



East Midlands Academy Trust



Financial Handbook for Academies

September 2021

Contents

Section	Description
----------------	--------------------

Introduction

1.0 Governance

- 1.1 Overall responsibilities
- 1.2 Governance reporting
- 1.3 Governance arrangements for academies
- 1.4 Local governance responsibilities
- 1.5 Delegation of authorities
- 1.6 Removal of delegated authorities
- 1.7 Related party transactions
- 1.8 Whistleblowing
- 1.9 Gifts
- 1.10 Business continuity plan
- 1.11 Risk management
- 1.12 Health and safety

2.0 Budget and Audit

- 2.1 Budget setting
- 2.2 Budget monitoring
- 2.3 Budget control
- 2.4 Budget revision
- 2.5 Audit

3.0 Accounting Processes

- 3.1 Local Accounting System
- 3.2 Cash Policy
- 3.3 Income
- 3.4 Treasury management
- 3.5 Purchasing
- 3.6 Procurement and Contracts
- 3.7 Payroll
- 3.8 Purchasing cards

4.0 Provision of Information

- 4.1 Information required

5.0 Investigation of fraud, theft and or irregularity

- 5.1 Investigation of fraud, theft and or irregularity
- 5.2 Definitions
- 5.3 Fraud, theft, irregularity, and cybercrime
- 5.4 Cybercrime

Appendix A Definitions

Appendix B List of key staff members and authorised signatories

Appendix C List of Related Parties

Appendix D Procurement and Contracts Approval

Appendix E Insurance

Appendix F Core Policies

Appendix G Operational and Procedure Policies

Introduction

The purpose of this handbook is to ensure that East Midlands Academy Trust (EMAT) academies maintain 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 Funding Agreement with the Department for Education (DfE).

The academy must comply with the principles of financial control outlined in the Academies Financial Handbook effective from September 2021 (and any subsequent updates) produced by the Education and Skills Funding Agency (ESFA). This handbook expands on that and provides detailed information on the Trust's accounting procedures and systems and shall be read by all staff.

The EMAT Chief Executive, Joshua Coleman, is the Accounting Officer and has the overall responsibility for the Financial Management of the Trust and its academies.

Financial authority is delegated to the Chief Finance Officer (COO), if the academy is in an OFSTED category, and onto the Head teacher and Finance Officer within each EMAT Academy, through the Scheme of Delegation. Further delegation is outlined in this document.

Once a school becomes an academy within EMAT, the school as a legal entity ceases to exist and the legal body and employer becomes the Trust. All contracts (including employment contracts) are with EMAT and not with the school or academy. Any potential legal or HR claims must be notified to the Trust straight away so they can be dealt with in a coordinated, effective, and timely fashion.

If there is any doubt, contact your HR Business Partner.

Please note: A particular area for concern highlighted by the DfE is transactions with related parties (**Related Party Transactions**). These should not be entered into unless approved at Trust level. Details of what constitutes a Related Party Transaction are found in the relevant section, and a full list of related parties is found in Appendix C.

Section 1 - Governance

1.0 Governance

1.1 Overall responsibilities

The EMAT Board has overall responsibility for ensuring the academy's budget is monitored as a continuous process and that income and expenditure are maintained at levels as outlined in that budget or at levels subsequently agreed. The Finance committee of the Trust scrutinise the trust finances on behalf of the Trust board.

Responsibility is delegated to the Head teacher to:

- a. ensure that systems are in place to monitor and control the Academy budget
- b. ensure authorisation levels are adhered to
- c. receive regular reports from the Trust Finance team
- d. take such action to prevent any overspend of the Academy budget not authorised by the EMAT Finance Committee.

The Head teacher is responsible for ensuring all policies are current and any variations in policies and procedures are promptly submitted to the Local Advisory Board or EMAT Board for approval (depending on which board 'owns' the policy). Core Policies are approved the Trust Board found in Appendix F. Operational Policies and Procedures found in appendix G are approved by the Accounting Officer

1.2 Governance reporting

As described in the ESFA Academies Financial Handbook, academy trusts must notify the DfE of the appointment and resignation Members, Trustees, Accounting Officers and Chief Financial Officers. This is done by the Trust Head of Governance via the DfE's web portal. The web portal must be updated with any changes to such appointments within 14 days, so any notifications received by school staff must be forwarded to the Trust immediately.

1.3 Governance arrangements for academies

The EMAT Board is the body responsible for the governance of the funds granted to it and its academies. This is set out in the Master Funding Agreement, which is a contract between EMAT and the Department for Education (DfE) for the provision of education services for each academy.

A sub-committee of the Board known as the Finance HR and Estates (FHRE) Committee reports into the Board. The FHRE Committee assists in the decision making of the Board by enabling detailed consideration to be given to the financial responsibility of the Board, ensuring sound management of the academies' finances and resources, including proper planning, budgeting, budget monitoring and probity. The FHRE Committee responsibility includes HR, ICT, and Estates in addition to Finance.

The EMAT Financial Handbook is compliant with the Education and Skills Funding Agency's (ESFA) Academies Financial Handbook. Academies need to follow the processes and procedures derived from the detailed requirements of the EMAT Financial Handbook.

All EMAT academies will receive an internal audit assessment each year which will monitor compliance with the EMAT Financial Handbook. The annual External Audit will provide external scrutiny of the financial management of EMAT, which includes the academy processes. A sub-committee of the Board known as the Audit and Risk Group reports into the Board and provides the governance oversight to both the External and Internal Audit processes. The Audit and Risk Committee also has responsibility for monitoring the risk registers. Each academy is required to hold a risk register. The trust uses the electronic GRC one system. The Head Teacher is responsible for ensuring the risk register is up to date and relevant

1.4 Local governance responsibilities

The Board delegates the day to day running of the financial affairs of each academy to the Head Teacher.

The Scheme of Delegation sets out the terms of reference for a Local Advisory Board and the LAB will receive reports on the financial position of the academy and advise the CEO or board of any local priorities for the academy. The LAB will review the academy risk register to ensure it is up to date and complete.

Compliance with the EMAT Financial Handbook is part of the delegation of the financial management process. It sets out the processes and procedures that each academy is required to follow.

1.5 Delegated authorities

The Trust will tailor the level of authority delegated to each academy through its Head Teacher, dependent on such factors as the experience of the Head teacher and the OFSTED rating the academy has been given.

1.6 Removal of delegated authorities

The Trust reserves the right to remove or amend the level of authority delegated to each academy for reasons including, but not limited to:

Financial impropriety
Spending out of control.

1.7 Related Party Guidance

1.7.1 Introduction

The Education and Skills Funding Agency requires Academy Trusts and their academies to take into consideration all individuals or organisations connected to the academy trust.

No transactions with a related party may be entered into without the express prior authorisation from the Accounting Officer.

The Trust must pay '**at cost**' for goods and services for:

any Member or trustee of the academy trust

any individual or organisation connected to a member or trustee. These may include:

- a relative of a member or trustee
- an individual or organisation in business partnership with the Member, trustee or a relative of the Member or trustee
- a company which a member or trustee, or their relative, holds more than 20% of the share capital or voting power of that company

any individual or organisation that has the right to appoint a member or Trustee of the EMAT

A related party **may not make a profit** from trading with the academy trust or its academies.

Trusts must report all transactions with related Parties to ESFA in advance of the transaction taking place, using ESFA's on-line form. This requirement applies to transactions made on or after 1 April 2019

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

- a contract exceeding £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 ending 31 August
- a contract of any value if there have been contracts exceeding £20,000 individually or cumulatively with the related party in the same financial year ending 31 August.

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

(ESFA Academy Handbook 2021 – 5.35 – 5.45)

If there is any doubt whatsoever, please contact the Head of Governance, the COO or CEO.

1.7.2 Managing Connected or Related Party Contracts

So that EMAT academies are aware of connected and/or related individuals and organisations, all Head teachers and Finance Officers will be circulated with EMAT's Register of Business Interests annually, as an appendix to this Financial Handbook.

This list of companies should be referred to for all purchases. Transactions with related parties should be avoided unless approved in advance at Trust level.

1.7.3 'At cost' Guidance

'At cost' is defined as cost price: without profit to the supplier. Any quotes for 'full cost' provided by a supplier must not include an element of profit if the supplier has been identified as a connected or related party.

If an academy or the Trust wishes to contract with a connected or related party, where the full cost includes an element of profit, authorisation must be gained from the ESFA, and therefore first from the Accounting Officer, before a contract is entered into.

1.8 Whistleblowing

East Midlands Academy Trust is committed to the highest standards of openness, probity, and accountability. Its Whistleblowing Policy seeks to encourage employees and others with serious concerns about any aspect of EMAT's work to come forward and voice those concerns without fear of reprisals, taking into account the requirements of the Public Interest Disclosure Act 1998 (updated August 2013).

All staff should ensure that they are fully aware of and compliant with the policy.

1.9 Gifts

1.9.1 Introduction

Academies may receive donations and gifts which must be recorded. This record is through the EMAT Register of Gifts and Donations, which must be returned to EMAT Finance Team at the end of the academic year. Discounts cannot be viewed as charitable donations but must be shown as a reduction in costs. The template Register of Gifts and Hospitality is at the end of this section.

All gifts and donations with a value of £50 or higher and hospitality with a value of £75 or higher must be reported to the Chief Financial Officer.

Before accepting any gifts, consideration must be given to the Bribery Act 2010 and whether acceptance may create a conflict of interest.

1.9.2 Gifts

Gifts of cash are clearly the easiest to value. However, it is recognised that a proportion of contributions may be in the form of gifts in kind, hospitality, awards, or prizes.

EMAT will need to disclose total gifts in kind within its financial statements and will be required to split this by academy for reporting to the ESFA.

The value placed on gifts in kind should be a reasonable estimate of their gross value to the academy or (less likely) the amount actually realised as in the case of second-hand goods donated for resale.

In addition to this, if an EMAT employee is treated to hospitality by a client, the value of that hospitality should be recorded in the Gifts Register, but not in the financial statements. (They must also have approval to attend from the line manager before accepting the invitation.)

1.9.3 Donated Services and Facilities

Academies may also receive assistance in the form of donated services (e.g., 'time') or facilities. Such incoming resources should be recorded in the local accounting system where the benefit to the academy is reasonably quantifiable and measurable. This would usually be limited to donations by an individual or entity as part of their trade or profession. For example, if a local accountancy firm agreed to supply an accountant free of charge to assist the academy's finance department for a couple of hours a month, this should be included in the accounts.

However, a police officer talking to a group of pupils as part of his/her community liaison role would not be classified as a donation, as this service would always be provided free as part of police activities.

In contrast to donations as part of a trade or profession, the contributions of volunteers should NOT be recorded in the local accounting system, as the value of their contribution cannot be reasonably quantified in financial terms. For example, parents or other volunteers assisting with reading in the classroom would be excluded. However, the exclusion of these contributions should be disclosed in the EMAT's Trustees' Annual Report. Each academy will therefore need to record such activities at the end of the financial year on the Gifts Register and return to the Chief Financial Officer.

Again, the value placed on those donations which are included in the Financial Statements should be the price the academy estimates it would pay in the open market for the services or facilities.

