



Trinity Multi Academy Trust

Policy:	Finance Policy
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Date of next review:	May 2021
Lead professional:	David Sheard – CFO
Status:	Advisory

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1. Purpose of policy and guiding principles

- 1.1. Trinity Multi Academy Trust (MAT) as a recipient of public money has an obligation to HM Treasury, the Secretary of State and the Education and Skills Funding Agency (ESFA) in upholding regularity in applying the funds for the operational costs of each academy.
- 1.2. The trust is committed to the transparent use of public funds and to ensure it provides value for money. This policy outlines the financial procedures to be used in any academy in our trust to ensure these are maintained and adhered to.
- 1.3. By implementing this policy each academy will ensure efficient and effective stewardship over its financial activities by a robust system of procedures.

2. Links with other policies or legislation

- 2.1. The ESFA require the trust, by the terms of its funding agreement or supplemental funding agreements, to ensure that strict 'Internal Controls', 'Risk Management' and 'Proper and Regular use of Public Funds' are in place as outlined in the 'Academies Financial Handbook 2017' (or whatever the latest version is).
- 2.2. HM Treasury's 'Managing Public Money' (published October 2007) guidance on financial management in upholding the *"use of its resources efficiently, economically and effectively, avoiding waste and extravagance"*.
- 2.3. HM Treasury's 'Regularity, Propriety and Value for Money' (Published November 2004) guidance to propriety and regularity and 'The 7 Principles of Public Life'.
- 2.4. Any suspected fraud or misuse of funds will be subject to investigation and possibly to disciplinary proceedings as outlined in the Staff Disciplinary Policy. We have a fraud response plan in relation to this as detailed in note 26 within this document. We also have to inform the ESFA as soon as is operationally practical based on its particular circumstances.
- 2.5. Other internal policies linked to the Finance Policy are:
 - Fixed Assets Policy
 - Investment Policy
 - Reserves Policy
 - Charges, Lettings and Remissions Policy
 - Expenses Policy
 - Scheme of Delegated Authority
 - Pay Policy
 - Whistle Blowing Policy

3. Consultation

- 3.1. The Chief Financial Officer (CFO) and the Chief Executive Officer (CEO) as Accounting Officer have been consulted on this policy.
- 3.2. This policy will be reviewed regularly and may be changed to reflect the needs of each academy or the funding regulations from the ESFA as applicable.

4. Governance – Terms of Reference for all Committees, Groups and Sub-Groups

4.1. Members

The Members are the key decision makers and have over-arching power to ensure the ethos and educational vision is embedded in all institutions within the trust. They in turn appoint a Board of Directors (BoD) who are in place to hold the CEO and all Local Governing Bodies (LGBs) to account for the performance of their school.

They have an over-arching and strategic role, ensuring that their vision for the character and ethos of any academy in the trust, and its role in the local education system, is carried forward. They are also responsible for setting the key policies; agreeing and monitoring key objectives; overseeing the trust's budget and accounts; and being involved in Director

appointments. They adhere to the Company Articles of Association, details of which can be found on Companies House (<https://www.gov.uk/government/organisations/companies-house>)

4.2 Terms of Reference – Board of Directors - reviewed annually

Please see Appendix 1 for the Board of Directors Terms of Reference which are reviewed and updated annually.

4.3 Terms of Reference – Audit Committee – reviewed annually

Please see Appendix 2 for the Audit Committee Terms of Reference which are reviewed and updated annually

4.4 Terms of Reference – Commercial Interests Committee – reviewed annually

This Committee of the Board of Directors has been approved to be set up in the financial year September 2017 – August 2018 and Terms of Reference will be agreed by the Committee members when they meet.

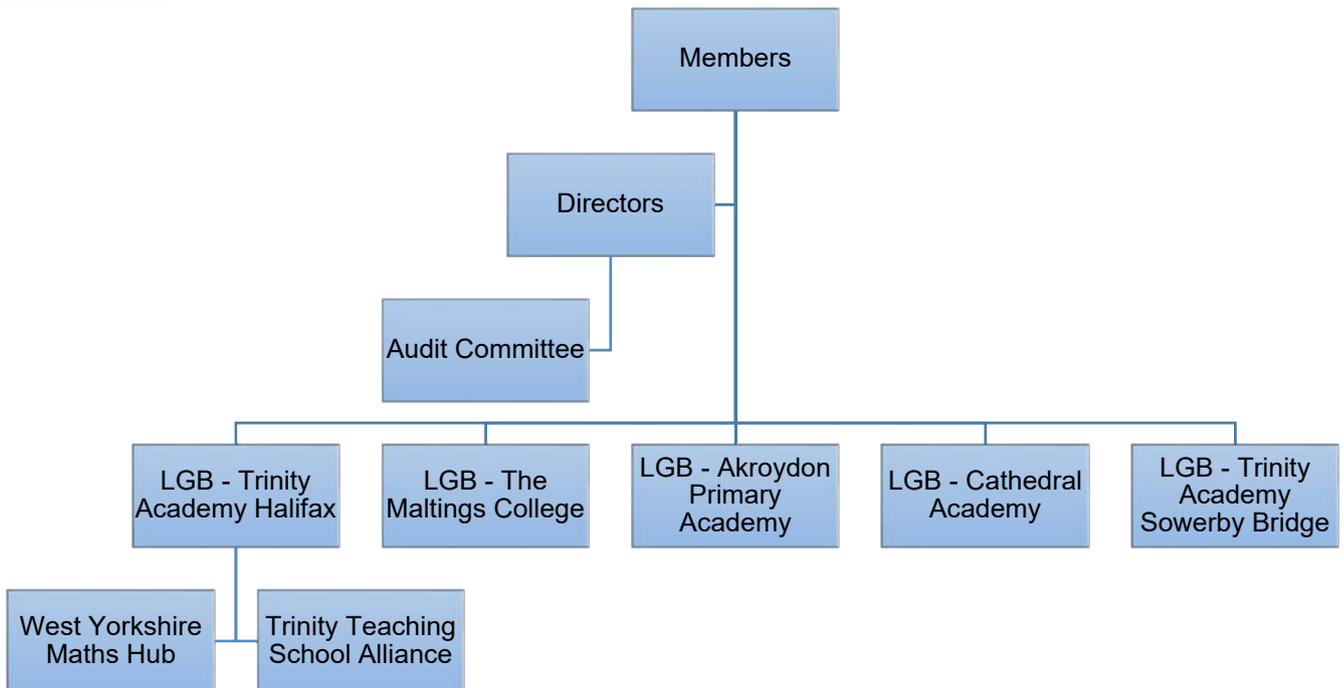
4.5 Terms of Reference – Local Governing Body (LGB) - reviewed annually

Please see Appendix 4 for the LGB standard Terms of Reference which are reviewed and updated annually, they can be adapted to reflect the distinctive identity of each school.

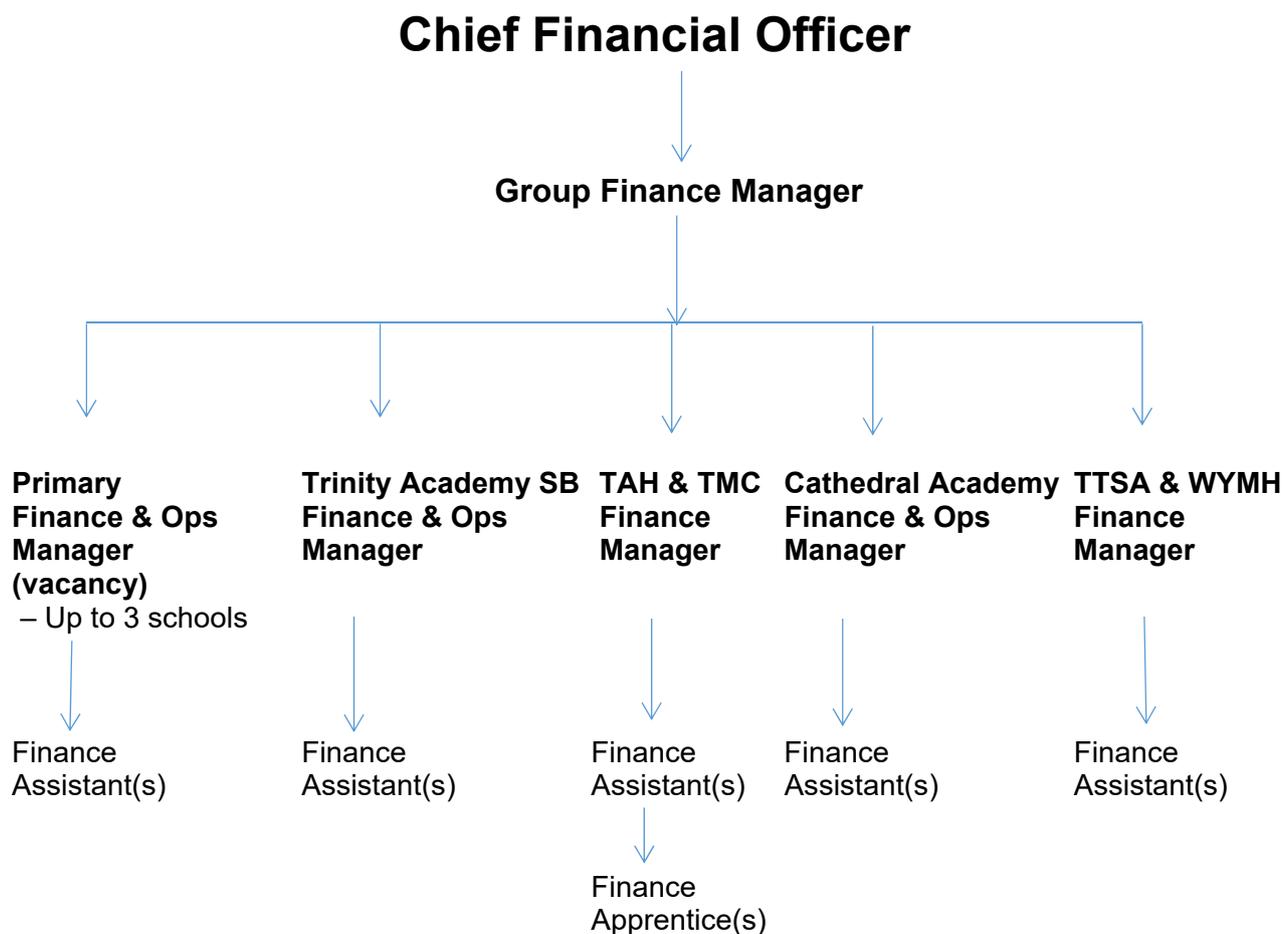
Each Governing Body has the accountability within our MAT Scheme of Delegation to create sub-groups of the LGB as they feel are required for the context and need of each academy in which they govern. Prime examples of these sub-groups are Resources Group, Children, Families and Community Group, Curriculum and Achievement Group.

5. Organisational Structure – Governance and Finance Team

Governance



Finance Staffing



5.1 **Finance Accounting System**

The finance team use an accounting software package called Resource 32000 created by Civica (formally Corero). It is set up to allow for the finance members of staff to be able to input data and create reports for analysis. The system is computer specific but we have moved onto a system which can be access remotely from any site. This access will be provided by 2X Parallels. Previously the accounting package had to be input on the computer hard drive that the finance member of staff uses in order to gain access to the system but as we grow as a multi academy trust access for a variety of systems is needed from various geographical locations. The system has all the basic accounting system functions of purchase and sales ledger, cash book, nominal ledger and trial balance reports and more importantly invoices are scanned into the system for easier analysis via copy invoices.

The accounting package that each academy uses also has an online purchase ordering function that is built around our scheme of delegation. This is called online Resource which gives certain authority for order requisitions to be placed on set budgets (as decided by finance staff) which are in turn sent for approval to the relevant budget holder. Budget holders can review their assigned budgets and expenditure at any point throughout the year. Approval limits are set within the system ensuring that the CFO and/or Principal of each academy are required to add another level of approval in the system if the order is over a specified value or a certain number of quotes are required (see below section 6 for the scheme of delegation).

All members of the finance team have access across the system, although there are certain restricted rights in place (for example a Finance (and Operations) Manager has access to

all functions whereas a Finance Apprentice has limited access in amending budget holders etc.) The system is used to monitor and review all budgets and change/update user access as required. The online programme will be explained in further detail in section 16 for purchase ledger processes.

