



Financial Regulations

Richard Huish Trust



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Associated documentation	
Academy trust funding agreement	2021/22
Academy Trust Handbook	2023/24
Academies Accounts Direction	2022/23

This document sets out the regulations for the Richard Huish Trust

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Introduction

1. The purpose of this manual is to ensure that the Richard Huish Trust (Huish) maintains and develops systems of financial control, which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Secretary of State for Education, through the Education Funding Agency (ESFA).
2. Huish complies with the principles of financial control outlined in the Academy Trust Handbook, updated annually. These Financial Regulations expand on that and provide detailed information on our accounting procedures and systems. These regulations and accompanying financial procedures should be read by all staff either directly undertaking a finance role within the Huish or one of its Academies or has delegated authority to undertake financial transactions (raising of purchase orders or sales invoices being two examples).
3. These regulations serve as an adjunct to the scheme of delegation providing information on the day-to-day operations and practicalities forming from these regulations.

Financial Planning

4. Huish prepares budgets and financial forecasts on a rolling 3 year basis for each Academy. These are prepared with reference to ESFA financial efficiencies benchmarking. In compiling our financial plans any major departure from key financial benchmarks should be highlighted with a narrative explaining the nature of the departure and how, if appropriate, future forecasts address necessary improvements.

The budget cycle

5. The budget cycle is as follows:
 - Autumn term (Sept – Dec)
 - Implementation of current budget plan
 - Monitoring expenditure (continuous-monthly)
 - Reconciliation and closure of previous financial year
 - Spring term (Jan – Mar)
 - Monitoring and review of current year's budget
 - Mid-year review and updated financial outturn for the year
 - Pre-planning for the next financial year with baseline budget assumptions
 -
 - Summer term (Apr – Aug)
 - Planning for forthcoming year
 - Preparation and submission of financial budget plan to ESFA
 - Review of current year's budget

Budget

6. The **Chief Financial Officer (CFO)** is responsible for preparing and obtaining approval for the annual budget. The base budget must be approved by the Trust Accounting Officer (the Chief Executive Officer - CEO), The Finance and General Purposes Committee (F&GP) and the Board of Trustees (The Board).
7. The base budget will reflect the best estimate of the resources available to us for the forthcoming year and will detail how those resources are to be utilised. There must be a clear link between each Academy's Quality Improvement Plans and the budgeted utilisation of resources.
8. The budgetary planning process will incorporate the following elements:
 - forecasts of the likely number of pupils to estimate the amount of General Annual Grant (GAG),
 - latest estimate of other ESFA funding,
 - Trust wide assumptions on pay and other material inflationary pressures,
 - a clear direction of travel towards achieving the reserve target for each Academy,
 - review of other income sources available to each Academy to assess likely level of receipts,

- review of past performance against budgets to establish where forecasts have proven to be inaccurate with a view to increasing oversight in those areas,
 - identification of potential efficiency savings either at an Academy or cross Trust level,
 - review of the main expenditure headings with reference to Academy Quality Improvement objectives to ensure that Directors understand how performance improvement impacts on overall Academy financial performance,
 - evidence of the Academy prioritising resources towards estates condition and health and safety compliance,
 - all carry forward balances,
 - any unspent grants from the previous financial year,
 - any funds held in Trust or deemed to be restricted in nature,
 - any proposed transfers to the Academy's fixed asset reserve either from carried forward balances or in-year surplus.
9. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where savings can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are at least in balance.
 10. For our Academies to retain a high level of financial delegation, they must be working towards maintaining a cumulative reserve equivalent to 1/12 of their annual revenue income. The level of income used in this calculation will be set annually by the CFO, recognising that one off/non-recurring income might have the potential to distort the level of reserve required and should be adjusted accordingly.
 11. Where a surplus or balanced budget cannot be achieved in year the CFO will work with the relevant Academy Headteacher/Principal and Local Governing Body (LGB) to prepare a forecast that shows the length of time required to bring school finances back into break even and make up any deficit against their agreed school reserve balance. If the school does not have a credit reserve balance sufficient to offset the proposed deficit The Board will agree the nature of any loan and repayment terms with the Headteacher/Principal and LGB.
 12. If, in year, there is a material (over 3% bottom-line) adverse variance from the base budget the Trust Chair and F&GP Committee members will be made aware of the circumstances that have led to the change and what remedial actions are being implemented.
 13. The approved base budget, profiled as appropriate, is entered onto our central finance system ready for the start of the new financial year.

Other Government Funding

14. In addition to GAG funding from ESFA Huish, or one of its Academies, may be awarded specific funding for other projects e.g. Condition Improvement Funds, Additional Special Educational Needs funding etc. This funding may be from the Department of Education or a Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually. For Capital Grants in support of major building works please see the separate section on 'Project management of buildings capital projects' within the procurement section of these regulations.
15. The **Group Financial Controller** (GFC) is responsible for recording income and expenditure for each grant and for the reconciliation of such grants.

Other Grants and specific funding

16. In addition to the GAG funding from the ESFA and funding from other Government bodies, Huish or one of our Academies may be awarded additional grants relating to specific projects e.g., Sport England Funding, Football Foundation Funding, Charitable Grants etc. All applications for additional external funding must be approved by the Trust Directors. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.

17. The GFC is responsible for recording income and expenditure for each grant and for the reconciliation of such grants.

Funds held in Trust

18. Where funds are held in trust the CFO is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately as set out in the memorandum and articles.

Virements

19. Material virements, the result of which impact on the bottom-line financial performance of each Academy, must be approved and recorded by the F&GP Committee in line with the accepted Scheme of Delegation agreed with each Academy at the start of the academic year.
20. Where a LGB is forecasting a material adverse variance to the base budget that could potentially result in the school requiring in-year financial support, the F&GP Committee reserve the right to make recommendation to the Board that the delegated authority for financial management be reviewed.
21. The CFO is given delegated power to vire, at academy level, from one budget line to another, assuming that the bottom-line impact on the academy is forecast as negligible. Such changes will be recorded through the monthly management accounts. For the purposes of defining negligible the bottom-line impact should not adversely impact the Academy's ability to meet its reserve target obligation. Each Academy must obtain approve from their LGB for changes to their budget that have the potential to materially impact on their ability to maintain its reserves obligations.
22. Budget virements that adversely impact an Academy's ability to maintain their reserves obligation, after having received LGB consent, must be approved by the F&GP Committee. The Board must approve any budgetary virement that has the potential to materially impact on the financial health of an Academy. Where such approval is granted, the Academy must present a financial recovery plan to The Board within 90 days of the approval date.