1.9.4 Other Considerations on Valuation

Time spent by governors in attending Local Advisory Board meetings is part of their responsibility in undertaking their governance role and therefore should not be included as a business contribution. However, if a governor gives additional free time to the academy providing professional advice, outside their role as a governor, this may be accounted for as a donation. Academies should ensure they are clear about what constitutes the work and role of governors before determining whether additional assistance from a governor is classified as a donation.

"Free gifts" (or unsolicited gifts – gifts you received but did not ask for) will only have a value to the academy if the gift assists in achieving its objectives as set out in the Strategic Plan. These gifts should be recorded in the Gifts Register, but not in the financial statements.

1.9.5 The Giving of Gifts

When giving gifts, the Trust must ensure that the value of the gift is reasonable (i.e. below £50), is within the Trust's scheme of delegation of financial powers, the decision is fully documented, and has due regard to propriety and regularity in the use of public funds. Procurement, purchasing and authorisation procedures must be followed as with all purchases.

In consideration of significant contributions to the academy community, such as long-service and retirement, academies should discuss any plans with the EMAT Marketing and Communications Manager.

An academy may provide small value rewards to pupils, provided that such rewards are directly related to expected behaviours or achievements. Academies should ensure that these rewards are given with due regard to financial probity, fairness, and equity, forming part of the academy's agreed policy for achievement rewards and not granted on an ad hoc basis.

Register of Hospitality, Gifts and Donations Received

Code abbreviations: H (Hospitality received); GR (Gifts Received); GD (Gift Declined).

N.B. Holders of this Register are required to report all recorded gifts with a value of £50 or higher and hospitality outlined with a value of £75 or higher to the Chief Financial Officer.

Date hospitality received; gift received and then raffled, or gift declined	EMAT employee	Name of the organisation/individual providing/receiving the hospitality or gift	Describe the hospitality or gift and its monetary value	Authorising officer (Head teacher or CEO)

The completed register must be completed throughout the year and returned to EMAT Finance Team by 31 August.

1.10 Business Continuity Plan

Academies should each have a plan in place to cope with any potential event which could cause a disruption to their daily activity (a "Business Continuity Plan"). Each academy has its own set of circumstances and should therefore tailor its Business Continuity Plan to those individual circumstances. It is the responsibility of the Head teacher to ensure that such a plan is in writing and communicated to all staff (and copied to the Trust).

The Trust has Business Interruption Insurance in place to assist with any additional costs incurred in temporarily relocating the academy premises.

In the first instance the Trust should be notified immediately of any such event or occurrence, and in the second instance the insurers should be notified. Contact information can be found in Appendix E. ([ESFA Academy Handbook 2021 – 2.39](#))

1.11 Risk management

The academies must manage risks to ensure its effective operation. The academies should maintain a risk register. The trust's management of risks must include contingency and business continuity planning. ([ESFA Academy Handbook 2021 – 2.38](#))

The academy trust must have adequate insurance cover in compliance with its legal obligations or be a member of the academies risk protection arrangement (RPA). Not all risks are covered in the RPA.

EMAT uses GRC ONE software for an integrated and distributed approach to managing and reporting risk and compliance. The LAB will review the risk register at their meetings. The Audit and Risk Committee reviews the global risks for the trust. Each Academy Head Teacher is responsible for maintaining the risk register for their school. The Head Teacher will nominate a staff member to ensure the risk register is up to date. The Trust will support each academy in this process. However, each academy is responsible for maintaining their risk register and reviewing this with the local advisory board each term and needs to have a user trained in the use of the software.

1.11.1 GRC ONE

GRC ONE for Education, is a single solution for managing and reporting the organisations Governance, Risk Management and Compliance.

The system establishes the link between a risk and the underlying controls used to manage it, to create a library of evidence that helps you to demonstrate you are managing your risk effectively.

GRC ONE allows us to keep all your risk related materials in one place, linked together and effectively managed.

The interface makes it possible to record risk, access and manage control documents, report incidents and track remedial actions.

The solution encourages a more proactive approach, ensuring that key risks are identified and managed before an audit or inspection.

GRC ONE provides an instant Risk Register for the organisation, with the individual governance items identified and allocated to our organisational structure.

The system implements both a traditional and a "Bow Tie" methodology for Risk Management, whereby the Core Risk is broken down into its underlying Threats (or causes). Each Threat is scored as to the Probability of it happening (likelihood) and the Impact it will have in the event of it happening, giving you both an Inherent and Residual risk score.

Control Measures are implemented to reduce either the probability of the risk becoming an event or reducing the impact felt when an event happens.

Finally, if an event happens (regardless of the Control Measures that have been implemented), Recovery Measures are put in place to try to minimise the consequence.

1.11.2 Allocating Risks and Controls

The first task of the Risk manager is to review the 'Risk's and 'Controls' and allocate 'Owners' to each of them. Each owner will be required to manage the risks and/or controls allocated to them so it is important they understand when and how their responsibility should be completed.

They will need to have their own log in and password.

The Risk Manager discusses with the Risk and Control owner how regularly the review of each risk and control needs to take place, so the next review date can be populated on the Controls detail screen.

To re-allocate a Risk or Control, open the record you wish to amend and change the Owner name to the new user. Please note that Basic users can only edit records that are owned by them, so only a Risk Manager can re-assign a record to someone else.

1.11.3 Adding a new Risk

Select the Risk tab from the menu banner at the top of the page and then New Risk.

You can then complete the Risk description.

A new Risk number will appear (example Risk No. R11) Ensure you Save & Exit before moving on to create and/or link Controls

1.11.4 Adding a new Control

select Controls from the menu and select Controls/New Control where you will be given a New Control screen to complete.

Where a control is required by law or by an industry regulator, the Control Importance should be selected with the correct level, with any legislative requirements entered in the Control Description field

1.11.5 Scoring a Risk

There are two scores for each Risk, Pre-Mitigation and Post Mitigation.

Pre mitigation is before any controls or recovery measures have been implemented to reduce the risk probability or impact.

The post mitigation score is the residual amount of risk remaining after your controls have been implemented.

Both scores use the same simple mechanism based on 1 = Low, 2 = Medium and 3 = High.

The Risk score calculation = PROBABILITY x IMPACT = SCORE

1.11.6 Raising an Incident

Anyone who has a log in to the system may raise an incident. Incidents can be raised anonymously by selecting the button of the same name. Evidence of the incident can be attached either as a file (such as a photo) or as a link to a website.

Once an incident has been raised the person with incident manager or risk manager role will be able to allocate the incident to a particular person and a particular risk.

1.12 Health and Safety

At East Midlands Academy Trust, we recognise our responsibilities under the Health and Safety at Work Act 1974 and will take all reasonably practicable steps to provide and maintain safe and healthy working conditions (on the school premises and during school-sponsored activities), equipment and systems of work for all our pupils, school personnel and visitors to the school.

The Health and Safety at Work Act etc. (HASAWA) 1974 remains the principal enactment for occupational health and safety in the UK. HASAWA establishes the responsibilities of employers, employees, and contractors in relation to health and safety at work

We believe we can help prevent accidents and provide a safe and healthy working and learning environment only if everyone works together to adopt and use safe systems of work and identified good practices of health and safety.

Everyone has a duty to take care of their own safety and that of others while on the school premises or during school-sponsored activities. East Midlands Academy Trust is responsible for health and safety, though some responsibilities may be delegated to individual academies.

We believe this policy should be a working document that is fit for purpose, represents the Trust ethos, enables consistency and quality across the schools and is related to the following legislation:

- Health and Safety at Work Act 1974
- Employers' Health and Safety Policy Statements (Exception) Regulations 1975
- Safety Representatives and Safety Committees Regulations 1977
- Health and Safety (Display Screen Equipment) Regulations 1992
- Health and Safety (Consultation with Employees) Regulations 1996
- Provision and Use of Work Equipment Regulations 1998
- Education (school Premises) Regulations 1999
- Management of Health and Safety at Work Regulations 1999
- Special Educational Needs and Disability Act 2001
- Health and Safety (Miscellaneous Amendments) Regulations 2002
- Control of Substances Hazardous to Health Regulations 2002
- Regulatory Reform (Fire Safety) Order 2005
- Chemicals (Hazard Information and Packaging for Supply) Regulations 2009
- Equality Act 2010
- Toys (Safety) Regulations 2011
- School Premises (England) Regulations 2012

East Midlands Academy Trust is a company limited by guarantee registered in England & Wales No. 08149829

Orchard Academy, Shepherdswell Academy, Castle Academy, Hardingstone Academy, Stimpson Avenue Academy,

Prince William School and Northampton International Academy are all business names of the East Midlands Academy. ([ESFA Academy Handbook 2021 – 1.17](#))

Section 2 – Budget and Audit

2.1 Budget Setting

2.1.1 Budget Setting Process

The budget setting process and timetable is set out in February each year. A timetable together with budget assumptions will be presented to Finance committee at the spring term meeting for approval and will then form the basis for the budget and 5-year plan. The budget assumptions will set out the planning assumptions agreed by trustees to be used by the academies and head office for the formulation of the plan.

The budget setting process will commence with the curriculum review and completion of the curriculum-based planning tool. This will give a costed plan for achieving the curriculum offering and will explore the affordability of the timetable. The support staffing organisation will be benchmarked at the same time and costed. The benchmark target for the curriculum financial plan is set out below:

School based Metrics

Benchmark	Primary Phase	Secondary Phase
Contact Ratio	0.79	0.79
Pupil Teacher Ratio	24.0	18.5
Pupil Adult Ratio	11.0	12.0
Average Teacher Cost	£52,000	£55,000
Cost per hour of Teaching per week per year	£2,600	£2,800
Senior Leadership cost as a % of TTC	20%	16%
Management time as a % TTC	23%	18%
Average Class Sizes (as detailed below)	29	26
Class Sizes EYFS	29	
Class Sizes Key Stage 1	29	
Class Sizes Key Stage 2	29	
Class Sizes Key Stage 3		28
Class Sizes Key Stage 4		24
Class Sizes Key Stage 5		20

Trust Wide Benchmark

Benchmark	Primary Phase	Secondary Phase	Trust
In-year Surplus (% of TRI)			0% - 2%
Self-generated Income as a % of TRI	6%	6%	6%
Staffing spend as a % of TRI	74%	74%	76%
Teaching Staff as a % TRI	48%	53%	
Curriculum Support staff as a % TRI	16%	11%	
Non curriculum support as a % of TRI	10%	10%	

NB TRI = Total Revenue Income

The General Annual Grant (GaG) will be pooled with the trust allocating a school grant to support the net costs of the academy. The school grant will cover the staff costs included in the ICFP modelling together with the non-pay costs of Educational and other supplies and services. These will be allocated on a bench marked cost per pupil. Special consideration will be made for the additional costs associated with the SEND departments which attract higher needs funding.

All capital will be pooled and allocated by the trust dependent on need. Schools may bid for small projects during the budget review process.

Where staff are supporting disadvantaged pupils from pupil premium monies, these staff duties must explicitly be assigned to these pupils in the model to demonstrate the additional support given, and not used for general teaching.