As the MAT continues to grow it will continue to roll out the common use on its preferred financial package to all schools that join the trust, this may mean that whilst we will always endeavor to achieve this prior to a school joining our trust at times we may have to work with other systems in order to achieve implementation of our MAT chosen financial package. On this basis, we have a range of skilled staff that are familiar with a variety of different school or academy accounting packages (e.g. SIMS FMS) so we can ensure that the transition and support to change systems works seamlessly.

This entire Finance Policy is based on the usage of Civica Resource 32000 and may need to be adapted if there is an interim period whilst the accounting package is implemented in a school that joins the trust.

6. Scheme of Delegated Authority

In accordance with the Academies Financial Handbook (AFH) published for each academic year, Trinity MAT will operate in accordance with the responsibilities defined by role (for example, Members, Trustees/Directors, Accounting Officer) as set out by the ESFA. The AFH is generally updated at least once a year by the ESFA to reflect any changes in funding or legislation and the central finance team and Finance (and Operations) Managers are kept up to speed with any changes that are applicable to our academies.

The MAT has a separate Scheme of Delegated Authority which is kept up-to-date under the Governance section on the Trinity MAT website (www.trinitymat.org), this sets out the Scheme of Delegated Authority for Financial Authorisation Levels. The document is attached in Appendix 5 for reference:

7. Budget Planning

Each Local Governing Body (LGB) are required to:

- Produce a three year budget plan detailing estimates of planned income and expenditure over the next three years.
- Ensure that total planned expenditure does not exceed budgeted income and there is a balanced budget for future years, appreciating that each academy can have a year where it experiences significant changes. If that is the case, it needs to provide a robust financial budget to navigate these changes so that the future financial stability of the trust isn't compromised.
- An in-year deficit budget can be set if there are viable reasons for the position. The budget must be either covered by brought forward surpluses or submitted with to the CFO with an acceptable time scale plan to recover the deficit position.
- Create a budget led by the Finance lead (usually the Finance (and Operations) Manager) of each academy along with the (Executive) Principal, taking into account funding formulas provided by the ESFA and any other funding details available. Future year budgets must be planned in line with projected student numbers.
- Get the three year budget approved by Governors, Resources Group initially who then recommend for approval to the Local Governing Body (LGB), this must be done at least three months prior to the start of the academic year.
- A more comprehensive list of duties and powers reserved for the LGBs and their sub-groups is set out in the Scheme of Delegated Authority in Appendix 5.

The Board of Directors are required to:

- Produce a consolidated three year budget detailing estimates of planned income and expenditure over the next three years.
- Create a MAT budget led by the Chief Finance Officer along with the Accounting Officer, taking into account funding formulas provided by the ESFA and any other funding details available.
- Ensure the three year budget which consolidates all academy budgets is approved by the Board at least three months prior to the start of the academic year and submitted to the ESFA accordingly, current deadline for this is 30 July.

7.1 **Budget Planning Process**

The process of creating the three year budget is as follows:

- Through the weekly staffing meeting the Vice Principal's, Principal, Executive Principal and other Senior Leaders in an academy arrive at a suitable teaching staffing model and any vacancies identified alongside a support staffing plan to assist the teaching requirements. This is assisted with a Financial Led Curriculum Planning model to ensure the curriculum offered is value for money whilst being able to offer an outstanding teaching and learning environment.
- The ESFA notify each academy via the CFO of the MAT of their School Budget Share or General Annual Grant income allocation by the end of March for the following year's income.
- The CFO, along with the finance lead in each academy and input from the (Executive) Principal of each academy arrive at a suitable one year budget in their meeting based on the overall staffing position known, assuming a performance management increment and all other budgets pulled together based on historic information alongside any other potential areas for movement in the coming periods.
- This is then developed in mind for the following two years including any other projects or amendments known at that time, including any changes to student numbers.
- The CFO or Finance lead in each academy then holds meetings with all Budget Holders to discuss and agree the projected budgets for the following financial year. The aim is to ensure there is an acceptance and understanding to work within the agreed budgets in the coming financial year. Budget holders sign off a sheet annually once agreed to approve they have been involved in setting the budgets.
- Once all is confirmed, the budget is submitted to Resources Group for approval.

7.2 **Budget Implementation**

Once the new budgets have been approved, the CFO delegates to the Finance (and Operations) Manager to create the budget on the accounting system for the new academic year.

Capitation (or departmental spend) letters are created and sent in advance of the new budgets going live. This allows budget holders to designate duties of placing requisitions to a member of their respective teams. For example, Curriculum Leaders will be the budget holder for their area and will delegate to another member of staff to be able to place purchase orders on the system (e.g. a Technician and/or a Deputy Curriculum Lead). The budget will be 'live' on the first day of the academic year ready for requisitions.

7.3 The Budgetary Cycle

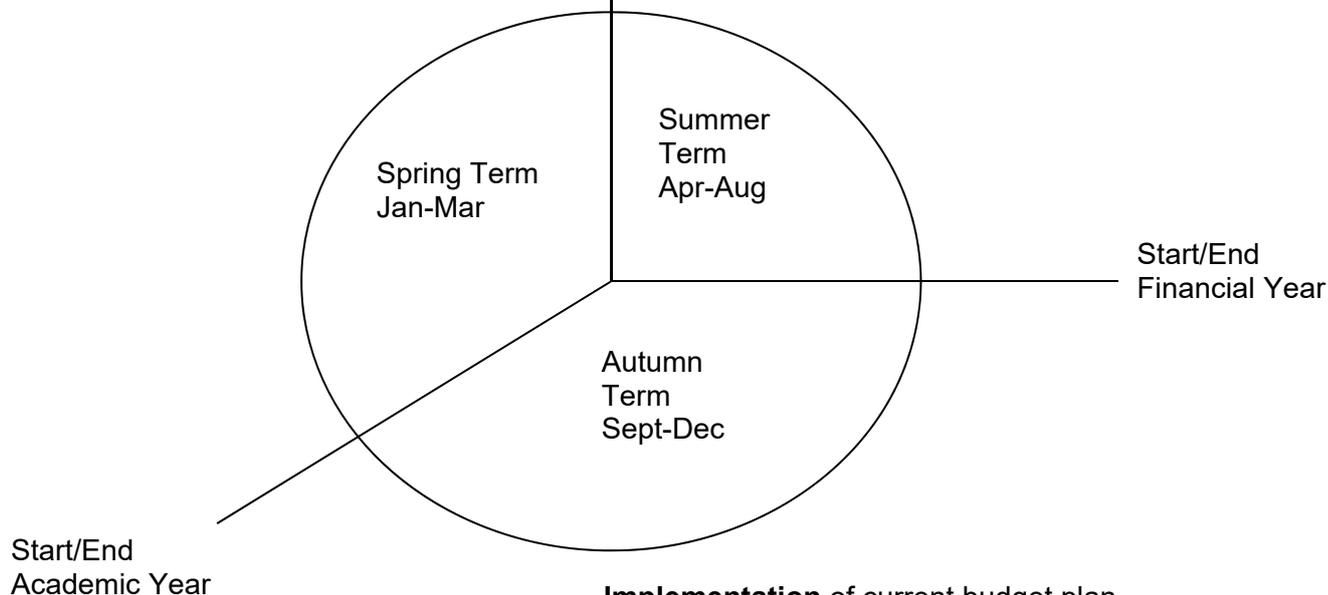
Monitoring and **Reviewing** of the 3year budget

Pre-planning new financial year

Planning for forthcoming year

Preparation of Budget plan

Review of current year's budget



Implementation of current budget plan

Monitoring expenditure (continuous-monthly)

Reconciliation and closure of previous financial year

8. Reporting

Each academy produces reports for both internal and external use.

8.1 External Reporting

The MAT central finance team adheres to the ESFA Budget Reporting cycle:

- Annual Accounts Return (AAR) consolidated due 19 January of each year.
- Budget Forecast Return (outturn) due by 18 May of each year.
- Budget Forecast Return for following year due 27 July of each year.
- Annual Financial Statements (Audited) for the year ended 31 August of each year ready for filing with Companies House and the ESFA by 31 December each year and accounts published on each academy website by the expected date (currently January).
- Inform and liaise with Directors on their responses to the "Dear Accounting Officer" Letter sent by the ESFA on an ad hoc basis.
#The dates could change as directed by the ESFA#

The production of these reports adheres to SORP and up-to-date legislation relating to accounting treatments.

Other External Reporting is as follows:

- Teachers Pensions End of Year Certificate (externally audited prior to submission).
- Teachers Pension Monthly Data Collection submission.
- West Yorkshire Pension Fund – Monthly Return.

- Any other reporting as required (e.g. reporting on funds spent from additional grants or Teaching School audit reporting on spend).

8.2 Internal Reporting

The multi academy trust in its efforts to ensure sound financial management has an internal reporting procedure in place. This is predominantly controlled by each Local Governing Body who in turn has the authority to install a Resources Group in which to receive financial updates and review the Operational Risk Register for each academy.

For each Resources Group meeting the Finance (and Operations) Manager will produce an up-to-date budget position for Governors. This includes a future expected expenditure report and provides a general overview of the current financial performance of each academy. The Resources Group are also kept up-to-date with any activity that may affect the financial position of each academy within the year.

On a quarterly basis the Finance (and Operations) Manager of each academy produces a Cash Flow Forecast and reports to the CFO to ensure that each academy is keeping in line with the cash flow predictions. This also ensures it is adhering to the Investment Policy and that future expected cash flows are being monitored alongside the annual budget.

8.3 Budget Management

Performance Analysis

The Finance (and Operations) Manager monitors actual spend versus budget spend analysis and produces a budget monitoring report for the CFO and Principal of each institution:

- September to October expenditure reviewed in December.
- September to December expenditure reviewed in February.
- September to February expenditure reviewed in April.
- September to April expenditure reviewed in June.
- September to August expenditure reviewed in September/October alongside the annual accounts review.

The Finance (and Operations) Manager will highlight any variances above the expected budgeted spend for the period and review them with the CFO.

Each academy will need to finalise an accurate September to March actual expenditure position in order for the central MAT finance team to submit the Budget Forecast outturn to the ESFA, the current deadline for this is the 21 May.

Any variances will be discussed and discussions/adjustments arise out of these meetings and are acted on as required and reported accordingly to the relevant Principal or Governing Body.

9. Audit

9.1 Audit Committee

The following principles are set out in the Academies Financial Handbook that ensure the academy trust **must** establish a committee, appointed by the Board of Directors, to provide assurance over the suitability of, and compliance with, its financial systems and operational controls. Taking into account the differing risks and complexity of their operations:

- all trusts with an income of over £50 million **must** have a dedicated audit committee.
- all other trusts have flexibility to establish a dedicated audit committee, or to include the functions of an audit committee within another committee.

The trust has decided to establish and maintain a central Audit Committee (AC), appointed by the Board of Directors, which focuses on providing assurance that all risks are being adequately identified and managed via internal financial controls through a programme of work.

The committee as set out in their Terms of Reference, will focus on providing assurance to the Governors and Trustees that all risks are being identified and managed via the internal audit reports and submission of the Strategic Risk Register for the MAT. Each academy LGB is responsible for maintaining its own academy Operational Risk Register. Any residual risks that highlight in red above 15 are reported to the AC by exception given the potential impact the identified risk could have on the trust.

9.2 **Internal Audit Function**

As per the above we have chosen as a trust to have a specific Audit Committee (AC) who will meet at least three times per year. The decision was taken to appoint an internal audit function to work with the MAT and supply independent assurances or concerns on a range of areas within each academy and centrally. The areas are chosen specifically by the AC and dates are arranged with management to comply with the relevant review of the chosen area. Identified reviews cover strategic and financial planning; risk management; business continuity planning; governance; financial systems health check among several others. The AC have the autonomy to amend the review areas in light of current issues or when risks are highlighted of more concern during the year.

The AC have decided (in conjunction with management) to appoint a company responsible for performing the range of risk checks on each academy with reports submitted at least twice a year to the AC for review of the specific area with actions as required. Overall the internal auditors will evaluate the adequacy of risk management and control within the systems and the extent to which controls have been applied and adhered to.