Revised Budget

23. Monitoring and analysis of the base budget is completed each month by the Accounting Officer (CEO) and the CFO and reports forwarded to the Board and each Academy. Management accounts include a forecast outturn column that identifies potential material variances from the individual base budget lines together with an overall impact on bottom-line financial performance.
24. In March of each year the CFO will produce, at Academy level, a mid-year forecast that incorporates previously reported forecast assumptions together with any known likely adjusting events forecast to the end of the year. After receiving consent from the Academy LGB, should this be required, the Mid-year forecast will be recommended for approval by the F&GP Committee to The Board. Once approved, the mid-year forecast will then form the basis of monthly analysis of all income and expenditure until the financial year end.

Budget Forecast Return

25. The approved budget must be submitted to ESFA by 31 August each year by the CFO. The CFO is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met. As part of the funding agreement with the ESFA Huish must submit our Budget Forecast Returns in the prescribed format by the due date.

Monitoring and review (including management accounts)

26. Monthly reports are prepared by GFC. The reports include:
 - actual income and expenditure against budget (shown as month to date and cumulatively) for each Academy and consolidated at Trust level,

- Benchmark analysis,
- balance sheet,
- cash flow forecast,
- A narrative that details assumptions underpinning material changes to the forecast outturn together with an update on individual Academy factors that may or may not have a material financial impact,
- From October onwards the management accounts will include an outturn forecast update,
- An update from the Academy Headteacher/Principal and their Finance Officer.

27. The CFO must inform the CEO of any materially adverse movement in an Academy's bottom-line financial performance.
28. The monthly reports are circulated each month to the Board of which the CEO is a member.

Independent checking procedures

29. Huish will, annually through the Audit and Risk (A&R) Committee, set a programme of Internal Audit work in line with expectations as described in the Academy Trust Handbook. The A&R Committee is responsible for securing the services of an appropriately qualified external body to undertake the annual internal audit plan.
30. Where appropriate, the Financial Statements Auditor will place reliance on work undertaken by the Internal Auditor. Further testing of controls as part of the audit of our Financial Statements will be agreed with the CFO prior to the commencement of the Financial Statements audit.
31. Where appropriate, and in the interests of improving efficiency and best value, we will look to work with other MATs to develop a process of peer review.

Review of regularity

32. The CEO, in their role as Accounting Officer, reviews the following documents termly to ensure that the Trust is working within the boundaries of regularity and propriety:
- reviews management accounts,
 - reviews compliance against the scheme of delegation,
 - reviews transactions for evidence of connected/related party transactions,
 - value for money practice.
33. The Accounting Officer has delegated the following responsibilities to the CFO:
- adherence to procurement and tendering policies,
 - review of transactions confirming that they are in line with delegated authorities as set out by the Academy Trust Handbook,
 - the reviewing of F&GP and A&R Committee minutes

Annual accounts

34. Huish must prepare annual audited financial statements for the accounting period to 31 August. The format of the financial statements is prescribed annually through the ESFA Academies Accounts Direction Handbook.
35. The accounts are prepared in house by the CFO and the Central Financial Services team. The compilation of the financial statements in the prescribed format is completed by the External Auditor together with the preparation of the ESFA Academies Accounts Return (AAR). The CFO is responsible for confirming the accuracy of the AAR prior to its submission.
36. The accounts are then submitted as follows:
- by 31 December – to ESFA,

- by deadline set by ESFA (usually third week in January) – AAR,
- by 31 January – published on The Trust website,
- by 31 May – to Companies House.

Value for money statement

37. As part of the Members Report, we must include 3 focussed examples of where value for money, in pursuit of improved educational outcomes, has been achieved.
38. The CFO is responsible for collating the examples that are then confirmed by the F&GP Committee for inclusion within the Value for Money statement.

Audit arrangements

39. External auditors must be appointed in accordance with the Academy Trust Handbook. For 2022/23, Huish has retained the services of Bishop Fleming.
40. The CFO is responsible for managing the audit process, by liaising with the External Auditor, arranging the timetable for completion of all reconciliations, lead schedules and the audit fieldwork, ensuring that deadlines are met as appropriate.

Work undertaken during accounting period

41. The **CFO** is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:
 - reviewing the structure of the trial balance,
 - maintaining a fixed asset register,
 - monthly depreciation charges,
 - maintaining income and expenditure records (including filing of invoices),
 - reviewing aged debtors for any provisions required,
 - From the register of related parties provided by the Trust Clerk, ensure that records of related and connected party transactions are properly recorded and reported on,
 - control account reconciliations (bank, wages, debtors, creditors),
 - Monitoring & reporting financial performance to the Accounting Officer and The Board.

Work undertaken for the year-end

42. The GFC is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:
 - Where material, undertake stock takes that derive a year-end stock value,
 - All material prepayments or accruals for expenditure,
 - prepayments or accruals for income,
 - control account reconciliations,
 - close down of the purchase ledgers,
 - close down of the Sales ledgers and aged debtors,
 - production of all lead schedules,
 - pension valuations,
 - Fixed Asset Reserve reconciliation including sources of funds to purchase fixed assets,
 - Oversee the completion of the Teachers' Pension Scheme Audit.

Accounts Return

43. Huish must prepare an Annual Accounts Return (AAR), in the format as prescribed through the ESFA accounts direction handbook, for the accounting period to 31 August. This must be submitted to the ESFA the deadline, usually on or before 31 January.

44. The AAR is prepared and submitted by the External Auditor once approved by the CFO.

Document retention

45. Documents are retained across the Trust in the following formats for the following minimum amount of time:
- Finance records – current year plus preceding 6 years, digital
 - Insurance – current year plus preceding 6 years, physical and digital
 - Payroll and travel records – current year plus preceding 6 years, physical and digital
 - Personnel records – 5 years after an employee has left our employment, physical and digital
 - Student data is retained in line with Funding Body data retention regulations.

Accounting system

46. All our financial transactions must be recorded into the Civica FinancialsLive system. This system is operated by the Central Finance Service and consists of:
- General Ledger
 - Purchasing and procurement
 - Cashbook
 - Sales and sales invoice processing
 - Fixed Assets

System Access

47. Access to the system is password restricted to the GFC and other authorised members of the finance service and key Trust and Academy personnel. The CFO is responsible for determining the approved list of system users.

The finance system service provider (Civica) is responsible for maintaining the system administrator and user passwords

48. Access to the Civica FinancialsLive budget holder reports, purchasing of goods and services and the creation of sales invoices is controlled by the GFC. Each Headteacher/Principal is responsible for determining which staff will have delegated authority to hold a budget, each budget holder is responsible for determining who has authority to raise purchase orders and sales invoices and have access to the budget holder report. Once the system users are confirmed the GFC ensures that relevant access is given.