The Head teacher and the Finance Officer in consultation with the Trust Finance Business partner, will put together a draft Budget for the next academic year including the future staffing requirements and priorities. A deficit budget may not be set. The budget submission will include KPI's as outlined in the budget instructions issued each year at the start of the annual planning exercise. The Finance business partner will compile a roll forward plan for the 4 subsequent years as a desk top review. This will be shared with the head teacher.

(no commitments must be entered into prior to budget approval)

2.1.2 Budget Approval

The draft budget must be submitted to the Trust Finance Business Partner or Financial Accountant to be consolidated. The budget will be reviewed by the trust finance team and challenge meetings held with the Head Teacher and Finance Officer of each school. The Head Teacher and Finance Officer will make any adjustments required from the challenge meetings and the revised budget will be compiled for review by the Accounting Officer. Once approved the budget will be submitted to the Trust Finance Committee for approval. On approval of the Finance Committee, the budget will be submitted to the full board for approval. The academy budgets will be submitted by the Accounting Officer to the ESFA by the 31st of July each year.

Once approval is granted, the Finance Team will upload the new budget onto PS Financials. This budget is now fixed and must be adhered to.

2.2 Budget Monitoring

2.2.1 Production of monthly management reports

Each month a Management Reporting pack will be produced on an accruals basis for each academy. The contents will include, but will not be limited to, the following:

- Income and Expenditure Report (showing actuals, budget and variance for the current month, annual budget, forecast for the year and year to date)
- A KPI sheet showing the key indicators for the academy.
- Commentary explaining variances
- Pupil Premium income and expenditure
- Balance sheet and cash flow statement (at a trust level only)

The Finance Officer at the school must ensure all entries are made in the accounting system by day 3 after month end. The monthly Management Reporting pack will be prepared by the Trust Finance Business Partner by the 5th working day of every month. Further information regarding income, expenditure and commitments will be supplied on request. The Head teacher and Finance Officer will be responsible for explaining the variances to budget and for bringing any adverse variances back to budget.

The Management Reporting pack will be distributed to the academy Head teacher, and Finance Officer by day 7 of the reporting cycle, who will review the variances and report on them to the Accounting Officer and Chief Financial Officer at the monthly group meetings for this purpose.

The pack (in part or in whole) will also be distributed to and reviewed by the Board and its Finance Committee and to the ESFA for monitoring purposes.

2.3 Budget Control

2.3.1

The academy Senior Leadership Team of the school should use the information regarding income, expenditure, and budget variances as a base for ongoing control of spending so that the academy remains within its given budget for the academic year. By reviewing the Management Reporting pack every month, it should be possible to make decisions regarding spending which will rectify any overspends which may arise.

The variances and action taken to correct those variances must be reported to the trust finance team as part of the commentary in the monthly pack.

The ICFP model should be updated and reviewed every time there is a proposed change in staffing or when student numbers change. As a minimum the ICFP model should be reviewed once a term to ensure the staffing remains efficient.

2.3.2 Uncontrolled expenditure

If expenditure is found to be deviating greatly from the budget, measures will be put in place with the purpose of ensuring that the academy remains within its given budget by the end of the full academic year.

This could involve a complete halt on all non-essential spending, and all expenditure requiring pre-approval by a member of Trust senior management, and removal of all delegated expenditure levels.

2.4 Budget Revision

Budget Virements

A virement is defined as the administrative transfer of funds from one part of a budget to another. The origin of the word is from the French "Virer" meaning to turn. Budget virements should be rare occurrences.

A budget virement is recommended where the costs have moved from a school to another school/trust or where there has been a recovery plan approved which moves budget expenditure from one area of the budget to another (such as non-pay to pay for example).

In addition, the trust may vire the contingency held in the head office to a school where it has been agreed that additional resources are required with a business case outlining the reason for the request to use contingencies and the impact of that money on students.

The budget can only be moved where the income or expenditure was included in the approved budget and not to cover where income drops or expenditure overall increases.

Changes to the School Allocation

Where the actual costs exceed budget or income generation is lower, the trust must consider what action can be taken to recover the position. In some cases, an adjustment to cost will be required to offset a lower income.

Where there are outside factors influencing the variance such as additional GaG for pupils funded by estimate funding, then that money is passed through the school grant to the school affected. These are typically not budget virements as they did not form part of the original total budget.

The other area for changes to the school allocation are where the trust has received additional income to be distributed to the schools. For example, if the trust budgeted for income and cost of the teachers' pay increase and the pay increase was awarded at a different rate. The variance that is funded through an additional grant or change to the budgeted GaG can be passed through to the school in the form of an amendment to the school allocation. This is reported as a variance to the budget.

A full reforecast will be prepared by the Finance Officer and Head Teacher termly, taking into account the financial results of the previous month and any new information relating to the accounts since the budget was set. As with the original budget, the reforecast may not show an in-year deficit nor a surplus which is smaller than in the original budget, unless a recovery plan has been discussed and agreed with the COO.

2.5 Audit

2.5.1 External Audit

The Trust and its academies must undergo audits each year from external agencies which include (but are not limited to) external financial auditors (e.g., statutory audit and Pension Scheme audits), HMRC (PAYE and VAT), Education and Skills Funding Agency.

Academy financial and administrative staff are expected to cooperate with these audits and produce such information as may be required to complete them in a timely fashion.

2.5.2 Internal Audit

The Trust has an obligation to perform a regular internal audit to ensure compliance with internal processes, ESFA regulations, the Law and Generally Accepted Accounting Policies. The Internal Audit Programme is set and monitored by the Audit & Risk Group, a sub-committee of the Board, whose Chair is currently a Trustee.

The board of trustees must ensure there is an appropriate level of internal scrutiny to ensure the financial controls are in place and working. EMAT Audit and Risk committee have appointed an external agency to carry out the internal audit work. The audit committee approve the work programme at the autumn term audit committee meeting with the work carried out in the spring term. The audit findings are reported to the audit committee and on to the following full trust board. ([ESFA Academy Handbook 2021 – 3.1](#))

Academy financial and administrative staff are expected to cooperate with these audits and produce such information as may be required to complete them in a timely fashion.

Section 3 – Accounting Processes

3.0 Accounting Processes

The responsibilities of the School Finance Officer include but are not limited to those described in this Handbook.

3.1 Local Accounting System

Access to the computer based local accounting system (currently PS Financials) will be arranged at Trust level by the Finance Business Partner, who will ensure there is adequate and effective separation of duties between authorising orders, authorising payments and entering transactions onto the system. This will involve user permissions as agreed with each Head teacher.

The Finance team is responsible for promptly reconciling the Academy's accounting records with the bank statements.

The Trust must ensure that adequate back up procedures are in place.

3.2 Cash Policy

3.2.1 Bank Accounts

The opening of all accounts must be authorised by the board of directors via the Chief Financial Officer and all bank payments will be made and authorised at Trust level to ensure a satisfactory level of segregation of duties.

The Finance Officer will record all bank transactions on the local accounting system as they take place thus ensuring that the accounting records are kept up to date.

3.2.2 School Funds and Parent Teacher Associations

School Fund accounts are not allowed and must be closed prior to joining EMAT.

ALL bank accounts must be authorised by the Chief Finance Officer.

Head teachers and school financial staff must be aware of the School Funds and Parent Teacher Association (PTA) Policy and ensure that it is observed. Head teachers are required to sign a declaration detailing any such accounts of which they are aware. A School Fund is defined as a bank account operated at a local level which is not controlled by the Trust, nor incorporated into the financial reports of the Trust. A PTA bank account is also not controlled by the Trust, nor incorporated into the financial reports of the Trust, and the PTA should be a registered charity.

3.2.3 Deposits

Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details shall include:

The amount of the deposit and

A reference, such as the number of the receipt or the name of the debtor.

Records should provide sufficient detail to allow reconciliation of individual receipts back to the student or company making the payment.

3.2.4 Bank Reconciliations

The Trust Finance Business Partner must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- All bank accounts are reconciled to the academy's cash book
- Reconciliations are prepared by the Trust Finance team
- Reconciliations are subject to a monthly independent review carried out by the Chief Financial Officer or the EMAT Finance Business Partner.
- Adjustments arising are dealt with promptly but no later than two months after the month end to which they relate

3.2.5 Petty Cash

Petty cash will be accounted for on a cash basis, and held in labelled cash tins, with advances made from the academy's bank account.

The cash float will be held securely ensuring that insurance requirements are fully complied with.

Reimbursement may be made through petty cash for low value single transaction claims, which must be authorised appropriately prior to payment, and **must** be supported by a proper VAT receipt. Expense claims should be submitted and paid in line with the Staff Expenses Policy and paid by BACS into the individual's bank account.

The Finance Officer is responsible for entering the payments and receipts on the accounting system.

The Finance Officer will reconcile the petty cash balance held to the balance on the local accounting system at least monthly.

The Finance Officer will be responsible for ensuring all petty cash records are kept securely. Cheques raised for cash can only be cashed by those listed on the bank mandate.

3.3 Income

The main sources of income for the academy are the grants from the DfE through the Education and Skills Funding Agency (ESFA). The receipt of these sums is monitored directly by the Trust Financial Accountant who is responsible for ensuring that all grants due to the academy are collected.

The academy also obtains income from:

- Local Authority, e.g., SEN top up funding
- Students, mainly for trips; breakfast club, tuck, kids club and
- The public, for lettings.

3.3.1 Income Administration

The Finance Officer will be responsible for ensuring the safe custody of all income before banking and that the sums held on site do not exceed insurance limits.

The income will be entered in the academy's cash analysis spreadsheet by the Finance Officer after having been reconciled with the cash receipt system.

Bank paying-in books are supplied by the academy's banker and controlled by the Finance Officer.

The Finance Officer will supply details to the Trust Finance Team to allow the PS Financial system to be updated.

3.3.2 Debtors' Accounts

The credit history of debtors should be considered before deciding whether or not to insist on payment in advance.

All invoices raised will bear a unique sequential number generated by PS Financials when the invoice is raised.

When invoices are paid, the payment is entered on the Cash Analysis spreadsheet by the Finance Officer and matched to the appropriate invoice.

The Finance Officer is responsible for monitoring all outstanding debts to the academy and sending reminders to the debtor after payment is outstanding for more than one month.

For debts still outstanding after the reminder, the Finance Officer will send further reminders or arrange for a letter from the Head teacher. Direct contact will also be made by telephone/e-mail. Any debts still outstanding will be reported to the Head teacher or the Local Advisory Board.

If further difficulty is encountered in recovering the income, the Finance Officer will pursue appropriate action in consultation with the Head teacher, seeking Legal Advice if required and advise the relevant Trust Finance Person.

Debts older than three months must be reported to the Chief Finance Officer and a provision made to the accounts.

3.3.3 Write Offs of Liabilities

Write offs must be approved at Trust level.

3.3.4 Banking

All income collected must be banked in total without any deductions. The Finance Officer is responsible for ensuring that banking takes place regularly but at least once a fortnight and before the insurance limit for the safe is reached. No personal cheques are cashed from official income.

The paying-in book will be completed by the Finance Officer, who agrees the total with the cash receipt system.