9.3 **Annual Accounts Audit**

At the end of each academic year, the trust must produce a set of independently audited financial statements to 31 August of that year prepared under Charities SORP (Statement of Recommended Practice) [SORP] 2015 as amended by Charities SORP (FRS 102) and that they comply with the Companies Act 2006. The trust must submit the audited accounts to the ESFA by 31 December of that year and file the accounts with the Companies Registrar as required by the Companies Act 2006.

In conjunction with the financial statements audit, the auditors will compile a regularity report to provide assurances that all income and expenditure received during the year has been applied for the purposes in which it has been intended. The financial statements have to be published on the trust website by 31 January (following the year end 31 August) and two years accounts should be retained on the trust website.

An external audit team are appointed by the Audit Committee to certify that the financial statements give a true and fair view and that the trust continues to be a going concern. The Financial Statements and the findings report are sent to the Audit Committee for review and approval. They are then in turn offered as a recommendation to the Board of Directors for approval at the annual general meeting which is usually in November/December of every year, at which the Accounting Officer and Chair officially sign off the accounts.

There is a general requirement that the external audit process should be re-tendered every 3-5 years and the AC will form part of the review of the tender document and appointment of the new external auditors alongside management.

9.4 **Teachers' Pensions Audit**

To comply with the rules set out by the Teachers' Pensions (TP) the MAT will appoint an auditor to test the application of the scheme rules. The external auditors are usually the named auditors to review the payroll reports, check the TP workings, report their findings and sign off the Audit Report required by Teachers' Pensions before submission. This is done for every institution within the Multi Academy Trust.

9.5 **Declaration of Interests (DOI)**

As part of the annual audit process we are required to maintain a declaration of interests register which is checked for accuracy annually. This annual update should cover Members, Directors, Local Governors, Senior Leaders and Finance staff in all schools. It is the responsibility of each individual to update HR and Finance if anything changes during the year.

Every member of staff is required to sign a DOI form prior to starting with the trust and it is the individuals responsibility to inform the trust HR department if anything changes in that regard during the year. Appendix 11 shows an example of the declaration of interests form which are updated annually on our website as per ESFA guidelines.

10. **Banking**

10.1 **Choosing an Account**

- The trust is responsible for selecting the banking institution and negotiating the terms and conditions. This is currently held with Lloyds Banking Group.
- The Board of Directors must authorise the opening of all bank accounts.
- Terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts are at the discretion of the Chief Finance Officer and Accounting Officer.
- Each academy must ensure there are sufficient funds to cover large payments.
- A current account can be opened to enable invoice payment either by cheque or BACS payments. This account may pay interest on the balance.
- Also a term deposit account can be opened for each academy and the trust. The account can hold each academy's main balance or amounts can be transferred in order to attract a higher level of interest. Please see Investment Policy for further clarification.

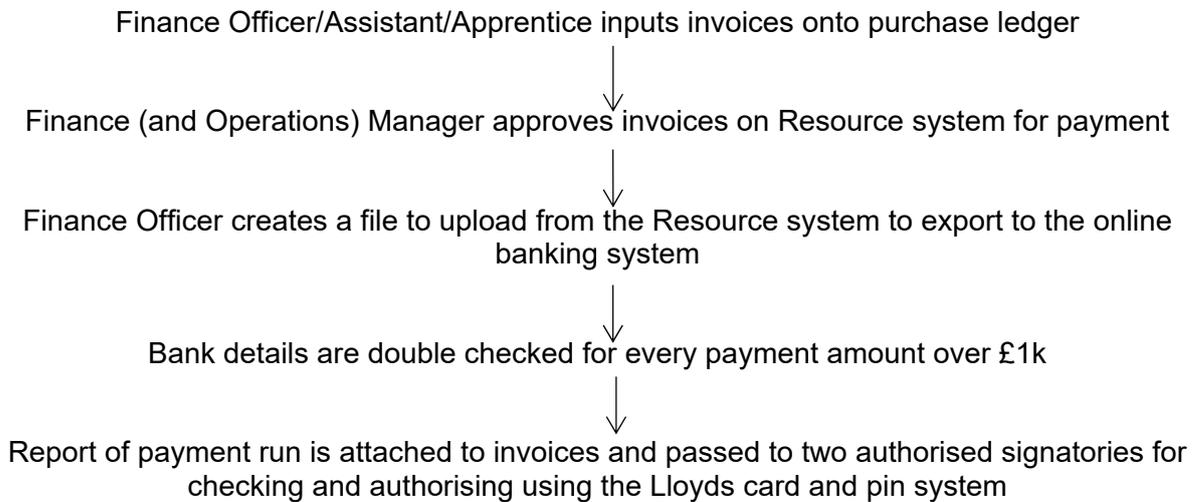
10.2 **Bank Mandate**

- All cheques and BACS payments require two signatories for internal control purposes.
- At least four signatories should be registered for all MAT accounts (CEO, CFO, HR Director, CEO PA, Executive Principals, as appropriate).
- At least four signatories should be registered for each academy consisting of Executive Principal, Principal, Principal's PA, Vice Principals and/or Assistant Vice Principals).
- The bank mandate must be updated when relevant staff leave the employment of each academy and this is the responsibility of the Finance (and Operations) Manager.

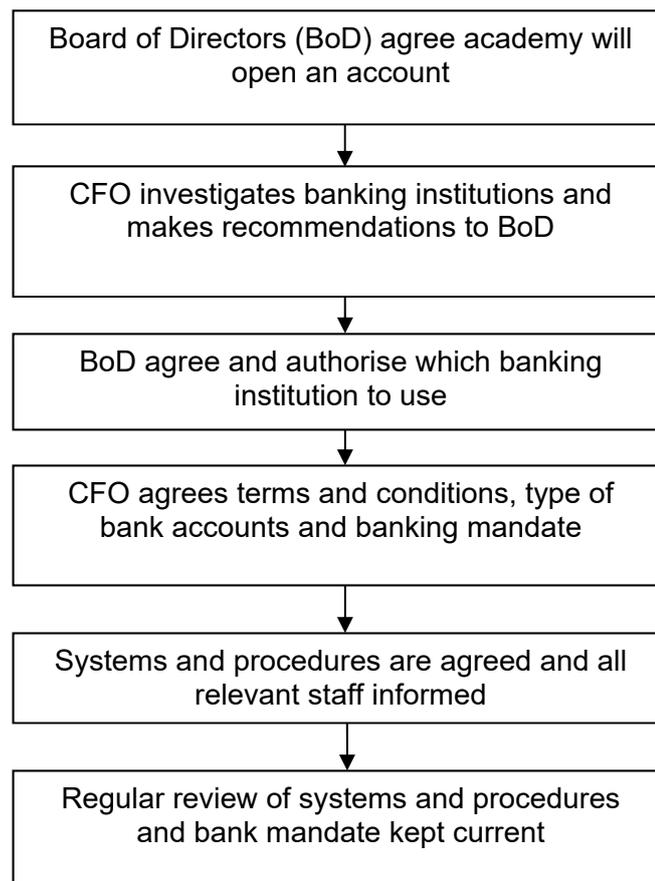
10.3 **Controls of the Bank Account**

There must be a segregation of duties between the authorisation, preparation and issue of cheques/BACS. No one who prepares and issues the cheque may also sign it, without a second signatory who has not been involved in the cheque's preparation and issue.

Flow Chart of payment process BACS and Cheques



10.4 Flow Chart – Opening a Bank Account



10.5 Cheques

- Banks will supply cheque books. All cheque books must be stored securely; only members of the Finance Team are allowed access or know where they are.
- Cancelled or returned cheques must be retained and attached to the corresponding stub in the cheque book with a reason to why it has not been cleared.
- Cheques are only used as a back-up payment process.

10.6 Cash Flow

- As each academy bank account cannot go overdrawn, cash flow is monitored closely.
- The Finance (and Operations) Manager checks the bank account daily and balances at least once a month to the Resource accounting package. A cash flow statement is produced for the CFO who discussed any large unexpected payments or amendments within the last month's activity to the CEO or (Executive) Principals, as appropriate.
- All relevant parties are made aware of any large payments which could cause problems due to payment limits or cash flows.
- We will inform the ESFA if there is any anticipation of a temporary cash flow problem with reasons for the problem.
- Cash flow is monitored to ensure there is parity between cash flow and budget expenditure.

10.7 Bank Reconciliation

The bank is reconciled on a monthly basis and completed within 30 days of the month end. The Finance (and Operations) Manager is responsible for the bank reconciliation. This is done through the ticking reconciliation section on Resource and each month is signed off and filed for audit purposes. This is done for all bank accounts, including any current account, endowment/trip and deposit accounts where applicable. Sample checks to ensure accuracy are preferred but it is appreciated that for some academies the segregation of duty and chain of command is so linear that this can be a work in progress to achieve.

11. Direct Debits

Direct debits are used only for the following services to give each academy more control over its bank accounts:

- Utilities such as Gas, Electric and Water.
- Rates – Local authority Business Rates.
- Services such as Postage and Telephones.

Directors and Local Governing Bodies delegate authority to the signatories within each academy to use direct debit arrangements where appropriate but each academy must:

- Record each direct debit set up, listing payment details, dates, length to run etc.
- VAT can be re-claimed, provided supplier submits a VAT statement.
- Reconcile direct debits regularly.
- Be aware of direct debit payments due when calculating cash flow.

12. Supplier Set-Up Procedure

Before setting up a new supplier on the Resource system the supplier has to complete a new supplier form in which it asks for the company details, an example of the form is on the next page.

This procedure is in place to remove an element of fraud risk and to verify that the company is a bone fide entity recognised by Companies House. The delegation for approving new supplier forms falls with the Finance (and Operations) Manager and the Finance department but if there are any concerns they should be raised to the CFO.

Each academy has a supplier form bespoke to their institution with their specific contact details on, all contractual information is stored in the links section of the purchase ledger supplier account on Resource.

Any self-employed suppliers are checked for IR35 compliance to ensure we adhere to HMRC guidance for each relationship and the online question form

(<https://www.tax.service.gov.uk/check-employment-status-for-tax/setup>) is used to ensure we are compliant. All parties that utilise self-employed staff are aware of the rules in regards to IR35 and substitution of the roles in regards to this.

New Supplier Account Details

FOR FINANCE USE ONLY:

Supplier Number



FOR SETTING UP A NEW SUPPLIER PLEASE FILL IN THE BOXED AREAS BELOW AND E-MAIL THE FORM AND SUPPORTING DOCUMENTS TO accounts@trinityacademyhalifax.org OR FAX IT TO 01422 240033

Supplier Name	<input type="text"/>		
Address Line 1	<input type="text"/>		
Line 2	<input type="text"/>		
Line 3	<input type="text"/>		
Line 4	<input type="text"/>		
Line 5	<input type="text"/>		
Post Code	<input type="text"/>	<input type="text"/>	
Country	<input type="text"/>	<input type="text"/>	
Telephone	<input type="text"/>	Fax	<input type="text"/>
Contact Name	<input type="text"/>		

E-mail address for future BACS Remittance	<input type="text"/>		
Supplier Bank Sort Code	<input type="text"/>	<input type="text"/>	<input type="text"/>
Supplier Bank Account Number	<input type="text"/>		
Branch Address	<input type="text"/>		
	<input type="text"/>		
	<input type="text"/>		

Credit Terms (Days)	D30		
Payment Method	BACS only		
Regular Supplier	<input type="text"/>	One Off	<input type="text"/>
VAT Reg Number	<input type="text"/>		
Company Reg Number	<input type="text"/>		
First Trade Reference			Second Trade Reference
Company Name	<input type="text"/>		Company Name
Address	<input type="text"/>		Address
	<input type="text"/>		
	<input type="text"/>		

Authorised by	Name	<input type="text"/>	
	Position	<input type="text"/>	
	Date	<input type="text"/>	Tel <input type="text"/>

Please note all forms must be accompanied by a paying slip with the account details preprinted directly from the bank. Failure in doing this will result in payments being delayed. All forms must be signed by a company director.