Back-up Procedures

49. FinancialsLive is a web-based hosted service. As such, Civica are responsible for ensuring that there is effective security and back up procedures for the finance system.
50. In the event of a system failure, Civica are responsible for providing disaster recovery of both the finance system and associated data.
54. A Trial Balance is downloaded each month by the Central Finance Team, this is stored within the Microsoft Sharepoint Cloud domain.

Transaction processing

52. All transactions input to the accounting system must be authorised in accordance with the procedures specified in these regulations.
53. The creation and input of journal entries is restricted to Central Finance Team staff. All journal entries are reviewed as part of the routine month-end reconciliation procedures.

54. Bank transactions conducted through the on-line banking system are input by a nominated member of the Central Finance Team, the CFO, GFC or GMA and are reviewed by the CFO, GFC or GMA as appropriate.

Reconciliations

55. The GFC is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
- sales ledger control account,
 - purchase ledger control account,
 - payroll control account,
 - VAT control account
 - all suspense accounts,
 - Accrual and pre-payment control accounts,
 - bank balance per the nominal ledger to the bank statement,
 - Fixed Asset reserve.
56. The GFC must provide evidence of reconciliations' review either electronically or by signature on printouts as appropriate.
57. Any unusual or long outstanding unreconciled items must be brought to the attention of the CFO by the GFC. Where these items relate to income, they must be dealt with according to the bad debt limits and reporting thereon detailed within these financial regulations.

Cash Management

Bank Accounts

58. Huish operates all financial transactions from one central bank account. Individual Academies have no authority to establish a separate bank account.

Deposits (of cash and cheques)

59. For our pre-16 academies, Huish operates a cashless academies'. We recognise that in certain circumstances, expected to be very infrequent in nature, collecting cash (or cheques) may be unavoidable. An example could be collecting cash arising from an event supporting a national charity. Where the cash can be deposited straight into the Charity bank account academies are expected to follow guidance issued by the respective charity. For all other cash (or cheques) the deposit must be undertaken by the Central Finance Team. Richard Huish College accepts cash transactions for the college shop and catering services.
60. It is the responsibility of each pre-16 academy to update our approved payment module (e.g. Family, Bromcom etc.) with the details of any childcare voucher transaction so a receipt can be issued. The academy must also update the central finance system (Civica) with the details of the transaction within two working days of the receipt.

Payments and withdrawals

61. All cheques and other instruments authorising withdrawal from the Huish bank account must bear the signatures of two of the following authorised signatories in line with the banking mandate:
- The CEO
 - The CFO
 - The GFC
 - The GMA

62. This provision applies to all accounts, public or private, operated by or on behalf of Huish including funds held in trust. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.
63. Our bank mandate must be set up with the following payment authorisation levels:
- For online bank transfers or BACS payments up to the value of £50,000 any two from the above list
 - For online bank transfers or BACS payments up to £400,000 - at least one of the authorisers must be the CFO or CEO.
 - For online bank transfers or BACS payments over £400,000 - both the CEO and CFO must authorise
- Cheque signatory arrangements are as follows: -
- Cheques up to the value of £5,000 any two from the above list
 - Cheques over £5,000 both the CEO and CFO
64. The payment of salaries via BACS will ordinarily be processed by the payroll bureau service provider. Limits for authorisation will be set by the CFO with reference to the average monthly net pay commitment. The CFO, or either the CEO or Chief People Officer (CpeO) reviews and approves the payroll Masterfile prior to any Bacs file being sent to the payroll bureau service.
65. Supplier Bank details must be obtained from the supplier using the approved New Supplier Form. If a supplier informs us that their bank details have changed this must be verified by a telephone call to the supplier using the original contact details as recorded in the supplier record, or from the company website. Only after this verification should the supplier record be amended, and payments made to the new bank account. This procedure is undertaken by the Central Finance Team.
66. The GFC or nominated member of the Central Finance Team is responsible for updating the accounting system (within 2 working days) with the details of the withdrawal.

Administration

67. The GFC ensures bank statements are regularly downloaded and that reconciliations are performed on an at least monthly basis. Reconciliation procedures must ensure that:
- the bank account is reconciled to our cash book,
 - reconciliations are prepared by the Central Finance team,
 - reconciliations are subject to an independent monthly review carried out by **GFC** or in his/her absence the CFO,
 - adjustments arising are dealt with promptly.

Petty Cash

68. Each Academy maintains a maximum cash balance of £500 for the purchase of minor items. The cash and supporting disbursement paperwork must be held in the Academy office safe and is the responsibility of the nominated finance service team member (Academy Finance Officer).
69. The petty cash float **must not** be used for:
- cashing personal cheques,
 - paying staff loans,
 - Cash advances to members of staff save for where this can be evidenced as being wholly in-line with their job role.

Payments

70. In the interests of security, petty cash payments are limited to £25 for Academy schools and £50 for Richard Huish College. Payments are made on production of a valid till receipt or other proof of payment and are subject to the same authorisation procedures as purchases from the main bank account. Transactions must not be falsely sub-divided to achieve multiple values of £25/£50.

Administration

71. The petty cash float is maintained on the imprest system and the float is only reimbursed from the Huish bank account.
72. The petty cash float is reconciled monthly by the Academy Finance Officer. The reconciliation is then reviewed by GFC/GMA and initialled as evidence of review as part of the month-end procedures.
73. The GFC/GMA carry out a spot check of the petty cash float once a term.

E-procurement & Payments

74. Each Academy can access the centrally controlled credit card facilities, supplied by our banking services provider. The Academy credit card must only be used only when it is not practical to use our standard purchasing procedure.
75. The Headteacher/Principal for each of our Academies will be issued with a credit card. They can nominate up to three additional card holders by prior agreement with the CFO. Examples of staff roles who will be considered for a credit card include: -
 - Deputy Head,
 - Nursery Manager,
 - Catering manager,
 - Nominated Senior Administrator.
76. The CFO is issued with a credit card that can be used in cases of emergency. All card holders will be responsible for the safe keeping of their credit card.
77. Any school department wishing to make a purchase on credit card must complete a Credit Card Authorisation form and submit to the budget holder and or credit card holder. Once authorisation is confirmed the credit card can be used via the Academy Senior Administrator or Academy staff member nominated by the Headteacher/Principal, who will make the purchase. For credit card holders using their Huish credit card, we expect them to maintain appropriate records and keep transaction receipts such that monthly statements can be easily reconciled and recorded on our finance system.
78. On a monthly basis, the credit card account for each school will be reconciled. **Each transaction must have an authorised credit card order form and a VAT invoice.** Where the credit card authorisation form or the invoice is missing, it is the responsibility of the card holder to ensure that this is rectified promptly. If the goods are not received it is the responsibility of the member of staff making the order to inform either the Academy Senior Administrator or Academy Finance Officer so that remedial action can be taken.
79. The credit card statement along with all supporting purchase documentation are then given to the Academy Finance Officer (AFO) who will check the statement to the documents received. If the AFO is concerned as to the appropriateness of a transaction, they should refer the matter to the GFC/GMA or CFO in their absence. The cashbook journal will not be posted until all necessary supporting evidence has been received. The GFC/GMA will check a sample of the transactions for appropriateness (minimum of 3 or 20% whichever is the maximum).
80. Huish has established an account with Amazon. Academy staff who have been given access to order through this route must create a purchase order through the Civica punchout system at the time of placing the order, this must be approved by the budget holder prior to the Amazon order being placed.