All income received up to the date of banking will be deposited intact with the paying-in book signed by the person carrying out the banking. Any discrepancies will be annotated on the banking records and brought to the attention of the Finance Officer.

All cheques received will be listed in detail, showing the amount of each cheque and details of what it relates to.

The Finance Officer will ensure that adequate precautions are taken by staff taking income to the bank to safeguard them and the income when in transit. The use of a secure cash collection service is encouraged.

3.3.5 School Trips

A costed plan must be put together for all trips demonstrating that the trip is fully funded. A lead member of staff must be appointed for each trip to take responsibility for the collection of sums due. The Finance Officer must prepare a record for each student intending to go on the trip showing the amount due.

A standard budget must be prepared by the lead staff member for each school trip. This must include the total cost of the trip, supported by quotes/price lists, in order to reach the price per pupil for the trip. See the EMAT Charges and Remissions Policy and the ESFA Charging for School Activities for more information on charging.

Students should make payments at a designated point or to a designated person. A receipt must be issued for all cash monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment. The preferred payment method is paypal or other electronic system.

The Finance Officer shall maintain an up-to-date record for each student showing the amount paid and the amount outstanding. This record shall be issued to the lead teacher on request and the lead teacher is responsible for chasing the outstanding payments.

3.3.6 Lettings

See the EMAT Lettings Policy for full details. Contact central Finance staff to discuss VAT for all lettings.

Academy Support Staff are responsible for maintaining records of booking facilities and for identifying the sums due from each organisation. Payments should be received in advance for the use of facilities, where possible.

Details of organisations using the facilities shall be sent by the Academy Support Staff to the Finance Officer. The Finance Officer will pass the details to the Trust Finance Team who will establish a sales ledger account and produce a sales invoice from the accounting system. Details of payments made, and outstanding accounts will be forwarded to the Site Manager at the beginning of each week and the Academy Support Staff are responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.

Organisations using the facilities shall be instructed to send all payments to the Finance Office, complying with the Trust Lettings Policy.

3.4 Treasury Management

Introduction

The objective of this section is to ensure that the academy maintains sufficient cash balances in its current account to meet its day-to-day commitments.

3.5.1 Cash Flow Forecasts

The Trust Financial Accountant will prepare and present regular 12 months rolling cash flows to the Chief Finance Officer and Accounting Officer for the Trust to identify expected cash balances throughout the year.

3.5.2 Borrowing

The Trust or its academies are not permitted to borrow without prior permission of the Secretary of State. Therefore, any potential borrowing must first be authorised by the Accounting Officer.

3.5.3 Investments

The Trust will operate an interest-bearing current account with a bank approved by the Accounting Officer and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments. Any other forms of investment must be approved by the Accounting Officer.

3.5.4 Limits and Authority

The EMAT Accounting Officer reserves the powers to give prior approval to the opening of new bank accounts; no accounts may be opened or operated of which the Accounting Officer has not approved.

3.5 Purchasing

The Trust has a duty to achieve the best value for money from all its purchases. This means it wants to get what it needs in the correct quality, quantity, and time at the best price possible. A large proportion of purchases will be paid for with public funds and it needs to maintain the integrity of these funds.

Any Related party transactions must be pre-approved by the ESFA and on a cost only basis (see the section on Related Party Transactions). A full list of related parties can be found in Appendix C.

3.5.1 Ordering

A purchase requisition must be completed for all goods and services to be ordered. This requisition must be authorised by the department head and head teacher **before** a purchase order is raised. If the order is for a value in excess of £1,000 then the requisition must be approved by the Finance Business Partner in the trust finance department before the purchase is made.

Where a contract has been approved and signed in accordance with the scheme of delegation and Appendix D Procurement and Contracts Approval the supplier can be informed, and work can commence if appropriate. A Purchase Order must be raised for the financial commitments.

In all other cases a Purchase Requisition must be completed for purchase requests prior to any commitment made with the supplier or contractor. It is prepared by the member of staff requesting the goods or services required and given to the Finance Officer. For all purchases over £1,000 in value, the Finance Business Partner in the Trust Finance Team must approve the requisition **before** the order is placed.

The Finance Officer will confirm with the Procurement and Contracts Manager the correct procurement process has been followed and in the case of a contract it is approved and signed in accordance with the scheme of delegation and Appendix D Procurement and Contracts Approval.

Providing procurement has taken place in accordance with the above, the Finance Officer or Purchasing Officer enters a Purchase Order onto the local accounting system for the requisition, first ensuring that budget provision exists.

The Purchase Order must be authorised in accordance with the authorisation limits which are delegated to the academy dependent on individual circumstances.

Once the Purchase Order has been authorised according to the authorisation levels given, it may then be placed with the supplier (usually by the Finance Officer). A hard copy of the authorised order will be kept on file with the original Purchase Requisition Form.

Should the order not be authorised, the Finance Officer will feed back this decision to the member of staff and arrange for the removal of the purchase order from the local accounting system.

3.5.2 Receipt of Goods and Services

All goods and services will be checked against the Purchase Order for quality and quantity by the Academy Support Staff or a person designated by the Finance Officer.

The delivery note will be annotated and signed by the checker and sent to the Finance Officer as an advice that the order has been completed satisfactorily or with details of any shortages, rejected items, inadequate service or any other disputed item of goods or service. The Finance Officer will take appropriate action to address this and notify the supplier when relevant.

A separate record will be maintained by the Finance Officer, who will monitor the provision of replacements or credits.

3.5.3 Processing Invoices

All invoices will be sent to the Finance Officer, who ensures it is a valid invoice for goods that have been received in good order or for services delivered to an accepted standard.

Where a contract is in place these will be in accordance with the contract and any signed variations. Any other additional requests for payments on contracts should be referred to the Procurement and Contracts Manager.

Invoices will be recorded by the Finance Officer in the purchase ledger. The Finance Officer will stamp invoices with a grid against which the following can be evidenced:

- a) Invoice details agreed to official purchase order
- b) Goods/services received in a satisfactory condition
- c) Invoice authorised for payment.

Boxes a) and b) will be completed by the Finance Officer. The invoice will then be checked against the original purchase order and signed delivery note and, if complete, entered on the finance system for payment. Box (c) will be signed by the authorised member of senior staff in accordance with the authorisation limits for the academy.

3.5.4 Credit Notes

If a credit note is expected, the Finance Officer will ensure the invoice to which it relates is withheld from payment and that the invoice and credit note are then processed together.

3.5.5 Payment Process

Once an Invoice has been approved, it will be available for payment by the Trust Financial Accountant. BACS payments are completed through the bank by the Trust financial staff. Cheque books will be stored securely in the Finance Office at the Trust and be controlled by the Chief Financial Officer.

All suppliers will be informed that NO payment will be made without a valid authorised purchase order.

Paid invoices will be filed in alphabetical or sequential number order accompanied by the delivery note.

Each year a list of suppliers/ or any changes to bank details are checked and approved by a member of the Trust

Finance Department or as part of the Internal Controls Review by the EMAT Audit and Risk Group.

All key supplier statement should be reconciled to the purchase ledger quarterly to ensure all invoices have been accounted for and the cost is recorded in the trust accounts.

3.6 PROCUREMENT AND CONTRACTS

3.6.1 Principles

3.6.1.1 This section aims to promote good procurement and contract management practice. The Finance and Finance and Operations Director is responsible for ensuring compliance with these procurement and contract management policies, guidance, and templates.

3.6.1.2 All procurement of goods and services, must:

- i. achieve best value for money.
- ii. be consistent with the highest standards of integrity.
- iii. ensure fairness in awarding contracts regardless of value.
- iv. comply with all legal requirements, statutory objectives, and these procedures.
- v. support the corporate goals and objectives.
- vi. include consideration of equality and sustainability.
- vii. comply with the terms and conditions of the agreed contract unless otherwise authorised by the Finance and Operation's Director.

3.6.1.3 The Public Contracts Regulations 2015 (PCR 15), and Government guidance for procurement and contracts are incorporated into these financial procedures. Where updates to public regulations occur, guidance will be updated to reflect changes.

3.6.1.4 To ensure value for money is obtained all purchases of goods or services should normally follow a competitive process unless identified as being out of scope (Section 3.6.2).

3.6.1.5 The Trust or its schools may purchase from or through centralised purchasing arrangements, agencies including recruitment agencies, hire, rental or lease of any goods or equipment and the delivery of services.

3.6.1.6 The use of an existing Trust contract or centralised purchasing arrangement is compulsory except where it is not in Trust's or the schools' interests to do so. A waiver must be obtained from the Procurement and Contracts Manager (PCM).

3.6.1.7 The PCM is responsible for ensuring that the Trust has policies and procedures and guidance in place for the control of procurement and contract management activity. They are responsible for policies and procedures to be in place to ensure all Trust procurement is compliant.

3.6.1.8 Staff must use the up-to-date templates and guidance when undertaking procurement and contract management.

3.6.1.9 All staff should declare any interests, pecuniary or otherwise, to their line manager as soon as practicable, in connection to any procurement or contract which could bring them into conflict with Trust's interests. A purchase must not be recommended or made where the person doing so has a conflict of interest with that organisation.

3.6.2 Out of Scope - Procurement and Contracts

3.6.2.1 The following contracts are excluded from the need to follow competitive procurement processes i.e., obtain quotations or tenders, however the appropriate approval process must always be followed:

- (i) purchases made using a Commercial Credit Card Government Procurement card (GPC) providing those purchases are made in accordance with the Government Procurement Card Policy before the FRs are published. Ref FR here & link to policy
- (ii) purchases made through CCS frameworks that have an on-line catalogue that create a supplier quote and can be used for direct purchases.
- (iii) where another public body is in the lead in a procurement, on behalf of, or in collaboration with Trust, providing participation in the collaboration has been approved in accordance with the Scheme of Delegation.
- (iv) purchases through centralised purchasing arrangements in place with other public bodies providing it was procured in accordance with these FRs.
- (v) public-to-public contracts within the public sector where all the conditions within PCR 15 can be met.
- (vi) contracts entered into by, or on behalf of, Trust for the appointment of Legal Counsel.
- (vii) the acquisition, disposal, transfer, renting of, subletting of or to, any land or building for the purposes of occupying that land or building.
- (viii) contracts for Treasury management or loans.
- (ix) subscriptions for publications where the supplier is the sole source of that publication or where grouping of publications from a single supplier will result in value for money.
- (x) courses, attendances at conference and lecture fees if approved by Chief Operating Officer
- (xi) contracts of employment, agency, and temporary staff contracts.
- (xii) advertising in the media, including social media and for recruitment purposes.

3.6.3 School Improvement Experts

3.6.3.1 This section is applicable to School Improvement experts are appointed through Trust's online application process.

3.6.3.2 The procurement system need not be used, as the School Improvement experts' due to the nature of the resource and the need for expertise in this very important area of school development. We benchmark costs against sector average rates to ensure affordability but also maintaining quality of impact.

3.6.3.3 All School Improvement experts must be entered in a dedicated contracts register. Each individual expert is considered by Trust to be a discrete contract area.