FINANCE USE:

Created by	Name	<input type="text"/>
	Date	<input type="text"/>

13. Credit Cards

- The following staff are authorised users and hold academy credit cards. They have read and agreed to follow the procedures detailed below:
 - MAT CFO
 - MAT Head of External Initiatives (HoEI)
 - ICT Network Manager
 - Premises Manager
 - Akroydon Primary Academy (APA) Principal
 - APA Finance (and Operations) Manager
 - The Maltings College Principal
- The CFO, HoEI, ICT Network Manager and Premises Manager are central MAT roles across all academies in the trust and these credit cards will be migrated to a central bank account as the MAT grows.
- In each academy there will usually be up to two roles responsible for the ownership of a credit card and adherence to the procedures set out for credit card use. This will normally be the Principal and/or the Finance (and Operations) Manager. Either the CEO or CFO can approve any change to this ruling.
- Each academy will review and control the use of the cards, finance staff will oversee the following:
 - a. The spending limit on each of the cards, this is currently set at:
 - CFO - £12,000*
 - HoIE - £5,000*
 - ICT Network Manager - £3,500*
 - Site Team - £1,500*
 - APA Principal - £5,000*
 - APA Finance (and Operations) Manager - £5,000*
 - The Maltings College Principal - £5,000**Any new card for academies that join the trust will be allocated a limit of £5,000, any limits higher than this are only upon direct approval from the CFO or CEO.*
 - b. Card payments must be reconciled on a monthly basis with all receipts and signed off by the line manager or Principal. The Finance (and Operations) Manager will sign and approve when reconciling the payment to the credit card provider. The CFO and HoIE cards must be approved by an (Executive) Principal or CEO.
 - c. Each academy Principal's credit card statement must be signed off by the Principal and approved by the Finance (and Operations) Manager of each academy. The CFO or CEO can approve in the absence of an approver.
 - d. Each Finance (and Operations) Manager credit card statement must be signed off by the individual and approved by the Principal of each academy. The CFO or CEO can approve in the absence of an approver.
 - e. Cards can only be used in conjunction with the core purpose of each academy and any discrepancy will be investigated. If the use is found to be not in line with academy business the user may be subject to disciplinary proceedings.

14. Security and Back-up

- The Civica Finance System is stored in an exclusive area of the server which is only accessible by certain members of staff (primarily the finance department) to maintain confidentiality. The accounts package is password protected and is changed every 90 days as an internal control.
- The system is backed up every four hours to the server.
- Spreadsheets containing budget and salary information are password protected.
- The trust uses Parallels Client '2X' as a remote desktop facility so users can access the finance package remotely and securely.

15. Purchase Order Processing

Trinity Multi Academy Trust use an online ordering system called online Resource 32000 that is part of the Civica Accounting package to keep costs down on paper and printed order books. The system allows purchase ledger invoices to be scanned and linked to the invoice on the system, which saves a lot of time with filing and when reviewing prior spend.

Only designated people are allowed access to the system and their log in details are created and managed by the finance team. There are different levels of access which offer different levels of authority. Budget holders are allowed a responsibility level either 1 or 2 which ensure they can monitor and review their budgets. Staff that can place requisitions on the system have a responsibility level of 0 which gives them simple access to request an amount of spend which has to be approved by the budget holder.

The annual budget is spilt down to various cost centres to allow for operational use for each academy.

The Principal or Finance (and Operations) Manager of each academy are responsible for setting who the Budget Holders are. Although they can be amended to suit each academy they generally consist of the following groups of individuals:

Senior Leadership Group, Principal's PA, ICT Network Manager, Curriculum Leaders, Site Manager, Catering Manager, Data Manager, Exams Manager, Finance (and Operations) Manager.

The process:

- When goods are identified as needed, a requisition is placed on the online system by a delegated person, this is to ensure a segregation of duties (i.e. not the same person ordering and approving).
- An email is sent to the Budget holder notifying them that there is an order to approve.
- The budget holder logs on and approves the order within the scheme of delegation limits (i.e. items over £1,000 require further approval and require three quotes).
- The approved order then awaits the allocation of an order number on the accounts package.
- The Finance Officer, on a daily basis, checks the Purchase Order Processing section and pulls through any approved orders and the system generates an order number. This is then sent either by post, fax or email to the suppliers.
- Orders are kept as 'Live Orders' on respective supplier accounts and matched off when the goods/service are received and the invoice posted to the account.

Only members of the finance team can place requisitions on all budgets and have access to review these budgets. This is to enable the team to provide support when necessary. Confidentiality of budget information is to be maintained at all times and staff have to be specifically approved to be able to view other budgets.

At least annually the live orders system is reviewed and checked to make sure any orders that are over four months old are dealt with accordingly (cancelled, chased for invoice etc.)

16. Purchase Ledger – Goods receipt, invoices, returns and payments

- Goods that are delivered to each academy can only be accepted by either the main reception, a member of site team at the dispatch area or catering goods at each academy kitchen entrance.

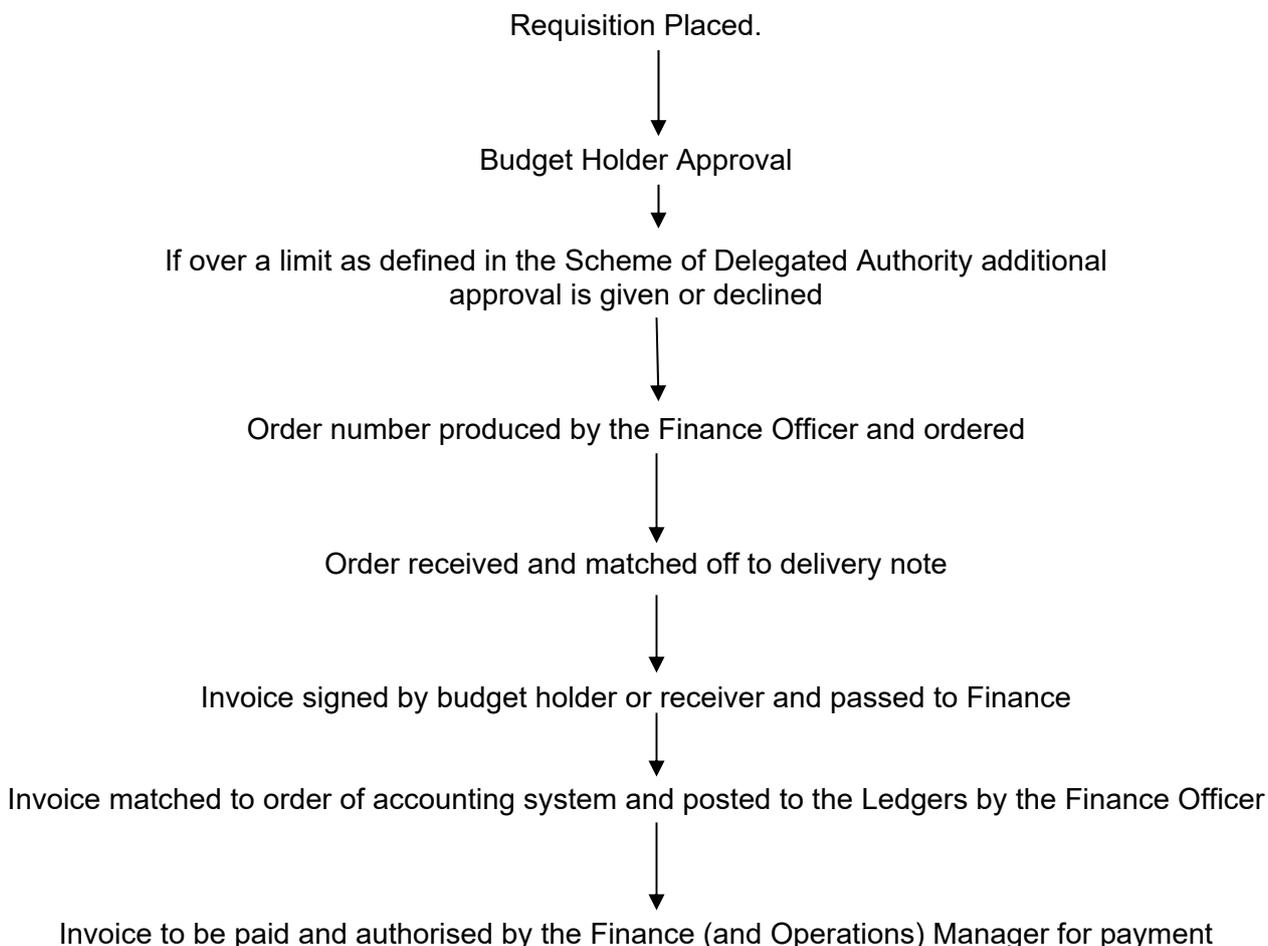
- Once received, items are then delivered (usually) by the site team to their respective area (e.g. books to English), the order is checked to make sure all goods have been received by either a Curriculum Leader (Budget Holder), a Deputy Curriculum Leader or Technician (if applicable). Once checked the delivery note and/or invoice are signed off and passed to finance to say goods have been received with no discrepancies or faults.
- If there are missing items of stock compared to the delivery note or goods arrive that are damaged or faulty, this is raised with a member of the finance team who will endeavour to resolve the issue in a timely manner. Invoices will not be processed on the system or paid until an adequate resolution is met.
- Once the goods are signed off, the Finance Officer will process the invoice on the system matching it off to the order placed. The delivery note is attached to the invoice.
- The Finance (and Operations) Manager on a weekly basis approves a payment run by selecting invoices that are due for payment. Each academy terms for payment are 30 days from invoice date unless other terms are stipulated by the supplier.
- The Finance (and Operations) Manager approves the invoice on the Resource accounting package by selecting the 'Approve Invoices' function within the supplier section of the package. The accounts package populates the bank run on a file once the invoices have been approved. It does not allow for invoices to be paid that are not approved on the system.
- The Finance Officer then exports a bank run file to the online banking system and prints a report payment summary listing all the suppliers and their payments.
- The payment run is then handed to an authoriser (one of the six as outlined in Section 10.2). They then go through the process of approving the payment online using the Smartcard process and sign the summary sheet (an extra layer of security is added with authorisers sample checking bank details to invoice within the payment run).
- The payment is then passed to a second authoriser to again sample check and authorise and sign the summary.
- An email is generated by the bank and notifies the Finance (and Operations) Manager that the run has been approved and is ready for submission.
- The Finance (and Operations) Manager checks the amount on the payment summary to the amount on screen and submits the payment run.
- Once the run is submitted it is passed back to the Finance Officer who stamps it with the payment date and then files it in a secure filing cabinet that only members of the finance team have access to.
- The invoices are filed in payment date order by BACS payment processed, the Resource finance system has invoices scanned in for ease of viewing.

Services supplied to each academy go through the same process for posting but the docket left by the company is treated like a delivery note and signed accordingly.

Invoices and paperwork for returned or missing goods are placed in a hold file until resolved. The Finance (and Operations) Manager checks weekly for an update on conclusions to invoices and orders in dispute to ensure a timely resolution.

There may be extenuating circumstances to which a 'Faster Payment' is required to secure goods/services. This is solely under the discretion of the Principal or CFO but requires the same level of budget holder approval however the payment can be sent through a quicker system. The payment still requires two online approvers on the bank system.

A Guide to the Purchase Process:



17. Procurement and Tender Procedure

17.1 Procurement

As set out in the summary Scheme of Delegated Authority (Finance) there are limits for approving purchases but also the obligations Trinity MAT has as a public body in securing contracts under the OJEU Public Contract Regulations 2006. The threshold is reviewed annually in January of each year. For purchases over £100,000 each academy will adhere to these regulations and seek external professional support when necessary.

For purchases less than £1,000 then a preferred supplier can be used.

For purchases £1,001 - £5,000, three written quotes must be acquired unless agreed by the CFO and/or (Executive) Principal. Evidence of this process must be sent to the Finance (and Operations) Manager and logged for audit purposes.

For purchases £5,001 - £25,000, a minimum of three written quotes must be acquired. Evidence of this must be sent to the Finance (and Operations) Manager and logged for audit purposes. This amount of spend must be approved by the Local Governing Body.

For purchases £25,001 - £50,000 a minimum of three written quotes must be acquired. Evidence of this must be sent to the Finance (and Operations) Manager and logged for audit purposes. This amount of spend must be approved by the Accounting Officer and CFO. OJEU rules may apply also.