BACS Payments

81. All payments to creditors will be made via BACS or Direct debit.
82. Payments of creditor invoices are usually paid every week in line with individual invoice credit terms, with reference to the cash flow forecast prior to submission. The authorised Central Finance Team officer prepares the payment run and presents it to the GMA or GFC for review. Online authorisation is

in line with levels established in regulations 65 and 66.

83. Huish will make best endeavours to pay invoices in line with credit terms, ensuring that wherever possible early payment discounts are taken. The Civica FinancialsLive system is configured such that, for most purchased goods or service, invoices when received must be matched to an official goods-receipted purchase order. For the finance service to meet payment terms it is vital that goods/services once received are 'receipted' through FinancialsLive.

The Central Finance Team officer must check that there are sufficient funds available in the current account to cover the payment batch before requesting authorisation.

84. The Central HR Team ensures that evidence is kept of the employment status test criteria applied (IR35), when dealing with payments for services to individuals. Where an individual has been assessed as self-employed and declares as such, the Academy Finance Officer/Senior Administrator must request that the individual states their self-employment reference number on any invoice issued to the Academy and provide relevant evidence from HMRC.

Investments

85. Investments are made in accordance with regulations contained within the ESFA Academy Trust Handbook and any other related guidance laid down by the funding body. All investments must meet our charitable purposes and must be approved by The Board. No individual Academy can undertake an investment without the prior written consent of The Board. The CFO will make the case for investment and present to the F&GP Committee for recommendation to The Board. Please see the separate Investment Policy for more details.
86. All investments are recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost, and a description of the investment. Where necessary additional procedures relating to the operating /holding of the investment will be compiled to ensure any income receivable/all benefits from the investment is received.

Academy reserves – Our policy

87. Huish has set each Academy a target of a minimum 1/12 of their annual income as a reserve. The expectation is that this level is maintained throughout the academic year. In setting levels of annual budget surplus each academy LGB should be mindful of this requirement. An individual Academy can self-determine to retain a higher reserve than 1/12 should they choose to do so, being mindful that any such excess should not be to the detriment of the pupil experience and the delivery of the academy's improvement plan. In 2023//24 this target level of reserve equates to circa £2M.
88. The CFO will determine the annual income level on which the 1/12 is calculated, being mindful of any exceptional in-year income that could distort the overall figure. Our expectation is that any academy with a reserve balance below the agreed level have a maximum of 3 years to bridge the gap to the agreed level.

Adverse financial performance – notification to ESFA

89. The CEO, as Accounting Officer, must inform the ESFA immediately if a Trust deficit is anticipated.
90. If Huish is anticipating a deficit at the end of any financial year, The Board and the CEO have a responsibility to ensure action is taken at the earliest opportunity. This action may include the removal/reduction of delegated powers given to an Academy LGB for financial management. The Board must ensure that a recovery plan is submitted and approved by the ESFA.

Capital Reserves

91. Each Academy can retain its annual Devolved Formula Capital allocation granted by the ESFA. Any surplus balances at the end of the year are carried over to the following year. Where an Academy

secures other capital grant funding it is their responsibility to ensure that the grant is spent in line with the purpose for which it was given.

92. It is the responsibility of CFO to keep accurate records of the capital funds, especially where grants have been received for capital projects and to check that they are spent appropriately.

Endowments

93. The CFO is responsible for accounting for the transactions within any established endowment funds.
94. Any transactions must be in line with the memorandum and articles.

HR & Payroll

Staff Appointments

95. The Board has approved a Human Resources service for the Trust. Changes can only be made to this service with the express approval in the first instance of the CEO. Each Academy, working with the Trust Chief People Officer (CPeO) and Academy Finance Officer will plan an establishment requirement as part of the budget setting process. This establishment will form the basis of the pay costs budget for the year that will need to be approved by the LGB prior to submission to the F&GP Committee as part of the annual budget setting process. The Head Teacher/Principal of each Academy, through the CFO, must ensure that there are sufficient sustainable funds available prior to requesting any additions to the permanent salaried establishment, beyond that established within the annual base budget.
96. Each Headteacher/Principal, subject to the availability of budget, has authority to appoint staff within the authorised establishment except for designated members of the Senior Management Team whose appointments must follow consultation with their LGB and The Board. The Headteacher/Principal maintains personnel files for all members of staff that include contracts of employment. All personnel changes must be notified, in writing, to the Trust CPeO immediately.
97. Each Headteacher/Principal is responsible for obtaining the relevant DBS checks and ensuring these are retained on file.
98. It is the responsibility of each academy to maintain their Single Central Record (SCR)

Payroll Administration

99. Payroll is administered through Huish's payroll department.
100. All staff are paid monthly through the our central payroll service. A personnel and payroll record is created for each employee which includes:
- personal details
 - Post details and salary
 - bank account details
 - taxation status
 - any deductions or allowances payable
 - other legal and relevant details
101. New records can only be created by the central payroll service on receipt of documentation from the Academy authorised by the Headteacher/Principal or their appointed deputy. The central payroll service must be advised of any personnel or payroll record amendments each month prior to the payroll run. Any change must be authorised by the Academy Headteacher/Principal or their appointed deputy.
102. Each month the central payroll service will provide a full staff list to each Academy. Any appointments, terminations, absences and additional/supply/casual hours must be recorded on the staff list by the

Academy Finance Officer/Senior Administrator prior to authorisation by the Academy Headteacher/Principal, or their appointed deputy. Authorised staff returns should be sent to the central HR/Payroll services, in line with agreed procedures and agreed deadlines each month.

103. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. The completed request must be authorised by the budget holder prior to submission to the Academy Finance Officer/Senior Administrator or nominated central HR services administrator for entering onto the prescribed payroll input document. The Headteacher/Principal or their nominated senior manager must authorise the payroll input document prior to submission to the central payroll service.
104. The central payroll service will establish a calendar of monthly deadlines for processing salary payments, at least quarterly in advance. It is the responsibility of the Academy Senior Administrator or nominated central HR administrator to ensure that Academy staff are aware of key monthly deadline dates.