3.6.3.4 Where the value of an individual subject expert contract is £10,000 or over (calculated in accordance with the FRs), the contract will be entered onto the Central Contracts Register.

3.6.4 Disposals

3.6.5.1 Any disposals of Land, Buildings or heritage assets must be approved in advance by the ESFA and cannot be made without the express authorisation of the board of directors following ESFA approval.

3.6.5.2 Any disposals for items with an initial purchase price of £500 or more from the Trust or the academies with an operational life which could be sold:

(i) must be notified to the Procurement and Contract Manager, or the IT and Facilities Manager, if facilities related, before such a sale is advertised or agreed outside of the Trust.

(ii) In principle another academy in the Trust will have the right to request the item(s):

- a) Ensuring the item(s) are fit for purpose and complies with relevant legislation or regulations is the responsibility of the receiving academy. However, the academy offering the item will be expected to assist with any documents they have.
- b) arranging and delivery costs, if any, are the responsibility of the receiving school.
- c) The purchase price. If any, is at the sole discretion of Chief Operating Officer.

3.6.5.3 A competitive process is not required for the disposal of:

- (i) any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined, or pre-determined in a reserve, by Chief Operating Officer or their nominated member of staff.
- (ii) items to be disposed of with an estimated sale value of less than £5,000 aggregate or £1,500 for individual uncategorised single items.

3.6.5 Consultants

3.6.5.1 Where a contract will engage an individual directly, either through their own company or as a named individual through an organisation, prior to the procurement, the HM Revenue and Customs tool for checking employment status must be used and the results saved.

3.6.5.2 If the tool indicates that the individual will come within the scope of the IR35 regulations the Procurement and Contract Manager (PCM) and Payroll and Pensions Officer must be consulted before proceeding regardless of value.

3.6.6 Supply Staff and Agency cover

3.6.6.1 All initial staff absence should be covered form within the school staff. All requests for Agency staff MUST be approved in advance by the Workforce and talent management officer before any commitment is made.

The trust operates a bank of staff that must be deployed. Preferential rates for agency staff have been agreed with preferred suppliers who must be used in the event that workforce bank staff are unavailable for cover.

Agency cover can only be used after an initial period of absence. A purchase requisition must be made prior to engaging supply staff which required approval by the Workforce planning and Talent Management Officer before committing cost.

3.6.6.2 The HR department should be informed immediately of the sickness so that the employee can be properly supported on their return to work.

3.6.6.3 Where cover is required for vacancies, the budget for the cover must be agreed in advance with the Finance Business Partner, and the cover will be sourced directly by the Workforce planning and talent management officer.

3.6.7 Credit Card

3.6.7.1 The Trust's Credit Card Policy governs the use of all corporate cards used in Trust. A credit card must never be used for personal purchases or to avoid the procurement process.

3.6.7.2 To ensure Value for Money is obtained where the purchase is £500 or over three online quotes must be obtained and saved for audit purposes.

3.6.7.3 Special conditions may be applied to specific cards controlling their use and these must be adhered to.

3.6.8 Waivers/Single Tender Justifications

3.6.8.1 The Chief Executive may waive the procurement rules in these FR using a single tender justification in the following circumstances:

- a. where an existing Trust contract or framework
- b. where the timescale genuinely precludes a competitive process. Failure for the organisation to plan the work properly including procurement time would not be regarded as a justification for a waiver.
- c. where specialist expertise is required and is available from only one source.
- d. when the task is essential to complete the project and arises as a consequence of a recently completed assignment and engaging a different supplier would be inappropriate. The proviso to this is that the original contracts were procured in accordance with these Regulations and the benefits must outweigh any potential financial advantage to be gained by competitive tendering
- e. where there is a clear benefit to be gained from maintaining continuity with an earlier project providing the original contracts were procured in accordance with these procedures and the benefits must outweigh any potential financial advantage to be gained by competitive tendering.

3.6.9 Contract Values, Mixed Contracts and Thresholds

3.6.9.1 Chief Operating Officer is responsible for advising the trustees regarding the thresholds for which quotations or tenders must be obtained.

3.6.9.2 The values included in Appendix D Procurement and Contracts Approval are to be automatically varied where the Government announces amendments to Public Contracts Regulations (PCR) thresholds. A project lead must not select a method of calculating the total value to minimise the application of these procedures. They must not disaggregate purchases that could be obtained under one contract to achieve this.

3.6.9.3 Where the value is based on a mixed contract of goods, services and works, the advice of the PCM must be sought regardless of contract value.

3.6.9.4 The following classifications apply to procurement processes as detailed in Appendix D Procurement and Contracts Approval:

- a. all contracts with a total contract value of £10,000 or more, will be included on the Central Contract Register.
- b. minor contract.
- c. ordinary contract.
- d. strategic contract (EU threshold for goods & services).
- e. Light Touch Regime.

3.6.9.5 The total value of a contract should be calculated in accordance with the following:

- a. fixed term contract: the total estimated price expected to be paid during the whole life of the period including possible extensions.
- b. where a contract is being renewed for a set contract period the estimated contract value is calculated using the total value of successive contracts in the preceding 12 months adjusted for the quantities and/or value.
- c. where the contract price is uncertain and without a fixed contract period or the period is greater than 48 months, the monthly value multiplied by 48 is used.
- d. if the total purchase involves a series of separate transactions for the same type of item, the "total value" is the expected aggregate value of all those transactions that may have been awarded as a result.
- e. for feasibility or pilot projects, the value of the scheme or contracts that may be awarded as a result.
- f. all calculations of total contract value must include delivery, installation, implementation, travel etc. and be included within the contract value estimate.

3.6.9.6 Where there have been several similar or related purchases made on an "ad hoc" basis previously, project leads must consult the PCM on procuring these as a single contract or framework over a longer contract period.

3.6.9.7 A Central Trust contract register will be maintained for all procurements and contracts where:

- (i) the total contract value is £25,000 or above.
- (ii) the total contract value, is £2,000 or over and under £10,000 and:
 - the usual purchase order terms and conditions are not used.
 - the contract length is over 12 months.
 - the total contract period is more than one financial year.

(iii) the PCM will manage this register.

3.6.9.8 The PCM should be provided with the original quotation or tender documentation with the original signed contract and specification, where the contracts total value is £25,000 or above.

3.6.9.9 A unique identifying number should be obtained by the academy creating the contract at the start of the procurement. All appropriate details must be completed on the register and updated throughout the life of the contract.

3.6.10 Contract Types & Documents

3.6.10.1 All contracts entered shall specify they are governed by and construed in accordance with the law of England and Wales and that each party agrees to submit to the exclusive jurisdiction of the courts of England and Wales. All exceptions to be agreed with the PCM.

3.6.10.2 All contracts will include Confidentiality, Data Protection (including GDPR compliance, where applicable), Freedom of Information, Intellectual Property Rights (IPR) and, if appropriate, data security clauses and are subject to any amendments or re-enactments of the legislation. All contracts will include a clause that prevents the Supplier assigning any benefits of the contract or transfer of a sub-contract without the prior written consent of Trust. This assignment shall be approved according to the approval process for the total contract value in accordance with the Appendix D Procurement and Contracts Approval.

3.6.10.3 Contracts written by Suppliers and submitted for signing are not permitted without the written consent of the PCM who may request changes to those terms.

3.6.10.4 Contracts of any value or type must not include any clauses that permit the contract to automatically continue beyond the specified end or extension date without the written consent of the PCM.

3.6.10.5 All contracts that permit an allowance for travel and expenses, should include this in accordance with the External Travel and Expenses Policy. Travel and expenses allowed within a contract must be claimed within four (4) weeks of being incurred: either submitted on the next project invoice or as a separate invoice. It must be paid to the supplier named on the contract and not to another individual or organisation.

3.6.10.6 The PCM is authorised to sign a framework confidentiality access agreement where it is required to obtain confidential framework documentation held by the public sector buying organisation i.e., pricing, terms, and condition to enable consideration and use of the framework in a procurement process.

3.6.10.7 All Non-Disclosure Agreements except those accessing frameworks, must be authorised by the PCM.

3.6.11 E-Procurement

3.6.11.1 An electronic system should be used for all competitive quotations, tenders, and mini-competitions where the contract is £25,000 or above; preference will be given to the use of Trust's e-procurement system, however, in the case of frameworks the electronic system approved by the framework guidance may be used.

3.6.11.2 The PCM will manage tenders in accordance with Appendix D Procurement and Contracts Approval and must approve the use of any alternative system for a specific procurement exercise.

3.6.11.3 Staff are responsible for ensuring they understand the framework guidance they intend to use. Where the PCM is not involved staff must create and save an audit trail that demonstrates they complied with the framework guidance. If the contract value is £25,000 or above the audit trail must be passed to the PCM to be stored in the contract files.

3.6.12 Quotations and Tenders

3.6.12.1 Quotations and tenders must be compliant with the Guiding Principles in the FRs, PCR15, Cabinet Office Procurement Policy Notes and good procurement practice.

3.6.12.2 All contracts where the anticipated total contract value is £25,000 or above should be advertised as an opportunity on Contracts Finder.

3.6.12.3 Competitive quotations and tenders submitted after the closing date and time should only be considered in exceptional circumstances with written approval of Chief Operating Officer providing the bids have either not been opened or have not left the custody of the PCM.

3.6.12.4 The guidance and templates for use with quotations and tenders must be followed and changes may only be made to the templates where indicated.

3.6.12.5 A contract reference available from the PCM, must be used on all documentation including purchase orders, waivers, subsequent business cases, reports, and invoices.

3.6.13 Approvals and Contract Signing or Sealing

3.6.13.1 Approval to procure, authorise, award, sign contracts, variations and extensions must be in accordance with Appendix D Procurement and Contracts Approval.

3.6.13.2 The authorisation and the award must always be in writing: in the case of the Board this will be recorded in the minutes.

3.6.13.3 The Board may be requested to delegate the award of a contract and subsequent variations that are within their approval level within specific parameters.

3.6.13.4 The contract must be signed or sealed as appropriate after the award has been authorised. Both parties must sign or seal the contract **before** the contract commences and any goods or services delivered.

3.6.14 Terminations

3.6.15.1 Terminations of contracts before their natural conclusion can only be undertaken upon agreement with the PCM. All terminations must be authorised by the Chief Financial Officer stating the reason why the termination is required.

3.6.15.2 All terminations must be issued stating the contract's clause for terminations.

3.6.15 Contract Management including Variations/Change Requests

3.6.15.1 All variations, change control or extensions must be in writing using the form included within the contract or Trust's standard template.

3.6.15.2 Where variations or extensions are for contracts with a total contract value of £25,000 or above, the PCM must be consulted and a copy of the final document, signed by both parties, must be provided to the PCM. These documents must be signed before any additional spend occurs or extension period commences.

3.6.15.3 The rules contained for variations, change control or extensions to contracts above the EU threshold for central government must comply with PCR15.

3.6.15.4 All extensions and variations must be pre-approved and signed in accordance with the Appendix D Procurement and Contract Approval.

3.6.16 Leasing

All leases must gain prior approval at Trust level.