For purchases £50,001 or above a formal tender process of the requirements are sent to selected suppliers who are invited to place a bid for the works or supply of services to each academy. If the amount of the contract is over the OJEU threshold then each academy will follow the process as set in the regulations for public bodies. The Finance (and Operations) Manager will document this process for audit purposes. The bids for tender will be judged on their merits covering the specification as set out on the tender document and also what Value for Money it brings to each academy. Each academy may not necessarily choose the cheapest option but will choose the best option for each academy and will document its decision for audit purposes. This amount of spend must be approved by the Board of Directors.

17.2 **Tender Document**

An invitation to tender document is prepared when a contract for services or supplies is needed. It is sent to companies inviting them to submit a tender to each academy. It should include the following:

- Introduction – general information about each academy and what services/supplies are required.
- Instructions to Tender – on who to contact should there be any questions and also how to submit the tender.
- Freedom of Information (FOI) – the adherence of the FOI act and how information will be treated.
- Evaluation Criteria – the factors in which the bid will be judged.
- Site Visit – the tendering contractors are invited to visit each academy to get a better understanding of the requirements.
- Short-Listed Tenders – explanation of the requirements of short listed companies in regards to the product or service offered. This may include an invitation to present their tender details to a panel made up of a member of the Audit Committee, the CFO and the Accounting Officer.
- Declaration – a section for signatures stating what information has been provided by the tendering contractor is true and correct.

18. **Sales Invoicing – Types of invoice and frequency**

The majority of income into each academy is grant money from the ESFA. This is for the day-to-day operations of each academy to pay for staffing and building running costs to provide an education for the students that attend it. Each academy can use the facilities it has (when not in school use) to raise extra forms of income through external hire and will always review the possibilities of increasing any forms of viable income streams that don't impact on the day-to-day school activities. Each academy operates alongside the 'Charging for School Activities' Notice published by the ESFA on an annual basis.

18.1 **Music Lessons**

All academies can provide a part subsidised service of peripatetic lessons in singing, guitar, piano, woodwind, brass and drums. The rate per instrument per academy will vary based on the academy, staff cost and staffing capacity. The invoices are raised on a termly basis and payment must be received by the end of the term for the student to be able to continue on the programme. The level of subsidy and review of the subsidy is delegated to the CFO.

The discretion of how to coordinate the production of sales invoices is delegated to the Finance (and Operations) Manager in each academy as long as students pay in full to avoid the risk of being removed from lessons. Parentpay and any other suitable forms of payment mechanism are acceptable forms of managing payment of lessons.

18.2 Lettings and Hire

Each academy can make use of its facilities out of academy hours in order to raise additional income for the benefit of their students. The lettings are managed by the Sports and Lettings Manager, the Site Team or any other qualified person in accordance with the Charges, Lettings and Remissions Policy. The invoice frequency is at the time of the booking. Prompt payment is expected to ensure bookings can be confirmed and held for the relevant party.

If academy facilities are used for extra-curricular clubs or out of school enrichment the application of a charge is at the discretion of the Principal or (Executive) Principal.

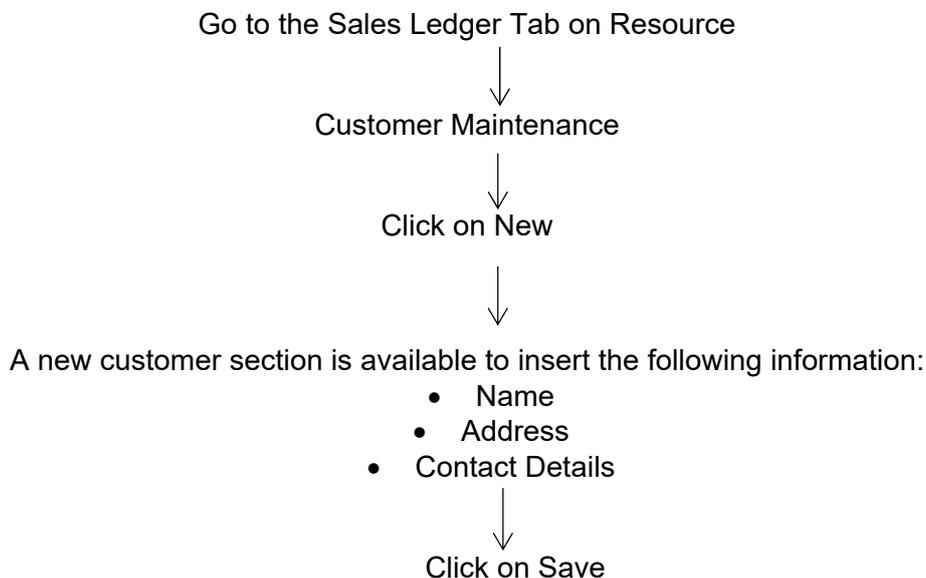
Any form of 'before' or 'after' school club are dependent on need and are managed by the Finance (and Operations) Manager in each academy. The charges are at the discretion of the Principal of each academy.

18.3 Equipment and Damage to Academy Property

On occasion it is necessary that each academy will invoice students, parents and/or staff for lost or damaged equipment of a negligent nature. Under the Education Act 1996 section 7 each academy reserves the right to charge the cost or replacement fee for such items. All invoices will be at cost plus any applicable administration charge and the relevant VAT rate applied.

18.4 Customer Set-up

When it is necessary a new customer needs to be set up on Resource, the following procedure is applicable:



18.5 Invoice Process

We are increasingly starting to invoice out for elements of our skills and expertise. The invoices could be in the form of CPD offered to external providers, deployment of staff through the Teaching School Alliance, hire of our external facilities, internal music lessons etc.

The process example, using Music lessons for Trinity Academy Halifax is:

- A list of students is sent from the Music department of those attending peripatetic lessons.

- The Finance Officer cross references the list against SIMS to check that no student who is in receipt of Free School Meals is invoiced in error.
- The Finance Officer makes sure the parent/carer is set up on Resource as a customer.
- On the Finance system, go to the Sales Invoicing Tab and then Transactions.
- Go to Invoice Entry.
- Select the Customer and check the invoice number is pre-populated from the last one raised.
- Go to Lines, complete the Product Code section, ensuring this is the correct income code. Complete the description e.g. Term number and child's name, type in the price, £25.00, ensure the Department (Budget) is correct and that the correct VAT Code is applied and then click Save.
- Go to Reports section and Print Sales Invoices.
- Click on the document required e.g. Invoice or if needed Credit Note.
- Print the document, after checking details are correct and save.
- Go back to Transactions and Post Invoices and check the update file and save. At this point the invoice is updated to the Sales Ledger.

19. Debtors Procedure

The Sales Ledger is analysed twice a month by the Finance Officer and highlights any outstanding debts to the Finance (and Operations) Manager. Payment is expected within our standard payment terms which are 30 days unless other payment terms have been specifically agreed by the CFO.

If debts become overdue and are looking unlikely to be cleared and received the process is stated below:

- Overdue Payment – a phone call is made to the debtor by either the Finance Officer or the Finance (and Operations) Manager.
- First Letter Reminder – sent on behalf of the CFO notifying the debt is overdue and payment is required as soon as possible.
- Final Notice prior to Court Proceedings – a strongly worded letter highlighting that the debt has not been settled and that each academy intends to initiate court proceedings to reclaim to the debt.
- Initiate Small Claims Court Proceedings – if the debt still isn't cleared or there is no indication or attempt to clear the outstanding debts each academy will apply to the small claims court to settle the matter on our behalf.
- If monies are outstanding and court proceedings haven't cleared the debt, the discretion to write off bad debts is held with the CFO (within the Scheme of Delegation).

19.1 Facilities Hire

Use of each academies facilities is promoted for community use (as per our Articles of Association) and to offer an extra income stream to each academies budget. We appreciate that all academies have different facilities available and the ownership to manage the full process is delegated to the Principal of each institution who may in turn delegate to the Finance (and Operations) Manager or another suitably responsible role (e.g. Sports and Lettings Manager).

It is the responsibility of the Principal (or Acting Principal) to ensure a policy for external hire is established, approved by the academy local governing body and adhered to for that academy. The policy may form part of the Charging, Lettings and Remissions Policy or be a totally separate document. As stated above, the Principal may delegate this responsibility accordingly but it will still need approving by the academy local governing body.

The chasing of debts should follow the same process to the one stated in the 'Debtors Procedure' stated above and the overall review of the use of facilities will form part of the

internal audit cycle as stated in 9.2 above for review and to offer recommendations (as applicable).

20. Cash – Petty Cash and Cash Handling

20.1 Petty Cash

Each academy is responsible for the amount of petty cash floats they hold. Usually in a secondary school we advise up to five petty cash floats... Catering (£100.00 float), Design and Performance (£50.00 float), Principals' PA (£200.00 float), Student Services (£40.00 float) and Finance (£500.00 float). The requirements will all depend on the need for cash items to be purchased to ensure the provision cannot be restricted by a lack of petty cash.

All petty cash boxes must be secured in a locked area and reconciled on a regular basis. The Student Services petty cash is usually the most popular used and is reconciled on a daily basis as this has the most transactions processed through it. The Finance petty cash is reconciled on a monthly basis and all the others are termly or annually due to the minimal use. It is the responsibility of the Finance (and Operations) Manager to ensure the petty cash tins balance so the end of year cash and cash equivalents balance is accurate.

Any discrepancies in each tin are to be reported immediately and resolved through review with the finance department, usually the Finance (and Operations) Manager.

All petty cash floats are collected at the end of the academic year for the year end reconciliation and reported centrally to ensure a year end cash position is arrived at.

Cash payments are only agreed up to £50.00 otherwise permission is to be sought from the CFO and/or (Executive) Principal of each academy.

All receipts must be signed by a budget holder to agree the expenditure.

Reconciliations are conducted by the Finance Officer and countersigned by the Finance (and Operations) Manager. Any approvals out of the ordinary use of these funds must be approved by the CFO or (Executive) Principal of each academy.

Petty cash cannot be used to pay wages or subcontractors. Petty cash cannot be used to cash personal cheques.

All petty cash is recorded and receipts attached for Audit purposes.

20.2 Cash Handling

Any other income that is received in each academy (not grant or invoiced) must be receipted. Each academy is to invest in some form of receipt book (e.g. pre-numbered receipts book in triplicate). Then the payee, the trips administrator (or similar) and the receipt book all have a record of the receipt and transaction. It is preferable for minimal cash to be received in each academy with the use of Parentpay preferred, however, due to the specific cohort of students attending each academy this isn't always achievable.

The procedure for cash handling should be as follows:

- Parents/Carers send in cash/cheque for trips or other items e.g. PE kit.
- Students must hand in to Student Services (Student Finance or equivalent) during its opening hours of before the academy day, break times, lunchtimes and for a short time after the academy day.
- A receipt is issued from the pre-numbered receipt book (or equivalent).
- Receipts are balanced to the cash/cheques handed in on a daily basis.
- All cash/cheques are secured in a finance safe ready for banking.

- Banking is done on a regular basis by the Finance department. The Finance (and Operations) Manager posts the receipts to the Resource System ensuring all income is allocated to the correct budgets.
- Twice weekly at varying times of the day a security firm come in and collect the money that has been bagged and take it to the bank.

Due to Workforce Reforms under **no** circumstances are teachers or other support staff requested to handle cash.

Only the following members of staff are allowed the handle cash (other than petty cash tin holders):

- Members of the Admin Team manning Student Services.
- The Sports and Lettings Manager (or equivalent).
- A Member of the Finance Team.
- The Catering Manager and Deputy Catering Manager.

All income received by each academy must be accompanied by a remittance or other proof of its origins for audit purposes. If funds are ever received without details of what they relate to the Finance (and Operations) Manager will chase up and ensure a remittance is sent and filed accordingly.

A hard copy of Grant and Local Authority remittances are kept in the Budgets File and documentation supporting all other income is filed in the Income File. Where possible a scanned copy will be attached to the customer file on Resource to reduce the need for paper and filing space.

21. VAT – Types and Calculating

Each academy, as an exempt Charity, has certain exemptions from VAT as it is classed as an eligible body. VAT Notice 701/30 Education and Vocational Training published and updated on HMRC website is the basis used for most VAT decision. The finance department will seek further professional guidance if they are unsure in regards to the application of VAT or not. The trust operates under a group VAT number and a central VAT return is submitted on a quarterly basis.

Below is a basic guide to applying VAT on Sales and Purchases (provided by RSM VAT Director).