Payments

105. Before payments are dispatched a printout of all data should be obtained, including an exceptions report from the central payroll service. The CFO is responsible for checking the exception report against source documentation. Authority to release payment will be by either the CEO, CFO or CPeO.
106. All salary payments are made by BACS.
107. The central payroll service prepares a reconciliation between the current month and the previous month gross salary payments showing adjustments made for new appointments, resignations, pay increases etc. This reconciliation is reviewed and signed by the CFO or CPeO in their absence.
108. The payroll system automatically calculates the liabilities due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable is summarised on the liability report and BACS submissions for these amounts are prepared by the Central Finance Team and authorised for payment in line with the BACS limits as established in regulations 66 and 67.
109. The central payroll service will randomly select at least three employees each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly. The check is recorded and available for checking by the GFC and CFO.
110. After the payroll has been processed the central service will provide a nominal journal to update the nominal ledger. Postings will be made both to the payroll control account and to individual academy cost centres/nominal analysis codes. The Central Finance Team should review the payroll control account each month to ensure the correct amount has been posted from the payroll system and that individual cost centres have been correctly updated. Postings are not allowed to suspense and must be resolved prior to the posting of the payroll journal.
111. Each month an export file from the payroll system is produced and sent to each Academy Finance Officer. This file is imported into our budgeting software so that a reconciliation of monthly pay against the budget for the month can be completed. Any discrepancies must be reviewed, and the outturn payroll budget amended accordingly.
112. Annually, the central HR/Payroll service **will sample** check individual staff gross pay paid through payroll system against the contract of employment held on the personnel file.

Salary advances

113. Huish does not award salary advances save for where a new member of staff could be financially disadvantaged by the payroll processing cut-off date. In these cases, the Academy Headteacher/Principal should confirm the nature of the arrangements with the central HR/Payroll service prior to agreeing payment with the employee. The central HR/Payroll service will confirm that any payment is capable of being recovered through the next available pay run.

Overtime

114. Overtime is recorded by the individual and submitted in line with the monthly payroll processing deadline. Each claim must be approved by the relevant head of department/staff manager and approved by the Headteacher/Principal or a designated senior manager in cases of absence. All claims must be presented to the Academy Senior Administrator or nominated HR administrator. They will record and retain all claims made for the month, using the prescribed form, prior to submission to the central payroll services. Where possible, claim forms should be scanned and stored electronically before dispatch to the central payroll service. It is the responsibility of the Academy Senior Administrator or nominated HR Administrator to collate, check authorisations and submit claims by the due date.
115. Claim forms must not be submitted prior to work having been undertaken.
116. No payments for work undertaken will be made other than via the payroll system.

Severance payments

117. Severance payments must be made in line with the Academy Trust Handbook.
118. The CEO, as Accounting Officer, must review and authorise each business case prior to submission to The Board, and to the ESFA should it be required.

Ex-gratia payments

119. Any ex-gratia payments must be made in line with the Academy Trust Handbook and submitted to ESFA for prior approval.

Income

ESFA grants

120. The main sources of income for Huish are the grants from the ESFA. The receipt of these sums is monitored directly by CFO who is responsible for ensuring that all grants due to each Academy within the Trust are collected.

Other grants

121. The receipt of these sums is monitored directly by the Academy Finance Officer who is responsible for ensuring that all grants due to the academy are collected.

Trips

122. A lead member of Academy staff must be appointed for each trip to take responsibility for the collection of sums due. The lead staff must prepare a record for each student intending to go on the trip showing the amount each is due to pay. A copy of the record must be given to the designated Academy role outlined in the detailed trips procedures.
123. Payments **must** be made via Huish's online payment portal from which an official receipt is issued.
124. The trip leader is responsible for ensuring that all monies are collected by the due date and that all personal pupil details are accurate, including medical and emergency contact details.
125. Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. If the Academy decides to subsidise the trip the amount of subsidy must be approved by the Headteacher/Principal who must confirm that there are sufficient funds available in advance of the booking being made.
126. Once a parent/carer has authorised the pupil trip acceptance form and paid their deposit no refund will be given save for extenuating, usually medically related, circumstances or where the place can be taken by another pupil. In the latter case, any cost of transfer will be deducted from the refund.

Catering

127. Where the individual Academy catering service is outsourced through a third-party, the academy finance officer is responsible for ensuring that meals invoiced are reconciled to Academy records for the equivalent period. Pupils eligible for free school meals will be established at the start of the academic year. Where the service is outsourced, the catering service provider is responsible for keeping accurate records of meals claimed by pupils/students. These arrangements will be covered within the contract for services.
128. The catering service at Richard Huish College, Pyrland School, Nerrols Primary School, Lyngford Park Primary School, West Buckland Primary School and North Curry Primary School is provided by Huish Education Services (HES) Limited, a wholly owned subsidiary of the Trust, as agent to Huish. HES employees receive income from eligible customers (pupils/students, academy staff) on Huish's behalf at RHC and Pyrland School. HES, through the respective till system, record sales of free school/college meals served at RHC and Pyrland School so that a record of uptake of FSM/FCM can be maintained.
129. Huish pre-16 Academies operate on a cashless basis. Our pre-16 Academies that have the responsibility for the collection and payment of meals income must use our online payment collection system (either Bromcom or ParentMail) - for both the raising of amounts owed and payment collection. Huish's online payment platform generates an interface file to FinancialsLive that is reconciled prior to posting. A monthly reconciliation is conducted as part of the month end procedures and reviewed by the GFC/GMA.

Nursery and Pre-School fees charging and income collection

130. As with catering, all charges and collection of income must be conducted through our approved online payment platform, part of the Family Nursery management software. Please see our separate arrangements on Nursery and Pre-School Fees.

Lettings

131. Each Academy will nominate a staff member to take responsibility for maintaining records of bookings of facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities. A booking will not be allowed to take place if the account has not been settled in full in advance. An Academy that is unsure as to whether a letting is subject to VAT must seek assistance from the GMA prior to entering into a hire agreement with a prospective customer. For the RHC 3G pitch hire, please see separate Service Level Agreement that must be completed by hirers.
132. A hire charge tariff schedule will be established on an annual basis and agreed with each LGB prior to any bookings being made. The schedule will include the basis on which discounts can be given, all of which must be approved by the Headteacher/Principal in advance of the booking being agreed. There are no discretionary arrangements outside of the agreed tariff schedule.
133. Details of organisations using each Academy's facilities will be held by the nominated staff member. A sales ledger account will be established, and a sales invoice produced via FinancialsLive.
134. Copies of the hiring organisations up to date relevant Public Liability indemnity insurance and qualifications (where relevant e.g., H&S, First Aid, Instructor etc.) are kept with the Letting Agreements and are reviewed at least annually.
135. It is the responsibility of each Academy to collect all monies due. Invoices that have not been paid within the standard 30 days credit terms, or in advance of a facility booking commencing as previously outlined, will be chased up by telephone at least 5 days before payment is due. Should the invoice remain unpaid a statement will be issued to the debtor followed within 7 days by a formal reminder letter should the debt remain unpaid. A final notice will be issued within 30 days of the issuing of the first reminder stating clearly that any further costs associated with debt recovery will be added to the outstanding amount. No further facility bookings will be accepted until all outstanding monies are paid in full.
136. If the debt remains unpaid after 3 months, or it becomes clear that the debt will not be repaid, the Academy Finance Officer submits a report to the GMA for further action or approval of write off. If the debt is in over £1,000 consideration should be given to instructing a debt recovery agency to start recovery proceedings and ultimately proceeding to formal legal recovery channels if there is a reasonable probability of success.
137. Where a debtor has a debt written off the Company/Organisation or Individual will not be allowed to use the facility again until such time as all outstanding monies and associated recovery costs are paid. In any event, credit will not be extended to any debtor that has had a debt written off even if they have subsequently cleared that debt.