There are two types of leases, as defined under relevant financial reporting standards. There are finance leases (which are a form of borrowing) and there are operating leases (which do not involve borrowing). If there is any doubt as to whether a particular lease does or does not involve an element of borrowing the issue should be resolved by contacting the Trust financial staff, who may need to verify via the external auditor.

The Trust must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following leasing transactions:

Taking up a finance lease on any class of asset for any duration from another party, as this would represent borrowing

Taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of more than five years and

Granting a leasehold or tenancy agreement on land or buildings to another party for a lease term of more than five years.

The Trust may take out and grant other types of leases, without the Secretary of State's approval. Leases should be disclosed in the Trusts annual accounts in accordance with the Academies Accounts Direction.

If the Trust does wish to enter into a lease that requires the Secretary of State's consent, then the Trust will need to contact the ESFA. This must first be authorised by the Accounting Officer. The Trust must ensure that any lease arrangement maintains the principles of regularity, propriety, and value for money, whether or not the approval of the Secretary of State is required.

3.7 Payroll

The Payroll and Pensions Officer is responsible for administering the payroll accurately and properly. The Head teacher is responsible for checking the payroll to ensure it is correct, and for approving it each month, prior to salary payments being made. Payroll accounts for the largest part of the school budget and so must be monitored closely.

The main elements of the payroll system are:

- **staff appointments**
- **payroll administration**
- **payments.**

3.7.1 Payroll Provider

The Trust carries out its own payroll processing using the EduPay payroll system. The Payroll and Pensions Officer is responsible for operating all payrolls on behalf of the trust.

3.7.2 Human Resources Business Partner

The Trust supports academies and the head office team with all HR matters through the HR Business Partners. Overall responsibility for the HR Business Partner rests with the Chief Finance Officer.

3.7.3 Staff Appointments

All staff are employed on a Trust wide contract; therefore, all recruitment must be approved by a Trust HR business partner.

The Head teacher is required to confirm the budget position with a Trust Finance Business Partner. All teaching appointments must be checked against the ICFP model to ensure that the post is still relevant and affordable before the appointment process commences. This includes replacement of staff where an assessment will be made to see if the post is still required or if there is surplus capacity elsewhere in the trust.

The Head teacher has authority to appoint staff within the academy (subject to HR and Finance confirmation) and the Head teacher is a position appointed by the Trust. The Head teacher must ensure that the appointment of all employees is in accordance with the policies of the Trust and the approved rates of pay.

The Head Teacher must place a staff recruitment requisition with HR Business Partner, who will ensure the proposed rate of pay is in line the Trust policy.

The Academy maintains personnel files for all members of staff which include contracts of employment.

Copies of the relevant documents are sent to the Payroll and Pensions Officer for adding to the payroll and stored on employees' files. Full Safer Recruitment checks **must** be performed for **all** staff prior to the issuance of a contract.

3.7.4 Staff Leavers

Letters of resignation should be addressed to the Head teacher.

A standard Leaver Form should be completed and passed to the Payroll and Pensions Officer with a copy of the letter of resignation on a timely basis, so that the Payroll may be amended accordingly. A copy of the Leaver Form and letter of resignation will be kept in the employee's personnel file.

3.7.5 Special Payments

Special payments, for example staff severance payments and compensation payments, must be dealt with at Trust level and be approved by both the COO and CEO. A business case must be submitted for non-contractual payments including justification for the payments.

Any kind of termination agreement must be dealt with at Trust level, whether or not there is a termination payment and co-ordinated through the HR Business Partner.

3.7.6 Payroll Administration

Staff must provide the Payroll and Pensions Officer with details of any additional payment they require on the relevant forms, approved by the Head teacher, by the specified closure dates for each month. Additional payments must be approved by the Head teacher.

Any changes (such as promotions, re-grading's, additional allowances, change of hours) will be approved by the Head teacher and passed to a HR Business Partner and the Finance business partner on a Variation to Contract form and the Payroll and Pensions Officer advised accordingly.

The change must be approved by the HR business partner and COO before being actioned. The Payroll and Pensions Officer will set up the employee on the system and contact the employee so the starter details can be obtained.

The Payroll and Pensions Officer will send a payroll analysis which should be checked against employee contract data to ensure the information is in line with expectations.

The Payroll and Pensions Officer is responsible for carrying out the monthly payroll reconciliation to ensure both basic pay and additions/deductions are correct for all employees.

The Head teacher is responsible for checking the payroll and once satisfied the details are correct, for authorising the payroll run according to the published deadlines.

The Trust Finance Team are responsible for posting payroll journals onto PS Financials from the reports provided.

The Trust Finance Team are responsible for checking the BACS payments taken from the academy's bank account for employees pay, pensions, tax and NI, and third-party payments agree to those expected from the Payroll system.

- The payroll is processed and managed by the Payroll and Pensions Officer also known as the Data Processor in accordance with DPA 2018.
- The payroll is sectioned and sent to each budget holder (Headteacher) for their monitoring and finally to the Data Controller Chief Operating Officer for their financial accountability.
- On his final check and approval after scrutiny, the Data Controller (Finance and Operations Director) locks down the payroll, enabling the Payroll Officer to pass the payrolls for payment upload.
- The Payroll Officer with Edupay process the payrolls to bacs uploads and saves them securely to a Payroll Drive only accessible to the Payroll Officer and the Finance Team
- Employees can also use Edupay to vie their payroll information

3.7.7 Payment

The Payroll and Pensions Officer is responsible for making payments of all salaries, reimbursements, and any other related payments to all current and former employees of the academy.

For staff employed through an agency, an invoice will be produced by the agency and the staff will not be paid through the payroll system. The Finance Officer will check such invoices for accuracy against the Purchase Order authorised by the Head teacher. The usual purchasing and procurement procedures will be adhered to when using the services of agency staff. **Approval to engage an agency employee or supply must be authorised in advance by the Finance Business Partner.** The engagement can only be made once an initial period of absence has been covered by staff internally.

- The East Midlands Academy Trust (EMAT) payments team structure has a three-level hierarchy.
- The Payroll Officer notifies Finance that they files are ready for bank upload and Finance upload the payroll payments to the bank.
- Finance will then notify the Payroll Officer and the Finance & Operations Director that the files have been loaded to the bank.
- The Finance member will then print or email securely the bacs processed data for final check by the Finance Director who when happy that all is in order and matching to the initial check approves for payment.
- The processed payments are returned to the Payroll Officer who files securely, and this is only accessible to her.
- All payments to HMRC, TPS & Third-Party providers are dealt with, applying the same level of scrutiny.
- The Payroll and Pension Officer's main objective is to pay employees accurately, securely and on time in relation to ERA 1996 and DPA 2018. HMRC, the bank, trade unions, local authorities, the Department for Work and Pensions (DWP) and the pension providers are all external customers of the EMAT payments team.

- Correct and up to date legislation is applied, deducting student loan repayments, national insurance contributions and income tax are all obligations from HMRC to the payments team.
- Additionally, the Edupay payments team file their payroll under Real Time Information (RTI) conditions as well as maintaining and securely keeping accurate payroll and pension records.
- EMAT is statutory obliged to make deductions from employees pay for attachment of earnings orders served against employees and responsible for processing, collecting, and paying voluntary deductions from employees pay such as a trade union subscription.
- To meet its statutory and contractual obligations to EMAT, the Payroll and Pensions Officer ensures that they liaise with outside bodies on behalf of EMAT, legislation changes are actioned, the latest guidance; monitored and reviewed and provide timetables, deadlines and cut off periods to the HR department to ensure successful data gathering.
- Data is gathered securely from a range of authorised sources that can validate the information such as HMRC, Finance, Human Resources, DWP and the employees using automated workflow (Edupay).
- EMAT operates and pays into two occupational public sector defined benefit pension schemes for its employees; Teachers' Pension Scheme (TPS) nationally administered exclusively for teaching staff and the Local Government Pension Scheme (LGPS) locally administered for non-teaching employees.

3.7.8 Payroll Standing Data Verification

The Payroll and Pensions Officer will provide the Head teacher, on at least an annual basis, with a statement of all employees (salary, grade, hours worked, etc.) for verification.

3.7.9 Security and Retention of Documents

The Payroll and Pensions Officer will have overall responsibility to ensure that all payroll records are kept securely. The Head Teacher is responsible for ensuring the personnel files are maintained and are kept up to date, including variations to contract, salary change letters, etc., except for personnel files relating to Head teachers, which are kept at Trust level.

3.8 Purchasing or Credit Cards and Process

3.8.1 Credit card purchases

Procedure to be followed for ALL purchases made using EMAT company purchasing or credit card or any other type of charge card: see also section 3.6.8.7 and the Purchasing Card Policy

All expenditure must be within the approved Budget.

All expenditure must follow the normal authorisation process as described in the Financial Handbook PRIOR to purchase.

A Charge Card Authorisation Slip must be completed for every expense and signed in accordance with the Finance Handbook and agreed authorisation levels for the academy.

Each month the central office will send a copy of the cardholder's statement to the cardholder. The cardholder must then email the following back to the central office within 21 days:

A completed and authorised Charge Card Authorisation Slip for every line on the statement (apart from annual card fees)

A VAT receipt or invoice for the expenditure as evidence of the purchase.

These documents are checked and approved each month by the appointed Trust Finance Business Partner.

If the cardholder is planning to be away when the statements arrive, they should send their Charge Card Authorisation Slips and receipts prior to departing.

3.8.2 Unusual activity

Personal expenditure of any kind on a company credit card or charge card is strictly forbidden.

Any fraudulent activity must be reported to Trust Finance and Operations Director as soon as it is identified as such.

Any queries relating to goods or services paid for using the charge card must be resolved as soon as possible; if the query is still unresolved when the statement is produced, then the query must be notified to central office.

4.0 Provision of Information

4.0.1 The academy trust must provide ESFA, or its agents with information required for meeting its funding requirements. This must be given in a timely and accurate manor. If the trust does not return the information by the required deadline or of an acceptable quality, the ESFA may conduct investigations to collect it. The ESFA may charge for these investigations and take further actions to enforce compliance.

5.1 Investigation of fraud, theft and or irregularity

East Midlands Academy Trust is determined to demonstrate that it will not tolerate fraud, corruption, or abuse of position for personal gain, wherever it may be found, in any area of the Trust's activities.

The Trust considers that all instances of fraud, corruption and other dishonesty endanger the achievement of the Trust's policies and objectives, diverting its limited resources from the provision of education. There is a clear recognition that the abuse of the Trust's resources, assets and services undermines the Trust's reputation and also threatens its sound financial standing.

The purpose of this policy statement is to set out the Trust's main objectives for countering fraud and corruption. This policy statement:

- Defines fraud, corruption, and bribery
- Identifies the scope of the applicability of the policy
- Sets out the Trust's intended culture & stance against fraud, corruption, and bribery
- Identifies how to raise concerns and to report malpractice.

5.1.1 Anti-Fraud Statement

East Midlands Academy Trust has a duty to its stakeholders to take all responsible steps to prevent fraud occurring, whether perpetrated by staff, pupils, contractors, suppliers, or any member of the public.