Type of income	Business Status	VAT Treatment
Administration and management services	Business	Standard rated for VAT
Admission charges to a theatrical, musical or choreographic performance of a cultural nature	Business	Exempt (subject to “eligible body” rules)
Advertising income from businesses	Business	Standard rated for VAT
Advertising income from charities	Business	Zero rated for VAT on the production of a qualifying certificate by the charity
After school and breakfast clubs (8-6) at or below cost	Non business	Outside the scope of VAT
Type of income	Business Status	VAT Treatment
Car parking charges to students at or below cost	Non business	Outside the scope of VAT

Type of income	Business Status	VAT Treatment
Car parking for staff and general public	Business	Standard rated for VAT
Charges for school entertainment events such as proms	Business	Standard rated for VAT
Charges made for education	Business	Exempt
Consultancy income	Business	Standard rated for VAT
Donations	Non business	Outside the scope of VAT
Educational School Trips provided at or below cost	Non business	Outside the scope of VAT
Fundraising events	Business	Exempt provided the fund raising event criteria are met
General merchandising; school memorabilia e.g. mugs etc.	Business	Standard rated for VAT
Let of car park to third party for car parking purposes	Business	Standard rated for VAT
Letting of general rooms including the provision of refreshments	Business	Exempt but Standard rated for VAT if option to tax exercised.
Letting of rooms for a catering event	Business	Exempt for room and standard rated for catering if charged separately otherwise fully taxable if the catering is the principal supply
Letting of sports facilities for booking by private individuals (or by members if a membership scheme is operated)	Business	Exempt
Letting of sports facilities to external clubs	Business	Exempt if the 24 hour let or series of lets condition apply
Meals and other catering provided to non-students – includes teaching staff and visitors	Business	Standard rated for VAT, but can be Zero rated if cold food (e.g. sandwiches) taken away from dining room for consumption elsewhere
Merchandise for use in the classroom: rulers, pencils, etc. provided at or below cost	Non business	Outside the scope of VAT
Musical instrument hire schemes (AIPS)	Non business	If provided at or below cost
Sale of books	Business or if closely related and sold at or below cost non-business	Zero rated or outside the scope
Sale of School Uniform	Business	Zero rated for clothing sizes up to age 14 (including logo'd clothing) otherwise standard rated.
Type of income	Business Status	VAT Treatment
Sale of sports equipment	Business	Standard rated for VAT
School meals provided to students provided at or below cost	Non business	Outside the scope of VAT

Type of income	Business Status	VAT Treatment
School photograph commission	Business	Standard rated for VAT
School Trips (Educational purpose)	Non- Business	Outside the Scope of VAT
School Trips (Social/pleasure)	Business	Standard rated in UK/EU or Zero Rated if outside EU
Sponsorship – main academy	Non business	Outside the scope of VAT
Sponsorship (commercial)	Business	Standard rated for VAT if the sponsor receives benefits in return. Otherwise Outside the Scope
Student accommodation / boarding provided above cost	Business	Exempt
Student accommodation/boarding provided at or below cost	Non business	Outside the scope of VAT
Supply of staff to other organisations	Business	Standard rated for VAT
Supply of staff to other schools in the not for profit sector	Non business	Outside the scope of VAT (if staff are used for non-business purposes)
Tuck shops	Business	Standard rated for VAT
Vocational training (where fees charged)	Business	Exempt
ESFA Grants	Non business	Outside the scope of VAT

21.1 VAT Submission

Trinity MAT has a group VAT return which is submitted by the central MAT finance team. The VAT quarters are listed as follows:

Quarter 1 – September to November – Return Due by 7 January

Quarter 2 – December to February – Return Due by 7 April

Quarter 3 – March to May – Return Due by 7 July

Quarter 4 – June to August – Return Due by 7 October

Day Books from each of the academies (Sales, Purchases, Cash Book and Nominal Ledger) are to be prepared by each Finance (and Operations) Manager, balanced to the Trial Balance and sent onto the Group Finance Manager who consolidates the return with the trading subsidiaries of the MAT.

Deadlines for Day Books to be sent are determined based on due date of the return and academy holidays. They will be communicated by the Group Finance Manager for each return. Support is available for the Finance (and Operations) Managers if needed, the Daybooks are stored and saved as a PDF for Audit purposes. Once the Daybooks are done the periods in which they cover are then closed on Civica Resource.

All academies and trading subsidiaries are listed under a group VAT registration so that there are no duplications of VAT on any transaction within the trust.

If repayment is due from HMRC, once the repayment has been received the funds are transferred centrally back to each academy bank account via inter-account transfers.

22. Academy Meals – Reporting

The trust aims to run a cashless system in each academy for the sales of break and lunchtime food. Whilst this is the aim to reduce the risk of the amount of cash on the premises at any one point it will depend on current contractual positions the academies find themselves in when they join the trust.

Students can either get their parents to log into ParentPay online (some other suitable online systems may be used until the end of their contract) to top up their accounts which are used via a form of identification card (or equivalent e.g. finger print) or they can visit the revaluation machines within the academy and add money onto their account there.

On a daily basis the monies received are reconciled to the cash collected via the revaluation machines and the ParentPay reports.

The Catering Manager produces a Daily Reconciliation Report which details the sales for that day and reconciles it back to what cash has been received that day and what amounts are left as balances on the students and staff accounts.

The Finance (and Operations) Manager then creates the Cash Book Entry accounting for the VAT within staff meals and enters it onto the Resource system.

The cash received is counted daily and bagged in a security bag with the relevant paying slip ready to be collected for the bank. The cash is held within the main finance safe which only members of the finance team have the key for.

Copies of the Daily Reconciliation Report are scanned to the system and kept for audit purposes. The original copy is destroyed in confidential waste.

This method is the ideal preferred method but the trust will accept academies operating a similar system if contractual agreements are in place as long as the process is effective, efficient and approved by the CFO.

23. Fixed Assets

All assets over the value of £1,000 are entered onto the Fixed Asset Register. The register is split into four sections, Land and Buildings, Motor Vehicles, ICT Equipment and Furniture and Equipment. Items are marked up with an asset number, details of which are held by either the ICT team or the finance team.

In accordance with FRS15 each academy applies depreciation to its assets. The following rates apply #:

Land and Buildings – 50 Years
Solar Panels – 25 Years
Motor Vehicles – 8 Years
ICT Equipment – 5 Years
Furniture and Equipment – 8 Years

For a more detailed overview please refer to the Fixed Assets Policy.

assets that are acquired by transfer to the MAT may mean that their original depreciation rates are honoured unless an impairment review is carried out.#

24. Payroll Process

The HR department compile a spreadsheet workbook containing the following information:

- Starters
- Leavers
- Any Absence Records
- Employee Payments (including any deductions, any extra days paid and any other extra responsibility amounts paid whether contractual or not).

The payroll workbook is completed by approximately the 10th of each month. The Finance (and Operations) Manager updates a separate salary information sheet with any changes or additions within the month. This is used to review and check payroll for budgeting and auditing purposes. The Finance (and Operations) Manager also adds any overtime information and payments to be included in that month's payroll onto the workbook.

One of the Finance Officers then cross checks the HR workbook against the finance salary information sheet to ensure all the information matches to the relevant paperwork. The payroll is then sample checked by the (Executive) Principal and signed off accordingly by the (Executive) Principal and/or the Vice Principal in their absence.

The Finance (and Operations) Manager will then forward the HR workbook to the payroll provider (currently Working with Schools). The payroll company processes the workbook and produces a set of wage slips for review. At this point another Finance Officer checks the Salary Information Sheet to ensure accuracy and will report accordingly on any variances.

The Finance (and Operations) Manager then goes through the variances and reports back to make any changes as required. The Finance (and Operations) Manager also makes the CFO aware of these changes and these changes are then processed and verified.

Upon final completion and confirmation the bank amounts are sent by the payroll company using the BACS system to the individual staff members. The Finance (and Operations) Manager checks the BACS report on pay day to ensure there are no mistaken bank figures entered or errors found. The payroll provider also creates and sends payment to HMRC, any pension payments, childcare vouchers schemes and any other required payroll payments.

The Finance Officer posts the payroll journal and processes the HMRC and pension payments. Any other ad hoc payments such as county court or attachment of earnings payments are reclaimed and journalled in a similar way.

The Finance (and Operations) Manager checks this is done and balances through within the payroll control nominal code. Payslips are delivered to staff on payday preferably by email appreciating not all staff have access to a work email account.

Any queries raised by staff are dealt with at the CFO and HR Director's discretion.

This is the current process adhered to for payroll across the trust, other academies that join the trust may have slightly different processes which are accepted by the trust as long as there is an acceptable level of segregation of duties and checks for accuracy. The CFO should approve procedures different to the above. This provision may be reviewed as the trust grows.

25. Fraud Response Plan (FRP)

25.1 Introduction

Fraud is a very serious matter and the Board of Directors via the Audit Committee are committed to investigating all cases of suspected fraud. Any member of staff, regardless of their position or seniority, against whom evidence of fraud is found, will be subject to disciplinary procedures that may result in dismissal. Each academy will inform official professional bodies as required (the DfE/ESFA, the police) and may seek compensation via court proceedings.

Each academy is committed to trying to prevent fraud and will continue to ensure its internal controls as adhered to and that all new members of staff are aware of these controls and procedures. A continuous review of systems by the internal audit function may deter attempted fraud and should result in continuous improvements.

Each academy is responsible via the (Executive) Principal to maintain an Operational Risk Register specific to their institution which is submitted to their Local Governing Body (or sub-group) for approval and monitoring. Items that have a 'red' residual risk are reported up to the Audit Committee by exception so the Board are aware of the risk each individual academy is facing at an operational level.

The Strategic Risk Register (SRR) is compiled by the CEO and CFO and is submitted to the Audit Committee. This committee plays an important part in the monitoring of fraud and the risk it represents to the trust. Similarly the Risk Management policy plays an important part in the risk aversion attitude of the trust and works in conjunction with this element of the Finance Policy. The Audit Committee have to ensure they approve and monitor the SRR and act accordingly to mitigate any risk facing the trust.

The Senior Management Group are aware of their responsibility to recognise and identify any areas of potential fraud, the ESFA's Fraud Indicator checklist (see appendix 10) is used as a checklist to identify potential fraud or highlight gaps in internal controls.

25.2 Definition of fraud

For the purposes of this plan, fraud is defined as dishonest, irregular or illegal acts, characterised by a deliberate intent at concealment or false representation, resulting in the diversion of resources, whether or not for personal gain, for the benefit of an individual or group of individuals at a consequent loss to each academy.

25.3 Purpose of FRP

The purpose of the fraud response plan is to define authority levels, responsibilities for action and reporting lines in the event of suspected fraud or irregularity. Those investigating a suspected fraud should:

- Aim to prevent further loss.
- Liaise with each academy's insurer.
- Establish and secure evidence necessary for criminal and disciplinary action.
- Inform the police.
- Notify the Department for Education.
- Endeavour to recover losses.
- Take appropriate action against those responsible.
- Keep internal personnel and outside organisations with a need to know suitably informed, on a confidential basis, about the incident and each academy's response.
- Deal with requests for references for employees disciplined or prosecuted for fraud.
- Review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud.

25.4 **Initiating Action**

Members of staff, students or members of the Governing Body may suspect fraud or irregularity in each academy. If so, they should report it as soon as possible to the CFO, the Accounting Officer and/or the (Executive) Principal. The person to whom the suspected incident is reported to should then ensure that it is made known to the CFO, Accounting Officer and Chair of the Audit Committee.

The CFO should, as soon as possible, chair a meeting of the following group (known as the Fraud Response Team – FRT) to decide on the initial response, using properly appointed nominees where necessary:

- Accounting Officer
- CFO
- Chair of Audit Committee and/or Chair of Board of Directors

If the actual or suspected incident concerns or implicates a member of this group, the Chair of Board of Directors or Vice Chair will appoint a substitute.

25.5 **Responsibility for Investigation**

The FRT will then meet a second time chaired by the Chair of the BoD and will decide on the action to be taken. This will normally be an investigation led by the Chair of Audit Committee who may use internal auditor resources to assist the investigation.