Sundry income

138. Income from other sources (for example educational consultancy) is priced in consultation with the Headteacher/Principal and the Trust CPeO. The transaction must not be undertaken until the price has been agreed. Payment for the services should be made prior to the commencement of the works. Where a request for credit is made this must be approved by the GFC or CFO in their absence prior to any booking being confirmed.

Gift aid

139. Huish, and each of our Academies, can claim Gift Aid on donations from individuals. To ensure that Gift Aid receipts are claimed the GFC, as part of the month end procedures must: -
- reconcile income against records to confirm expected amounts have been received by the donor,

- ensure the tax reclaimable from HMRC has been obtained, or been claimed, and any relevant business use deductions have been made.

Bad debts write-off approval limits

140. The following write off limits apply:

- Up to £500 – Headteacher/Principal
- £501 to £1000 – Local Governing Body
- £1,001 to £5,000 – CEO or CFO
- Over £5,000 – F&GP Committee with a termly report to The Board.

Purchasing

141. Huish must strive to achieve value for money on all purchases. A large proportion of our purchases are paid for using public funds and we need to maintain the integrity of these funds by following the general principles of:

- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust or one of its Academies,
- Accountability, the Trust and each of its Academies is publicly accountable for their expenditure and the conduct of its affairs,
- Fairness, that all those dealt with by the Trust and its Academies are dealt with on a fair and equitable basis.

Purchasing of alcohol

142. In line with the Academy Trust Handbook the purchase of alcohol from Academy funds is prohibited. Gift vouchers/Gift cards **MUST NOT** be purchased where the recipient can exchange/redeem the voucher for the purchase of alcohol.

Routine Purchasing

143. Authorised budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget is available to each budget holder through the FinancialsLive in real-time. The Headteacher/Principal has oversight of all Academy budgets, and has the support of their respective Academy Finance Officers to ensure that procedures are followed and budgets are not overspent.

144. Orders for goods or services up to the budget holders given limit, normally between £1000 and £3000 in value, can be placed/approved by budget holders. **Splitting a purchase into multiple smaller values to keep the total value below the budget holder limit is absolutely forbidden.**

145. In the first instance a supplier should be chosen from our list of approved suppliers maintained by the Central Finance Team. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed in advance with the GFC/GMA.

E-procurement

146. It is expected that most of the procurement of goods and services will be via a Purchase Order raised through FinancialsLive. It is accepted that there may be times where a purchase, particularly where an on-line seller provides the best value alternative, that the use of the Academy credit card provides the best solution. Any department or card holder wishing to make a purchase using the Academy credit card must follow the regulations 75 to 81.

Orders for procurement of good or services

147. All purchase orders must be raised through FinancialsLive. It is the responsibility of the staff member placing the order to complete all required details accurately including the Academy code, department code and budget nominal from which the purchase will be made. FinancialsLive uses workflow technology to direct the order to the budget holder for the staff member placing the order. The budget holder is alerted automatically that an order needs to be authorised, once the budget holder has authorised the order the workflow directs the transaction to the next level authoriser for completion. Purchase orders are emailed to suppliers in all but the most exceptional of cases.
148. The CFO will authorise all Purchase Orders with a value above £3,000. In the absence of the CFO either the CEO, CPeO or GFC will complete the approval process.
149. Once all levels of authorisation are obtained FinancialsLive will update the requisition to a purchase order and automatically emails the order to either the supplier or the requisitioner depending on how the requisition is entered. **At no point in time should a budget holder, or any member of academy staff, place an order with a supplier over the telephone without first having secured a purchase order number from the Finance Service, with the exception of: -**
- Utility services
 - Food purchases for production kitchens, nurseries or wraparound provision
 - Photocopying contracts
 - Telephony contracts
 - Fuel cards
150. The budget holder must make appropriate arrangements for the delivery of goods at the time of ordering. On receipt the budget holder nominated staff member must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN within Financials Live. Discrepancies should be discussed with the supplier of the goods without delay.
151. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the order must be updated on FinancialsLive. The Finance Service will not pay any invoice until such time as the order has been satisfactorily fulfilled.
152. All invoices from suppliers should be addressed to the individual Academy with Richard Huish Trust as the customer. If the associated PO has been receipted the Invoice will be recorded by each academy and the invoice scanned) into the FinancialsLive (procurement module). No further authorisation is required.

Where a Purchase Order has not been raised (see 150 above) , the invoice will be processed and sent to the budget holder for authorisation, the budget holder should only authorise an invoice for payment once they are satisfied that the: -

- Invoice is arithmetically correct,
- goods/ services have been received,
- prices are correct.

Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt through the FinancialsLive.

153. If a budget holder is pursuing a query with a supplier, the Academy Finance Officer must be informed of the query and periodically kept up to date with progress.
154. The Central Finance Service produces the details of each payment supplier payment run via purchase ledger and generates the payment. All payments to suppliers are through the BACS system.
155. BACS payments are input by the Central Finance Team and authorised on-line by two signatories in accordance with the banking policy and procedures (see E-procurement and Payments above).

156. Detailed procedures for raising purchase requisitions through Financials Live are available from the Finance Service.

Orders over £8,000 but less than £80,000

157. Up to three written quotations should be obtained for orders between £8,000 and £80,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made and made in accordance with value for money principles.

Orders over £80,000

158. All goods/services ordered with a value over £80,000, or for a series of contracts which in total exceed £80,000 must be subject to formal tendering procedures. For building works this threshold is £120,000.