The Trust will maintain robust control mechanisms to both prevent and detect fraud. All managers have a responsibility for maintaining agreed, documented control systems and must be seen to be setting an example by complying fully with procedures and controls. The effectiveness of controls is subject to cyclical review by the internal audit system.

All members of staff have a responsibility to protect the assets and reputation of the Trust and are expected to be alert to the potential for fraud.

Confidential mechanisms have been established to report concerns.

5.2 Definitions:

5.2.1 Fraud

Fraud is a range of abuse and malpractice that is covered by the Fraud Act 2006. Fraud can be defined as an abuse of knowledge or position, or deception, that is done deliberately to create an unfair gain for the perpetrator or for a related person or entity and / or cause a disadvantage to another. It can take place in many ways; withholding information, deliberately misleading, misrepresenting a situation to others or by abuse of position. Irrespective of the definition applied, fraud is always deceitful, immoral, and intentional and creates an unfair gain for one party and / or a disadvantage for another.

Gains and losses do not have to be direct. A gain to a related party or company through intentional abuse of position, albeit not directly to the officer involved, is still fraudulent. In the same way, using the Academy's name to procure personal goods and services is also

fraudulent; where there is deliberate abuse of position to make a gain in the form of goods and services at a discount price or to get the Academy to pay for them.

5.2.2 Corruption

Corruption will normally involve the above with some bribe, threat or reward being involved.

5.2.3 Bribery

There are four key offences under the Bribery Act 2010:

- i. bribery of another person
- ii. accepting a bribe
- iii. bribing a foreign official
- iv. failing to prevent bribery

Bribery is not tolerated. It is unacceptable to:

- give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.
- give, promise to give, or offer a payment, gift or hospitality to a government official, agent, or representative to "facilitate" or expedite a routine procedure.
- accept payment from a third party that you know, or suspect is offered with the expectation that it will obtain a business advantage for them.
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return.
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy.

5.2.4 Facilitation Payments

Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

5.3 Fraud, theft, irregularity, and cybercrime

The Policy Statement applies to all members of the Trust, its Local Advisory Boards, and all employees (full time, part time, temporary and casual). The Trust expects that individuals and organisations (e.g., partners, suppliers, contractors, and service providers) with which it deals will act with integrity and without thought or actions involving fraud and corruption. Where relevant, the Trust will include appropriate clauses in its contracts about the consequences of fraud, bribery, and corruption. Evidence of such acts is most likely to lead to a termination of the particular contract and will normally lead to prosecution.

The Trust recognises the importance of the seven principles of public life defined by the Nolan Committee 1995, and expects all trustee, governors, employees, and those acting as its agents to conduct themselves according to them. The seven principles are worthy of being read by all:

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

- Integrity - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
- Selflessness - Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
- Objectivity - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- Openness - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- Accountability - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- Leadership - Holders of public office should promote and support these principles by leadership and example.

Through observance of these principles the Trust requires the trustees, governors, employees, and its agents to be alert to the possibility of fraud, corruption, and dishonesty in all their dealings. [\(The Academy Trust handbook 2021 – 5.38\)](#)

The Trust also requires that those employees responsible for its systems and procedures should design and operate systems and procedures which endeavour to minimise losses due to fraud, corruption, and other dishonest action and abuse.

5.3.1 Culture & stance against fraud & corruption

East Midlands Academy Trust is determined that the culture and tone of the organisation will be one of honesty and opposition to fraud and corruption of any kind. The Trust expects that the trustees, governors, and employees at all levels will lead by example in ensuring adherence to approved policies, financial regulations, codes of conduct and prescribed procedures and practices.

The Trust implements and maintains systems of accountability and controls to ensure that its resources are properly applied in the way it intended. These systems include, as far as is practical, adequate internal controls to detect not only significant errors but also importantly, fraud and corruption.

The Trust's Audit & Risk Committee is responsible for overseeing internal controls, financial regularity, and rigorous risk management.

5.3.1 Reporting Concerns

All actual or suspected incidents of fraud, corruption or bribery in a school should be reported without delay to the Headteacher who must report immediately to **Paul Wheeler, the Chief Operating Officer of the Trust (COO)**. Any other actual or suspected incidents of fraud, corruption or bribery in the Trust must be reported immediately directly to the COO.

In either instance, if the COO is not available on the day the incident is reported, or if there are concerns about reporting to the COO, the incident should be reported immediately to

Joshua Coleman, the Chief Executive Officer of the Trust (CEO). If the CEO is not available on the day or there are concerns about reporting to the person holding that role, the incident should be immediately reported to **Kevin Crompton, the Chair of Trustees.**

When staff report suspected fraud, it is important that their suspicions are treated seriously and that all details provided by the reporting employee are recorded accurately and in a timely manner. They should be signed by the reporting employee to confirm understanding. It is essential that staff are put at ease, since the decision to report the suspected fraud may be traumatic for the individual concerned. Those reporting fraud should be assured that all information will be dealt with in the strictest confidence and that anonymity will be preserved if requested in the first instance, however anonymity may not be able to be preserved if it is incompatible with a full and fair investigation.

The EMAT whistleblowing policy offers guidance on how to report a concern as well as providing free and confidential advice through [Protect](#), UK's leading experts in whistleblowing.

Once the COO has received recorded details of the case, should, within 24 hours, hold a meeting of the fraud investigation group, comprising the COO, CEO and HR Manager to decide on the initial response. The fraud investigation group should report the incident and their response to the Chair of Trustees within 24 hours and keep him or her informed about progress in dealing with the incident.

The fraud investigation group will follow the guidance provided by *CIPFA's 'model set of financial regulations' for Academies 2013 – 'procedure for fraud prevention, detection and investigation'* and *'fraud response'* plan. Staff adhering to procedures, and who are not inhibited to challenge matters which do not appear to be correct, provide the best protection against fraud and corruption. It is essential, therefore, that this policy statement is fully communicated to staff. The policy statement must be published to staff. Regular staff notices regarding financial procedures must be communicated to staff.

5.3.2 Investigation of fraud, theft and or irregularity

Fraud threats can arise from within the organisation such as employee theft, or from outside the organisation through concerted means to obtain money by deception.

Some of the most common external threats currently are invoice fraud where fraudsters persuade companies to pay invoices that are false, or by intercepting invoices from legitimate supplies and altering bank details to redirect funds.

The Finance Department have a robust internal control environment in place to ensure the trust is protected against fraud. This includes:

- No changes to suppliers' bank details without authorisation of the Financial Accountant who will check directly with the supplier the request.
- All payment runs being authorised by the Chief Operating Officer or his designated member of staff.
- No invoices being processed without properly approved orders and a recognised order number.

The trust as part of its control environment operates an internal audit service currently contracted to MacIntyre Hudson on behalf of the board of directors to assess and test the control environment.

The trust must notify ESFA, as soon as possible, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. Any unusual or systematic fraud, regardless of value, must also be reported.

The following information is required:

- full details of the event(s) with dates
- the financial value of the loss
- measures taken by the trust to prevent recurrence
- whether the matter was referred to the police (and if not why)
- whether insurance or the RPA have offset any loss

The ESFA may conduct its own investigation and publish this report. ESFA has a guidance on reducing fraud, for Academy's reference as part of its risk management approach. ([ESFA Academy Handbook 2021 - 6.10](#))

5.3.4 Anti-fraud checklist for academy trusts

Fraud occurs in every sector and although the level of identified fraud in academies is very low, academy trusts need to be aware of the potential for it to occur.

The 10 questions below are intended to help trustees, accounting officers and chief financial officers to review their arrangements for preventing, detecting, and dealing with fraud should it occur.

Arrangements will vary according to the size, complexity, and structure of the trust.

1. Are the trustees, accounting officer and chief financial officer aware of the risk of fraud and their responsibilities regarding fraud?
2. Is fraud included within the remit of the trust's audit committee?
3. Has the role of the trust's external auditor and responsible officer (or equivalent) regarding fraud been established and is it understood?
4. Is fraud risk considered within the trust's risk management process?
5. Does the trust have a fraud strategy or policy and a 'zero tolerance' culture to fraud?
6. Is the fraud strategy or policy and 'zero tolerance' culture promoted within the trust? For example, through financial regulations, disciplinary procedures, checks on new staff, induction process, staff training, vetting of contractors?
7. Does the trust have policies on whistleblowing, declarations of interest and receipt of gifts and hospitality?
8. Does the trust have appropriate segregation of duties around financial transactions, including, but not limited to, accounting, processing, and banking arrangements?
9. Is it clear to whom suspicions of fraud in the AT should be reported?

10. If there has been any fraud in the trust, has a 'lessons learned' exercise been undertaken?

5.4 Cybercrime

The Education sector has become a frequent target of cybercrime or cyber incident with high profile cases being reported in the mainstream and sector specific media, as such all trusts need to be aware of the high possibility of being the subject of attempted cybercrime or cyber incident.

Cybercrime or a cyber incident has been defined by East Midlands Academy Trust in the following ways:

- Violation of an explicit or implied East Midland's Academy Trust security policy.
- Attempts to gain unauthorised access to an East Midland's Academy Trust information resources.
- Denial of Service to an East Midland's Academy Trust information resources.
- Unauthorised use of East Midland's Academy Trust information resources.
- Unauthorised modification of East Midland's Academy Trust information.
- Loss of East Midland's Academy Trust Confidential and Protected information.

The impact of cybercrime or a cyber incident can be extreme and can include but is not limited to the following:

- Disruption to education
- Financial loss
- GDPR Data Breach – ICO reportable
- GDPR Data Breach – Non-ICO reportable
- Loss of critical data
- Loss of reputation
- Denial of service
- Lack of confidence in the trust

To reduce the likelihood of being the victim of cybercrime or a cyber incident the trust, has implemented the following controls

- GDPR Training provide to all staff.
- Commissioned Cyber Essentials Certification to demonstrate Cyber security good practice.
- Commissioned Cyber Essentials Plus Certification to demonstrate Cyber security good practice.
- Commissioning of an external IT Security Audit, to identify areas of concern, and implement programme of change informed from audit.
- Commissioning of a leading anti-malware software solution across all computers, mobile phones, and tablets in the trust.
- Refreshed hardware across the trust.
- Reviewed and refreshed ICT Security and Governance Policies.

To mitigate the impact of a Cybercrime or a Cyber incident the trust implemented the following measures

- We have commissioned a Cybersecurity incident response Plan (**CSIRP**).
- There is in place an ICT Business continuity plan.
- The implementation a robust data backup solution covering all on premise and cloud-based data to ensure that in the event of crypto lockers/ransomware attacks the trust would be able to retrieve data from secure isolated off-site backup locations.
- The implementation of an annual Cybercrime or cyber incident tabletop exercise using established playbooks to test and embed the CSIRP.

In the event of cybercrime or a cyber incident the trust will follow it's CSIRP.

The CSIRP acknowledges that trusts must obtain permission from ESFA to pay any cyber ransom demands, we also acknowledge that the ESFA supports the National Crime Agency's recommendation not to encourage, endorse, or condone the payment of ransom demands. Payment of ransoms has no guarantee of restoring access or services and is likely to result in repeat incidents.