25.6 **Prevention of Further Loss**

Where initial investigation provides reasonable grounds for suspecting a member(s) of staff, governors or others of fraud, the FRT will decide how to prevent further loss. This may require the suspension of the suspect(s), under the appropriate disciplinary procedure. It may be necessary to plan the timing of suspension to prevent suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.

In these circumstances, the suspect(s) should be approached unannounced. They should be supervised at all times before leaving each academy's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to each academy. Any security passes and keys to premises, offices and furniture should be returned. The Premises Manager should be required to advise on the best means of denying access to each academy while the suspect(s) remain suspended.

Similarly, the ICT manager (or equivalent) should be instructed to withdraw without delay any access permissions to each academy's computer systems. The FRT will consider whether it is necessary to investigate systems other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate each academy's assets.

25.7 **Establishing and Securing Evidence**

Each academy will follow disciplinary procedures against any member of staff or governor who has committed fraud and will normally pursue the prosecution of any such individual through the criminal courts. The CFO will:

- Ensure that evidence requirements are met during any fraud investigation.
- Establish and maintain contact with the police.
- Ensure that staff involved in fraud investigations are familiar with and follow rules on the collection of any document and other evidence in criminal proceedings.

25.8 Reporting Lines

The FRT will provide regular, confidential reports to the Chair of BoD, which will include:

- Quantification of losses.
- Progress with recovery action.
- Progress with disciplinary action.
- Progress with criminal action.
- Estimate of resources required to conclude the investigation.
- Actions taken to prevent and detect similar incidents.

25.9 Notifying the Department for Education (DfE) via the ESFA

Each academy and more specifically the CFO or Accounting Officer will notify the DfE/EFSA of any attempted, suspected or actual fraud or any irregularities as per the guidance in the Academies Financial Handbook.

25.10 Recovery of Losses

The Chair of Audit Committee will endeavour to ensure that the amount of any loss is quantified and that repayment of losses will be sought in all cases. Where the loss is substantial, legal advice should be obtained about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice may be obtained about prospects for recovering losses through the civil court, if and when the perpetrator refuses repayment. Each academy will normally expect to recover costs in addition to losses due to fraud via the court process.

25.11 Final Report

On completion of the special investigation, a written report, normally prepared by the CFO (or Accounting Officer, or Chair of Audit Committee) shall be submitted to the Chair of BoD containing:

- A description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud.
- The measures taken to prevent a recurrence.
- Any action needed to strengthen future responses to fraud, with a follow-up report on whether the actions have been taken.
- The final outcome will be reported to the complainant.

25.12 References for Persons Disciplined or Prosecuted for Fraud

Any request for a reference for persons disciplined or prosecuted for fraud must be referred to the CFO, CEO and the Chair of BoD for advice.

Date adopted by Board of Directors	May 2018
Date for full implementation	May 2018
Date for review	May 2021
Lead Professional	DSD – Chief Finance Officer

Appendix 1

TERMS OF REFERENCE FOR BOARD OF DIRECTORS

Authority and Purpose

The Board of Directors (the “BoD”) are the Directors of the charitable company for the purposes of company law and are responsible to the “Members” of Trinity Academy Halifax Multi Academy Trust (“Trinity MAT”).

The overall purpose of the BoD is:

- To advance for the public benefit education in the United Kingdom by offering a broad and balanced curriculum as per the ‘Object’ of Trinity MAT. The Directors shall exercise duties and powers as set out in each academy trust’s Memorandum, Articles of Association, Funding Agreements and in compliance with relevant legislation at the time in order to achieve this fundamental purpose.
- To expend the funds of Trinity MAT in furtherance of the ‘Object’ as they consider most beneficial.
- To enter into contracts on behalf of Trinity MAT.
- To consider any advice given to them by the Chief Executive Officer (CEO) or any other executive officer.
- To abide by the requirements of and have due regard to the guidance in the Academies Financial Handbook including approval of the annual budget each academy financial year.
- To prepare and submit Annual Accounts Report and Return, audited by independent auditors, to the Secretary of State and publish them on the trust website.
- To take responsibility for establishing any committee they deem appropriate and to regulate their proceedings (for example the Audit Committee who are responsible for all elements of risk, external and internal audit matters and performance quality of the internal and external audit services).
- To establish Local Governing Bodies and to regulate their proceedings.
- To appoint the CEO and Principals of the Academies and to delegate powers and functions to any Director, Executive Officer, Governor, Committee or Principal as they consider desirable.
- To have the right to intervene in the governance of an academy where it has serious cause for concern in student performance, student safety, financial mismanagement or ineffective Governance or management.

Composition and Quorum

As per the Articles of Association the constitution, membership and proceedings of the BoD shall be determined as follows:

- The number of Directors shall be not less than three, but not subject to any maximum.
- The Members shall appoint up to eight Directors, up to six of which to be appointed by Wakefield Diocesan Umbrella Trust (WDUT).
- The Members may appoint Staff Directors (including the CEO) as long as the total number of Directors that are employees of Trinity MAT does not exceed one third of the total number of Directors.
- Parent Directors shall be elected or appointed if the Directors have not appointed Local Governing Bodies (LGBs) in which there should be a minimum of two Parent Governors.
- The CEO is a Director for as long as he or she remains in office.

- The Directors may co-opt Directors (up to a maximum of two) for up to four years (with the consent of WDUT).

The BoD shall for each year elect a Chairman and Vice Chairman from among their number (an employee of Trinity MAT is not eligible for election). The person shall cease to hold office if:

- They cease to be a Director.
- If they are employed by the Company.
- If they are removed from office as per the Articles.
- In the case of Vice Chairman they are elected to fill a vacant Chairman role.

Where the Chairman is absent from any meeting, the Vice Chairman shall act as Chair, if both are absent then the Committee shall elect one of their number to act as Chairman. The clerk shall act as Chairman during any part of a meeting at which the Chairman is elected.

The Clerk shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they think fit, and any Clerk may be removed by them. The Clerk shall not be a Director or a Principal. If the clerk fails to attend a meeting, the Directors may appoint any one of their number or any other person to act as Clerk for that meeting.

Meetings

The quorum for a BoD meeting shall be three, or, where numbers are greater, any one third (rounded up) of the total number of Directors holding office at that meeting.

The quorum for either appointing a parent Director, voting to remove a Director or voting to remove the Chairman shall be two-thirds (rounded up) of the persons who are at the time entitled to vote on those matters.

The BoD must meet at least three times a year convened by the Clerk and the Clerk shall comply with any direction from the Directors or the Chairman.

Any three Directors may, by notice request a meeting of the BoD and the Clerk should convene the meeting as soon as is reasonably practicable. Directors shall be given seven clear days' notice before the date of a meeting and a copy of the agenda at that time.

Every question to be decided at a meeting of the Directors shall be determined by a majority of the votes of the Directors present and voting. Each Director has one vote and the casting vote in the event of a tie falls with the Chairman.

Committees and Advisors

The BoD may appoint separate committees to be known as Local Governing Bodies for each academy, and may establish any other committee as set out in the Articles. The constitution, membership and proceedings of these committees shall be determined by the Directors. Each Committee (not including LGBs) must have a majority of members that are Directors.

For LGBs, the Directors shall ensure they must include at least two elected parent representatives.

The BoD can regulate the functions and proceedings of the LGBs from time to time.

Delegation of Powers to Committees, Advisors, Governors and the CEO.

Subject to the Articles and the Companies Act 2006 the business of the Company shall be managed by the Directors who may exercise all the powers of the Company.

The BoD shall agree the delegation of functions to Trust Committees, LGBs and the CEO at the first meeting of the BoD each year. The Scheme of Delegation shall be detailed in Annex 1.

The BoD may not delegate the following governance responsibilities:

- Approve BoD Terms of Reference.
- Approve BoD Scheme of Delegation.
- Approve further academies to join the trust.
- Establish Trust Committees and their Terms of Reference.
- Approve LGB Terms of Reference.
- Elect (and remove) the BoD Chairman.
- Remove the Chair of a Local Governing Body.
- Appoint (and remove) member of Trust Committees.
- Appoint Board Advisors.
- Appoint the Clerk to the BoD.
- Organise the calendar of the BoD and LGB meetings.

The BoD may not delegate the following strategic and financial responsibilities:

- Approve the BoD Strategic Plan.
- Approve academy performance targets and performance review.
- Appointment of the CEO.
- Approve Trust financial regulations and procedures.
- Approve Trust and Academy Annual budgets.
- Approve the expansion or extension of provision for an academy
- Approve Trust Admissions policies.

Appointments

The Directors shall appoint the CEO as Accounting Officer with personal responsibility to the BoD for:

- Financial and administrative matters.
- Ensuring regularity and propriety.
- Avoidance of waste and extravagance.
- The efficient and effective use of available resources.

- General management of each academy trust and its employees.

The Directors would delegate the process of appointing an Academy Principal to a LGB of that academy. The panel shall include up to three Governors, the CEO and a Director but have the overarching right not to approve the recommendation by the LGB of an appointment.

The Directors may appoint a Company Secretary who shall not be a Director nor a Member. In the absence of this appointment one of the Directors will be appointed to carry out the Secretary functions of keeping registers of Directors and Members, filing documents at Companies House, ensuring that the BoD acts within its powers and that decisions are communicated and notified to the relevant bodies.

The Directors may appoint a Clerk who shall carry out the functions of keeping a book of the minutes of the Directors' meetings, sending out notice of meetings seven days prior and ensure due attention to the conflicts of interest that could arise.

Directors Expenses

Each academy trust shall reimburse exceptional out of pocket expenses incurred by Directors in line with the relevant policy.

General authority and scope

- The BoD is authorised to investigate any activity of the trust within its terms of reference and in accordance with any advice or guidance received. It is authorised to seek any information it requires from any employee, and all employees are directed to co-operate with any reasonable request made by the Committee.
- Following prior consultation with the Chair of the BoD and, where appropriate, the CEO, the BoD or one of its Committees is authorised to obtain legal or other professional advice which is relevant to its purpose, as it deems necessary and within the relevant budget allocation (if any) allowed for those costs in each year.

Review

- The Board has approved these Terms of Reference and they will bind the Board from 1 September 2016.
- At least every year, the BoD shall review its structure, delegated responsibilities, reporting arrangements, terms of reference and effectiveness report including any recommendations for changes which are to be acted upon.

Appendix 2

TERMS OF REFERENCE FOR AUDIT COMMITTEE

Authority and Purpose

The Audit Committee (the “Committee”) is a sub-committee of the Board of Directors (BoD) of Trinity Academy Halifax Multi Academy Trust (“Trinity MAT”).

The overall purpose of the Audit Committee is:

- To promote the development of effective internal controls, risk management and value for money framework which support the delivery of Trinity MAT’s strategic aims and objectives. This will enable the BoD to maintain overall control and consistency of approach.
- To take responsibility for external and internal audit matters, oversee the work programme and performance quality of the internal and external audit services.
- To support the BoD in ensuring that a framework is established and maintained for the identification and management of risk and assurance.
- To support the BoD and all local governing bodies in providing an added level of scrutiny in the monitoring of internal and external audit matters, risk management, fraud prevention/detection and internal controls.

Composition and Quorum

As per the Articles of Association the constitution, membership and proceedings of any committee shall be determined by the Directors.

The membership of any committee of the Directors may include persons who are not Directors, provided that (with the exception of the Local Governing Bodies) a majority of members of any such committee shall be Directors.

Specialists may be co-opted as Directors (for a term not exceeding four years) to provide particular expertise as and when required, to be approved by the BoD. The Directors may not co-opt an employee of Trinity MAT if thereby the number of Directors who are employees would exceed one third of the total number of Directors including the CEO.

The Audit Committee shall for each year elect a Chairman and Vice Chairman from among their number (an employee of Trinity MAT is not eligible for election). The person shall cease to hold office if they cease to be a Director, if they are employed by the Company, if they are removed from office as per the Articles or in the case of Vice Chairman they are asked to fill a vacant Chairman role.

Where the Chairman is absent from any meeting, the Vice Chairman shall act as Chair, if both are absent then the Committee shall elect one of their number to act as Chairman. The clerk shall act as Chairman during any part of a meeting at which the Chairman is elected.

Meetings

The quorum for a Committee meeting shall be three, at least one of which must be a non-executive member of the BoD.

The Committee must meet at least three times a year and its proceedings and decisions shall be reported to the BoD.