UK Find A Tender (FTS) service / Government approved Framework agreements

159. The UK is no longer a member of the European Union, consequently the requirement to publish tender opportunities above the monetary threshold limit has expired. We are now required to publish 'qualifying tender' notices on the new UK e-notification service Find a Tender (FTS). The lodging of any such notices will be completed by the CFO or the Trust appointed agent.
160. Wherever possible, Government approved framework agreements should be used for high-value product or services procurement unless there is a reasonable chance of achieving better value through a Trust-run tender process. Where the decision is made not to use a Government approved framework, and the goods or service are specialist in nature, the use of a third-party specialist to support with the compilation and assessment of returned tenders should be sought – any cost for which must be included within the overall assessment of the procurement channel.

Trading with related parties

161. Trust trustees, members and all LGB Governors must complete an annual register of business interests declaration. The Trust Executive and Senior Staff at each of our Academies will complete the same declaration.
162. Where a Trustee, Member or LGB Governor feels that they have a conflict of interest in relation to a specific agenda item these interests should be declared at the start of the meeting and recorded by the Clerk. If appropriate the Director, Member or LGB Governor should withdraw from the meeting for that agenda item, under no circumstances will they be able to vote on any recommendation.
163. Where trading takes place with a related party records of the service/goods supplied should be kept separately together with a statement outlining why this method of procurement represented best value. Related Party Transactions will be recorded in line with accounting standards/ ESFA Accounts Direction and reported separately in the Financial Statements.
164. If the nature of the transaction could be deemed contentious or is between £1,500 and £5,000, the approval of the CEO or CFO must be sought prior to the goods or service being purchased.
165. If the nature of the transaction could be deemed contentious or above £5,000 the approval of The Board Chair must be sought prior to the goods or service being purchased.
166. Any new related party transaction above £40,000 is subject to formal approval by the ESFA prior to the contract being awarded.

Trading with connected parties

167. All our Academies must comply with guidance as stipulated in the Academy Trust Handbook. As with all procurement best value principles must always be adhered to.

Goods and services for private use

168. No goods shall be ordered, or services provided, that include any elements of private use by Trustees, Members, Governors and staff.

Forms of Tenders

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

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with GFC how best to advertise for suppliers e.g., general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
- **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - there is a need to maintain a balance between the contract value and administrative costs,
 - many suppliers would come forward or because the nature of the goods is such that only specific suppliers can be expected to supply the Academy's requirements,
 - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering,
 - independent specialist advice has been taken in relation to the quote and demonstrates that a negotiated tender provides best value.
- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - the above methods have resulted in either no or unacceptable tenders,
 - only one or very few suppliers are available,
 - extreme urgency exists,
 - additional deliveries by the existing supplier are justified.

Preparation for Tender

Please see separate section on 'Management of buildings related capital projects' for the procedure in relation to all major buildings' capital works with a value above £120,000. All goods or services procured through a tender route will be conducted by the Central Finance Team supported by the Centrals Estates and Facilities Director if appropriate.

170. Full consideration should be given to:

- objective of project,
- overall requirements,
- technical skills required,
- after sales service requirements,
- form of contract.

171. It may be useful after all requirements have been established to rank requirements (e.g., mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

172. A tender brief must always be prepared and is reviewed by CFO.

Invitation to Tender

173. If a restricted tender is to be used, then an invitation to tender must be issued. If an open tender is used

an invitation to tender may be issued in response to an initial enquiry.

174. An invitation to tender should include the following:

- introduction/background to the project,
- scope and objectives of the project,
- technical requirements,
- implementation of the project,
- terms and conditions of tender,
- form of response,
- dates for decision and work to be delivered.

Tender Acceptance Procedures

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

Tender Opening Procedures

176. All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:

- For contracts over £80,000 (not buildings) - the **CEO** or the **CFO** plus a member of the F&GP and The Board Governance Advisor.

177. A record of the names of the firms submitting tenders and the amount tendered will be completed and retained. The record is signed by all parties present at the tender opening.

Tendering Procedures

178. The evaluation process should involve at least two people, at least one of whom should have sufficient technical knowledge to assess the offer. If there is some uncertainty as to the technical competence available internally then a third-party specialist must be used. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest, then that person must withdraw from the tendering process.

179. Those involved in the decision process must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

180. Full records should be kept of all criteria used for evaluation and for contracts over £80,000 (£120,000 for building works) a report should be prepared for the F&GP Committee highlighting the relevant issues and recommending a decision.

181. The accepted tender should be the one that is economically most advantageous. All parties are then informed of the decision.

182. Where a third party is used to oversee the tender procedure, the procedures outlined above must be followed.

Management of buildings related capital projects

183. Where one of our Academies is successful in securing funding for a major capital project (in excess of £120,000) consideration will be given to the appointment of a Trust approved agent to manage the project should the relevant expertise to manage the project not be available internally. An agent may be used for all or part of the tender process. For example, an agent can be used to compile and assess returned tenders with the oversight of the contract, once awarded, can be undertaken internally. The decision to appoint an external agent will be made by the CFO.

184. The Trust officer/appointed agent will compile any necessary tender specification, undertake the tender process, and assess each tender response to ensure that it is compliant.
185. The tender will be awarded in line with the tender scoring included within the tender specification. Either the CEO or CFO must approve the selection of the sub-contractor before any contract is awarded. If the winning tender is more than 10% higher than the budget for the project, agreed previously with The Board, the tender must be re-presented to the F&GP Committee for consideration prior to submission for re-approval to The Board.

Insurance

186. The F&GP Committee **annually** reviews insurance arrangements. They ensure that the sums insured are commensurate with the risks facing the Trust and include cover for Trust and Academy property when off the premises.
187. Huish has opted into the Department for Education's Risk Protection Arrangements for its school academies. RPA does not cover all risks, transport and mechanical inspection being the two significant examples. Consequently, the CFO must ensure that appropriate cover is obtained for all risks falling outside the RPA policy that can be insured against. Richard Huish College secures its insurance cover through the commercial insurance marketplace, in doing so it is expected that terms and pricing are comparable to that within the RPA scheme. The CFO is responsible for reviewing these arrangements each year.
188. Budget holders must ensure all valuable are kept under lock and key when not being used in a supervised manner.
189. The first £500 of any equipment replacement is funded by the department concerned as no budget is held centrally. Insurance claims for items under £500 will not be made, the department will need to assess whether the item is replaced or not.