Appendix A – Definitions

Accounting Officer (AO)	As described in the ESFA Academies Financial Handbook, the AO is personally responsible to Parliament for the Trust’s overall management and resources
Academy Improvement Team (AIT)	Governance measure put in place if the academy is in an OFSTED category. This will then be replaced with an LAB if the academy makes the necessary improvement
Bursar	See “Finance Officer”
Business Manager	See “Finance Officer”
Chief Financial Officer (COO)	As described in the ESFA Academies Financial Handbook, the COO is responsible to the ESFA for the finances of the Trust and its academies. Chief Operating Officer is the COO for the trust.
Credit Card	Any charge card used by academy staff including bank, store cards and Purchasing cards
Department for Education (DfE)	The government department responsible for education
Education and Skills Funding Agency (ESFA)	The funding body of the DfE
Finance Business Partner	The central finance team person responsible for supporting the Academy Head Teacher with Finance information. This will be the Management Accountant, or Finance Manager or equivalent.
Finance Committee	The committee of the Board of Trustees which focuses on the finances of the Trust and its academies.
Local Advisory Board (LAB)	The body to which the Board delegates the monitoring of Finance at a local level Head of an academy

Head teacher Finance Officer (FO)	For the purposes of this handbook, the terms School Finance Officer, Finance Officer and Bursar are interchangeable, and all refer to the person within the school with responsibility for Finance within an East Midlands Academy Trust School
Procurement and Contracts Manager (PCM)	Purchasing Card. The person within the Trust with responsibility for procurement and contract management across all the academies
Purchasing Card	For the purposes of this handbook, the terms purchasing card, commercial card, credit card, store card and Government Procurement Card are interchangeable, and all refer to the use of a card to pay for goods and services.
Board Trust	The board of trustees of the Trust East Midlands Academy Trust central management

Appendix B – Key Staff and Authorised Signatories

Central team

CEO & Accounting Officer	Josh Coleman
Chief Operating Officer	Paul Wheeler
Head of Academy Development	Katy Russell
Trust Data Manager	Ann Guest
Academy Improvement Partners	Giles Osbourne
Head of Safeguarding and Inclusion	Lorna Beard
Senior Workforce Planning & HRBP	Hena Mahmood
Workforce Planning and Talent Management Officer	Lorna Stockwell
HR Advisor	Paul Davies
Executive Assistant	Chloe Nelson
Finance Business Partner	Nattria Dhana and Dhillan Mistry
Finance Officer	Liz Swinton
Head of Governance	Monica Juan
Head of Communications	Joni Ager
Head of Shared Services	Daryl Unitt
Procurement and Contracts Manager	Nel Planas
Payroll and Pensions Officer	Danielle Dutton

Board of Trustees

Chair of Board	Kevin Crompton
Chair of Finance Committee	Andy Davies
Chair of Performance Group	Leigh Jones
Chair of Audit & Risk Group	Ayo Salam

Orchard Academy

Head teacher	Callum Brown
School Business Manager	Vacancy (covered by Debbie Bell)
Chair of LAB	Femi Okeya

Shepherdswell Academy

Head teacher	Ruth Ryan
School Business Manager	Sharon Johnston
Chair of LAB	Femi Okeya

Castle Academy

Executive Head Teacher	Zoe McIntyre
Head of School	Daniel Lugg
Bursar	Debbie Bell
Chair of LAB	Korrin Smith-Whitehouse

Hardingstone Academy

Executive Head teacher
Head of School
Bursar
Chair of LAB

Zoe McIntyre
Julie Stevens
Alison Dowler
Claudia Wade

Stimpson Avenue Academy

Executive Head teacher
Head of School
Finance Business Partner
Chair of LAB

Zoe McIntyre
Lucy Clapton
Nattia Dhana
Claudia Wade

Prince William School

Head teacher
Finance Officer
Chair of LAB

Elizabeth Dormor
Julie Dunn
Charlotte Krzanicki

Northampton International Academy

Head teacher
Finance Officer
Chair of LAB

Jo Trevenna
Liz Swinton
Ben Shirley

Appendix C – Related parties

Section 1 – Approved Related Parties

The following related parties have been approved by EMAT and the ESFA for use as a supplier for EMAT and its academies:

None

All transactions with the above related parties are at cost, as required by the ESFA.

Section 2 – Other Related Parties

No related parties have been identified and transactions should not normally be entered into any person related to an officer or staff member of the trust. If for some reason a transaction between EMAT or one of its academies and a related party becomes necessary, permission must be sought from the ESFA via the Accounting Officer.

Appendix D							
Procurement and Contracts Approval							
Total Contract Value	Column 1 Authority to start process	Column 2 Contract Terms	Column 3 Procurement Route	Column 4 Authority to award contract	Column 5 Contract Signing	Column 6 Purchase Order and Invoice	Column 7 Variations and Extensions
Strategic Contract OJEU thresholds as defined in Public Contract Regulations 2015 (PCR) Part 2 Sub section 2 Thresholds Clause 5 See Notes 1 &2 below	Board of Trustees with a request to delegate contract award if within 10% of the approval to the Chief Executive	Procurement and Contracts Manager unless standard Trust terms and conditions already approved have been used or public sector buying organisations contract terms are used	The Value above the OJEU threshold and the Public Contracts Regulations 2015 applies. The Procurement and Contracts Manager must be consulted at the inception and time allowed for the procurement process	Generally covered by Column 1. If bids exceed the original estimates by 10% or more then report back to Board of Trustees.	In accordance with the scheme of delegation unless it is to be executed as a Deed. If sealed the Chief Executive and one (1) Board member	Finance and Operations Director	The Board be requested to delegate low-risk variations and extensions that do not increase the Trust's risk or liability.
Major Contracts From £25,000 up to OJEU thresholds	Finance and Operations Director	Procurement and Contracts Manager unless standard Trust terms and conditions already approved have been used or public sector buying organisations contract terms are used	A competitive procurement process is required. The Procurement and Contracts Manager must be consulted at inception and time allowed for the procurement process. A formal tender is required for the higher values within this category.	Generally covered by column 1. If bids exceed original estimates and falls within a higher approval threshold it must be approved at that level.	In accordance with the scheme of delegation	In accordance with the scheme of delegation	Chief Operating Officer to be requested to delegate low-risk variations and extensions that do not increase the Trust's risk or liability

East Midlands Academy Trust Academy Financial Handbook

Total Contract Value	Column 1 Authority to start process	Column 2 Contract Terms	Column 3 Procurement Route	Column 4 Authority to award contract	Column 5 Contract Signing	Column 6 Purchase Order and Invoice	Column 7 Variations and Extensions
Ordinary Contracts £10,000 or more but below £25000	Procurement and Contracts Manager	Procurement and Contracts Manager unless standard Trust terms and conditions already approved have been used or public sector buying organisations contract terms are used	A competitive procurement process is required. The Procurement and Contracts Manager must be consulted at inception and time allowed for the procurement process. A formal tender is required for the higher values within this category.	Finance and Operations Director	In accordance with the scheme of delegation	In accordance with the scheme of delegation	Chief Operating Officer to be requested to delegate low-risk variations and extensions that do not increase the Trust's risk or liability
Minor Contracts £5,000 or more but below £10000	Headteacher following Finance Business Partner approval of budget.	Procurement and Contracts Manager unless standard Trust terms and conditions already approved have been used or public sector buying organisations contract terms are used	A minimum of three (3) quotes must be requested: if only one (1) are returned despite additional requests to provide a second quote either from the original supplier or an additional one fails: all requests but be document and evidence kept with the quotes.	In accordance with the scheme of delegation	In accordance with the scheme of delegation	In accordance with the scheme of delegation	In accordance with the scheme of delegation

East Midlands Academy Trust Academy Financial Handbook

Total Contract Value	Column 1 Authority to start process	Column 2 Contract Terms	Column 3 Procurement Route	Column 4 Authority to award contract	Column 5 Contract Signing	Column 6 Purchase Order and Invoice	Column 7 Variations and Extensions
Low Value Contracts £1,000 or more but below £5000	Headteacher following Finance Business Partner approval of budget.	Use Purchase orders terms except where the contract includes sensitive confidential information or Intellectual Property Rights (IPR) works, software or services of a consultant: in these consult procurement	A minimum of two (2) quotes must be requested: if only one (1) are returned despite additional requests to provide a second quote either from the original supplier or an additional one fails: all requests but be document and evidence kept with the quotes.	In accordance with the scheme of delegation	In accordance with the scheme of delegation	In accordance with the scheme of delegation	In accordance with the scheme of delegation
PCR 15 Light Touch Regime	Approval to Specific contract value as detailed above	Consult with the Procurement and Contracts Manager before using this procurement route	OJEU: Light Touch regime	In accordance with the scheme of delegation	In accordance with the scheme of delegation	In accordance with the scheme of delegation	Variation to specific contract value as detailed above

Appendix E - Insurance

EMAT and its academies are a single legal entity and all claims and potential claims impact upon the Trust as a whole.

Potential claims may be covered either by the main insurance (RPA) or by the organisation to which provides the additional insurances such as Minibus insurance, foreign travel and directors and officers liability.

Therefore, any potential claims must be reported and discussed with Trust central office team in the first instance.

EMAT uses the ESFAs Risk Protection Arrangement (RPA). Should you need to contact the insurers directly, e.g., in an emergency, the details are below.

Gallagher Bassett Ltd (for RPA claims)

Email: UK.RPA@gbtpa.com

Telephone 0113 246 2040

Willis Towers Watson give risk management advice and RPA support to academies that have opted into RPA.

Willis Towers Watson

Email: RPAAdvice@willis.com

Telephone 0117 9769 361

Appendix F – Core Policies

Core policies are reviewed on a regular basis and are adopted by the whole Trust. They are published on the trust web site.

- Accessibility Policy
- Acceptable Usage Policy
- Admissions Policy
- Behaviour Policy
- Bereavement Policy
- Biometric Data Protection Policy
- Capability Policy
- Career Guidance Policy
- Charging and remissions policy
- Children with Health Needs who cannot attend School Policy
- Complaints Policy
- Dealing with allegations of abuse against staff
- Designated LAC Teacher Policy
- Disciplinary Policy
- Early Years Foundation Stage Policy
- Freedom of Information Policy
- Gifts Policy
- Grievance Policy
- Health and Safety Policy
- Lettings Policy
- Premises Management Policy
- Relationships and Sex Education Policy
- Safeguarding Policy
- Special Educational Needs and Disability Policy
- Staff Code of Conduct Policy
- Supporting Pupils with medical conditions policy
- Whistleblowing Policy

Appendix G – Additional School Policies

- Administration of medicine Policy
- Anti-Bullying Policy
- Careers and Enterprise Policy
- Feedback and Marking Policy
- FGM Policy
- First Aid Policy
- NQT Induction Policy
- Inclusion Policy
- Home Learning Policy
- Online Safety Policy
- Prevent Duty Policy
- Privacy Notice for Pupils Policy
- PSHCE Policy
- Pupil Exclusion Policy
- Risk Management Policy
- Social Networking Policy
- Teaching and Learning Policy
- Visitors Policy
- Equality information and objectives statement for publication