- 10.5 The Financial Controller / Finance Director have responsibility for checking and reconciling actual monthly payroll payments and deductions to those expected and committed.
- 10.6 Payments made each month to the Payroll Service Provider and payments made to outside staff agencies are to be debited against the relevant budgets and credited to the payroll control accounts. After the appropriate BACS transfers and the corresponding entries in the payroll control accounts and the Trust bank accounts have been made, any balance remaining in the payroll control accounts must be reconciled, and appropriate explanations documented. It is the responsibility of the Finance Director to ensure that this is done.
- 10.7 Each month the Financial Controller will reconcile back to the bank statement all payments for salaries, BACS, and other salary related payments.
- 10.8 Each month the Financial Controller will check a sample of the personnel records maintained by the school to the payments actually made by the Payroll Service Provider. It is expected that over the course of a year, every member of staff would have had his/her salary payment checked against personnel records at least once. It is the responsibility of the Finance Director to ensure this is done.

10.9 Copies of all individual notifications to the Payroll Service Provider will be recorded on the payroll system.

11.0 INCOME

General

11.1 It is the responsibility of the SOTL/SFA to ensure that all income due to the school has been received, banked and that all income due to the school is collected. It will be reconciled to the financial accounting system by the central finance team.

11.2 All income received should be recorded immediately on the school's daily income record and passed to the central finance team weekly who will enter it onto the Trust's financial accounting system. The collection record should contain the amount received, the name of the person/organisation making the payment, the date the payment is received, appropriately coded and the method, i.e. cash or cheque.

11.3 All income received by the school should be banked at a minimum weekly and in full. The insurance policy cover for cash and cheques held on site must not be exceeded. However, if a high level of income is expected e.g. proceeds from a fete, the insurer must be informed to obtain additional short-term cover, and the income must then be banked as soon as is practicable.

11.4 Personal cheques should not be cashed.

11.5 When income is banked the collection record must be totalled in value in order to provide a clear cross reference to the value entered on the bank paying-in slip. The bank paying in slip number should then be entered onto the income collection record to assist in providing a clear and simple audit trail.

11.6 When banking money received (either cash or cheques) the bank paying-in slips will be completed in full, clearly showing the split between cash and cheques, and each cheque will be listed separately, either on the bank paying in slip, or the Cash Analysis Sheet.

11.7 Income received by the school will be acknowledged to the payer by either i) issue of a receipt when the value of the payment exceeds £20 or, ii) by the collector signing an official collection record i.e. Residential Trip Payment Card. No category of income should be excluded from the issue of a receipt e.g. school meals. Copies of receipts issued should be retained for future reference, e.g. to resolve a dispute over payment.

Custody

11.8 Monies collected must be banked in their entirety (intact) in the appropriate bank account. The Financial Controller is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system and related system generated reports. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the Finance Director.

Automated On- Line Payments

11.9 When setting up a contract with a new supplier for provision of an on-line payment system, consideration should be given to the following areas:

- i) Basis of fees payable to the company.
- ii) Complete audit trail and facility of income reconciliation of totals received.
- iii) Reminder facilities to chase up overdue amounts.

Any contract for the services of an online parental payment system Service Provider will be reviewed regularly to ensure that the school is getting value for money and that the provider is giving an adequate service. A copy of the contract should be held by the Trust.

12.0 RISK MANAGEMENT

12.1 The Trust Board has overall responsibility for risk management and must maintain a risk register. The Local Academy Committee will support the Trust's risk management strategy by ensuring that they prepare a local risk register which is regularly maintained and submitted for monitoring to The Board. It should identify significant risks and the member of staff responsible for managing it. A copy of the register should be presented to the LAC at every meeting. Termly, a copy should be forwarded to The Board.

12.2 Where risks arise that threaten the reputation of the Trust or the financial viability of the school, they should be notified to The Board immediately.