Trustees and Governors Expenses

190. All Trustees, members and Governors are entitled to claim the actual costs, which they incur as follows:
 - childcare or baby-sitting allowances (excluding payments to a current/former spouse or partner),
 - cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner),
 - the extra costs they incur in performing their duties because they have a special needs,
 - the cost of travel relating only to travel to meetings/training courses at a rate of 45 pence per mile which does not exceed the specified rates for Academy staff,
 - travel and subsistence costs, payable at the current rates specified by the Secretary of State for the Environment, Transport and the Regions, associated with attending national meetings or training events, unless these costs can be claimed from the any other source,
 - telephone charges, photocopying, stationery, postage etc.,
 - any other justifiable allowances.
191. The Board and all LGBs acknowledge that:
 - They are not paid an attendance allowance,
 - They are not reimbursed for loss of earnings.
192. Trustees, Members or Governors wishing to make claims under these arrangements must complete a claims form (available from The Board Governance Advisor/individual LGB Clerk), together with the relevant receipts. The form must be submitted to the Finance Service within two weeks of the date when the costs were incurred. Claims will be submitted for approval to the Board Chair for the Trust, the Chair of Governors for an academy LGB or the Chair of Trustees in the case of a designated founding member.
193. Claims will be subject to independent audit and may be investigated by the Board Chair if they appear

excessive or inconsistent.

Gifts

194. Ordinarily gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts over £25 or hospitality over £50 are reported to the Board Governance Advisor for Trustees, the LGB Clerk for individual Academy governors or the CFO for staff to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, can influence purchasing decisions or regularly receives reimbursement from the Academy for items other than travel expenses (see Code of Conduct for Trust Trustees, Founder members and Local Governing Body Governors and Gifts and Hospitality Policy for staff for further details).
195. Gifts that have been reported are entered onto the gifts and hospitality register maintained by the roles outlined above.
196. A review of the gifts and hospitality register should be reviewed by the F&GP Committee on an at least annual basis. Where the receipt of a gift has the potential to undermine the 'arms-length' nature of any contractual relationship with a third party it is the responsibility of the register owner to inform the Chair of the F&GP Committee. If the gift has been received by the Chair of the F&GP Committee the register owner must inform The Board Chair.

Energy Management

197. The Trust procures its electricity and gas services through a central contract for all our Academies.
198. The Estates Management Service is responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis across Huish. Meters should be checked before authorising any invoices from the utilities providers. Any discrepancies or unusual reading should be raised with the GFC immediately. The Estates Management Service ensures that each academy's heating and general building management systems are operated and run as efficiently as possible.
199. All staff have the responsibility to always work in an energy efficient manner (e.g., turning off computers, lights and heating when not required).

Fraud, Bribery and Corruption

200. Huish does not tolerate fraud, bribery or corruption. We have separate policies for Fraud and Anti-Bribery and Corruption. Any Member/Trustee/LGB Governor or member of staff whose actions could be construed as fraudulent, corrupt or being in receipt of a bribe will be dealt with under the relevant policy.

Whistleblowing

201. Huish has a separate Whistleblowing Policy. Any member of staff should direct their complaint in the first instance to the Academy Headteacher/Principal. If the complaint involves the Headteacher/Principal the complainant should report their concerns to the respective LGB Clerk.

Leasing

202. As determined within the Academy Trust Handbook, Finances Leases represent a form of borrowing and are therefore not permitted under any circumstances.
203. Operating leases can be entered into, typical examples being for photocopier fleets or IT equipment. Where an operating lease is being considered any decision must follow the basic principles of best value. In any event an operating lease shall not be entered into for any period beyond three years.
204. The CFO must authorise all operating leases. If necessary, they will seek confirmation from the External Auditor to ensure that the lease meets the appropriate tests. Any IT/photocopying related purchase must be conducted through the central IT shared service.

Pooling of GAG

205. The Trust does not currently pool the GAG it receives on behalf of Academies. A levy will be charged annually for the purpose of covering the costs associated providing central services and executive management of Huish and will be on a pro-rata basis using the GAG for each Academy as the basis.

VAT

206. The GMA is responsible for submitting the VAT return on behalf of the Trust on a quarterly basis.

207. VAT records will be kept by the Finance Service. Each quarter the GMA will combine the VAT transactions for each Academy and submit the VAT return. Transactions at Academy level are recorded in FinancialsLive net of VAT. On receipt of the VAT refund the appropriate VAT control accounts held on the central Trust Balance Sheet are updated by the Finance Service.

Fixed assets

208. The Academy Trust Handbook and Accounts Direction should be referred to for current instruction with regards to the purchase, recognition and disposal of fixed assets.

Asset register

209. All items purchased with a value over £1,000 will be capitalised. A piece of equipment, having a value of £250 or more and a useful life of 3 years or more may be capitalised. This will be at the discretion of the GFC/GMA. All capitalised items must be entered on to the fixed asset register on FinancialsLive with the following details:

- asset description,
- asset number,
- serial number,
- date of acquisition,
- asset cost,
- source of funding (% of original cost funded from grant and % funded from other sources),,
- expected useful economic life,
- depreciation,
- current book value,
- location,
- name of member of staff responsible for the asset.

210. The asset register helps:

- ensure that staff take responsibility for the safe custody of assets,
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse,
- to manage the effective utilisation of assets and to plan for their replacement,
- help the external auditors to draw conclusions on the annual accounts,
- support insurance claims in the event of fire, theft, vandalism or other disasters.

211. Examples of items to include on the asset register include:

- ICT hardware and software (this list can be combined and used to identify software licences to ensure the school is complying with legislation),
- Reprographic equipment – photocopiers, comb binders, laminators,
- Office equipment – fax machines, shredders, switchboard,
- Furniture,
- AV equipment – TVs, SmartScreens, Visualisers, cameras, speakers,
- Cleaning equipment – vacuum cleaners, polishers,
- Catering equipment – ovens, fridges, dishwashers, food processors,
- Technology equipment – sewing machines, craft machinery,
- Premises equipment – lawn mowers, power tools, generators,

- Other equipment – musical instruments, PE equipment,
 - Minibuses (where owned and not leased).
212. Items with a value of less than £1000 and that have not been capitalised as per the above regulation, but that are still considered to be intrinsically valuable – cameras, scientific equipment, workshop equipment etc. should be recorded on an equipment inventory by the department that has purchased the item.

Security of assets

213. All the items in the register are permanently and visibly marked as the Academy property.
214. Equipment is, where possible, stored securely when not in use.
215. An annual reconciliation is undertaken by the GFC or their nominated representative. This person must be different from the preparer of the asset register. Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, if significant and material in value, reported to the Academy Governing Body and The Board.

Disposal

216. Disposals, where applicable, must be made in line with instructions contained within the Academy Trust Handbook.
217. Items that are to be disposed of by sale or destruction must be authorised for disposal by the CFO and, where significant and financially material, should be sold following competitive tender. We must seek the approval of the ESFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

Loan of Assets

218. Items of Academy property must not be removed from Academy premises without the authority of the Headteacher/Principal, or in their absence, a member of their senior team. A record of the loan must be recorded in a loan book and booked back in when it is returned. If the loan item is of material value, i.e., over £1,000, the Headteacher/Principal must confirm that the lender has appropriate insurance in place to cover the loss of or damage to the asset.
219. If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with our External Auditor.