The Committee shall abide by all the rules relating to the calling of meetings and the conduct of business contained in the Articles of Association.

Duties and Responsibilities

The principal duties of the Audit Committee are:

- To provide assurance that there is effective control and risk management by ensuring there are adequate systems of internal control and risk management in place and by monitoring the effectiveness of those systems.
- Reviewing and advising the BoD on internal control systems for enhancing fraud resilience and to consider reports in relation to allegations of fraud and reports of suspicious activity in relation to money laundering and any other such exceptional issues.
- Reviewing arrangements by which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters (whistleblowing) and specifically to receive any concerns raised through these procedures that concern the CEO or their delegated officer in respect of the whistleblowing arrangements.
- Reviewing arrangements and confirming processes for regulatory returns and reports on behalf of the BoD.
- Monitoring the implementation of approved recommendations relating both to internal audit reports, other relevant audit and assurance reports, external audit reports and management letters.
- Initiating reports and investigations as it sees fit, having the right of access to all minutes, books, documents or any other information maintained within the trust.
- Reporting annually to the BoD on the internal controls and assurance arrangements in place through a process of integrated assurance, including:
 - Reviewing, assessing and monitoring the effectiveness of the external and internal audit services and their relationship with each other.
 - Receive reports from the external auditors, internal auditors and any other appropriate bodies, for example the National Audit Office (NAO) or the Education Funding Agency (ESFA) and consider any issues raised, the associated management response and action plans.
 - Regularly monitor outstanding audit recommendations and ensure any delays to implementation dates are reasonable.
 - Keep under regular review a Strategic Risk Register for the MAT and ensure each academy Principal is maintaining an Operational Risk Register at academy level and that high impact risks are reported to the Audit Committee accordingly.

More specific responsibilities of the committee are detailed in sections below.

Financial Accountability

The committee will monitor the integrity of the annual financial statements, interim reports and any formal announcements relating to the Group's financial performance before they are presented to the BoD, focusing on

- accounting policies
- compliance with accounting standards
- reviewing significant financial reporting judgements
- findings of the external auditor, including significant audit adjustments

Internal Audit

The committee will monitor and review the effectiveness of the internal audit function and will:

- advise the BoD on the appointment and remuneration of the internal auditor and their scope of work.
- review the long-term plan for internal audit, decide and approve the annual plan, and monitor results as presented in internal audit reports.
- review, consider and advise upon reports made by the internal auditors.
- review and monitor management's responsiveness to the internal auditor findings and recommendations.
- monitor and assess the effectiveness of the internal audit function in the overall context of risk management and assurance arrangements.
- meet with the internal auditor at least once per year without the presence of management.

External Audit

The Committee will oversee the relations with the external auditor and more will:

- advise the BoD on the appointment and remuneration of the external auditor and review and agree the level of fees and the letter of engagement prior to the start of each annual audit.
- receive the scope of the annual audit at the planning stage and to consider the auditor's management letters and management's response at the reporting stage.
- review on an annual basis, the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional, regulatory and ethical requirements including the regular rotation of relationship partners.
- meet with the external auditor at least once per year without the presence management.

Risk

The Audit Committee will review and advise the BoD on the current risk exposures and any future risk strategy and risk management policy.

- In relation to risk assessment:
 - Regularly review and approve the overall risk assessment processes that inform the BoD's decision making.
 - Review and report to the BoD upon the trust's strategic and operational risk registers, and any other risk types of critical importance, annually. Ensure that items of key operational risk to the trust are communicated to the Audit Committee (i.e. risks on each academy operational risk register with Residual Risk of 17+).
 - Review and report to the BoD on the overall risk averse appetite, tolerance and strategy.
- Review, assess and monitor arrangements to consider and approve proposed strategic transactions, ensuring that appropriate appraisal of the proposition is undertaken, focussing in particular on implications for the risk appetite and tolerance of the trust.
- Review reports on any material breaches of risk limits and risk management, including any potential for 'serious detriment' as defined by the Regulator, including the adequacy of proposed action.
- Review, assess and monitor the trust and any individual academy Business Continuity Plans including disaster recovery arrangements.

General authority and scope

- The committee is authorised to investigate any activity of the trust within its terms of reference and in accordance with any advice or guidance received. It is authorised to seek any information it requires from any employee, and all employees are directed to co-operate with any reasonable request made by the Committee.
- Following prior consultation with the Chair of the BoD and, where appropriate, the CEO, the Committee is authorised to obtain legal or other professional advice which is relevant to its purpose, as it deems necessary.

Review

- The Board has approved these Terms of Reference and they will bind the Committee from 1 September 2016.
- At least every year, the Committee shall review its structure, delegated responsibilities, reporting arrangements, terms of reference and effectiveness and report its conclusions to the Board, including any recommendations for changes.

Appendix 3

TERMS OF REFERENCE FOR COMMERCIAL INTERESTS COMMITTEE

Authority and Purpose

The Commercial Interests Committee (the “Committee”) is a sub-committee of the Board of Directors (BoD) of Trinity Multi Academy Trust (“Trinity MAT”).

The overall purpose of the Commercial Interests Committee (CIC) is:

- To promote the development of effective commercial interests, positive financial arrangements to benefit the MAT, ensure the commercial ventures adhere to the value for money framework which support the delivery of Trinity MAT’s strategic aims and objectives, add to the financial stability and viability of the MAT. This will enable the BoD to maintain overall control and consistency of approach.
- To take responsibility for external and internal audit services for any commercial interests. Oversee the work programme and performance quality of commercial ventures. Ensure any commercial ventures or separate subsidiary limited companies (owned by one share of the MAT) are compliant to Company law and adherence to all other legislations.
- To support the BoD in ensuring that a framework is established and maintained for the identification and management of risk and assurance for commercial ventures.
- To ensure commercial ventures are explored and given support to benefit the future of the MAT whilst maintaining a suitable level of risk aversion.

Composition and Quorum

As per the Articles of Association the constitution, membership and proceedings of any committee shall be determined by the Directors.

The membership of any committee of the Directors may include persons who are not Directors, provided that (with the exception of the Local Governing Bodies) a majority of members of any such committee shall be Directors.

Specialists may be co-opted as Directors (for a term not exceeding four years) to provide particular expertise as and when required, to be approved by the BoD. The Directors may not co-opt an employee of Trinity MAT if thereby the number of Directors who are employees would exceed one third of the total number of Directors including the CEO.

The CIC Chair shall appoint a Deputy Chair to act in his or her absence, subject to approval by the BoD. If neither the Committee Chair nor the Deputy Chair of the Committee is present at a quorate meeting of the Committee, the Committee Members present shall elect another member to chair that meeting.

Meetings

The quorum for a Committee meeting shall be three, at least one of which must be a non-executive member of the BoD.

The Committee must meet at least 2 times a year and its proceedings and decisions shall be reported to the BoD.

The Committee shall abide by all the rules relating to the calling of meetings and the conduct of business contained in the Articles of Association.

Duties and Responsibilities

The principal duties of the Commercial Interests Committee are:

- To provide assurance that there is effective control and risk management of commercial ventures.
- Reviewing and advising the BoD on internal control systems and fraud resilience in commercial activity.
- Reviewing arrangements and confirming processes for regulatory returns and reports on behalf of the BoD.
- Reporting annually to the BoD on the internal controls and assurance arrangements in place through a process of integrated assurance that all commercial ventures are well thought through, analysed for chance of success but also give the opportunity to flourish.

-

More specific responsibilities of the committee are detailed in sections below.

Financial Accountability

- The committee will monitor the integrity of the annual financial statements for any subsidiary companies as required and ensure the financial statements are submitted to Companies House as per the Companies Act 2006.

General authority and scope

- The committee is authorised to investigate any activity of the Group within its terms of reference and in accordance with any advice or guidance received. It is authorised to seek any information it requires from any employee or consultant, and all employees/consultants are directed to co-operate with any reasonable request made by the Committee.
- Following prior consultation with the Chair of the BoD and, where appropriate, the CEO, the Committee is authorised to obtain legal or other professional advice which is relevant to its purpose, as it deems necessary and within the relevant budget allocation (if any) allowed for those costs in each year.

Review

- The Board has approved these Terms of Reference and they will bind the Committee from 1 September 2017.
- At least every year, the Committee shall review its structure, delegated responsibilities, reporting arrangements, terms of reference and effectiveness and report its conclusions to the Board, including any recommendations for changes.

Appendix 4

TERMS OF REFERENCE FOR LOCAL GOVERNING BODY

Trinity Academy Halifax

LGB Terms of Reference

The Local Governing Body (LGB) will oversee two institutions (Trinity Academy Halifax and Trinity Academy Sowerby Bridge) and will operate within the powers and duties set out in the Scheme of Delegated Authority of the Trinity Multi Academy Trust (MAT).

General – The LGB will:

- Comprise of 13 governors (with a diocesan majority) and ensure the quorum for meetings of the group is seven governors (or 50% plus one).
- Meet at least four times a year with additional meetings, if required.
- Appoint a Clerk who will record all recommendations and decisions in writing (the minutes) and distribute papers five working days before the date of any LGB meeting.
- Contextualise the vision, ethos and values of the MAT with all key stakeholders.
- Challenge and monitor the performance of both institutions through the individual Academy Improvement Plans (AIPs) to ensure that the academies are at the forefront of innovative practice whilst considering financial implications, staffing (both teaching and support) and the aims and objectives of the academy.
- Draw on its membership to form panels to consider exclusions, complaints, discipline and dismissal and appeals panels, as appropriate.
- Support the performance management of the Principal via a specially nominated committee.
- Recruit staff and have one LGB member sit on the recruitment panel for a Senior Leader post.
- Approve the annual budget and monitor and review expenditure on a regular basis to ensure compliance with their overall budget/financial plan.
- Direct any major issues/concerns to the trust Directors for consideration.

The Governing Body will establish two ‘Task and Finish’ groups who will meet at least three times a year. The groups will focus on:

1. The progress of Trinity Academy Sowerby Bridge.
2. Post-16 developments at Trinity Academy Halifax (Halifax 6th Form College).

The groups will:

- Adhere to individual Terms of Reference for each group.
- Receive reports from Senior Leaders about matters relating to any of the subjects listed in their terms of reference and analyse/consider, as required.
- Respond to relevant issues in any reports (SIP, Ofsted, Auditors etc.).
- Contribute to, and monitor and evaluate, the AIPs and report or make recommendations to the LGB as necessary.

Curriculum Specific - The LGB will:

- Agree targets for student achievement annually to ensure that they are challenging, that progress towards targets is effectively monitored and that intervention is planned and appropriate to realise students’ potential.

- Consider standards and other matters relating to the curriculum, including statutory requirements and the provision of religious studies in line with an academy's religious designation (or not).
- Consider curricular issues which have implications for finance and personnel decisions and to make recommendations, as required.
- Monitor provision for progress and attainment of vulnerable groups e.g. SEND, looked after children, young carers, and the effectiveness of any intervention strategies.
- Monitor the quality of teaching and learning and quality assurance.
- Keep under review the impact of the Equality policy (including gender, race, disability) in relation to teaching and learning, curriculum, achievement and progress.
- Determine, monitor and evaluate the range and the impact of extended activities on student learning.
- Oversee arrangements with support services provided by external agencies and ensure that these fulfil statutory obligation and meet student need.

Children, Family and Community Specific - The LGB will:

- Agree the Admission policy and PAN annually.
- Assess the Behaviour for Learning policy (and associated policies) and evaluate their implementation and outcomes e.g. the impact on exclusions in the academy (by cohort).
- Monitor the Attendance policy and evaluate its outcomes (by cohort).
- Review parent/student views and consider/recommend how these are/should be taken into account.
- Consider the effectiveness and accessibility of communications with parents including via the website, paperless communication, the prospectus, student reports etc.
- Consider community links (with the use of the academy building and facilities), monitoring and evaluating the promotion of community cohesion.

Finance specific - The LGB will:

- Approve each academy budget prior to the start of each financial year.
- Monitor and review expenditure on a regular basis and ensure compliance with the overall budget/financial plan for each academy.
- Maintain and develop academy sites whilst considering the agreed budget.
- Develop and keep under regular review the Operational Risk Register (ORR), identifying major risks facing the academy and the likelihood of those risks materialising.
- Ensure the academies assist with the preparation of the trust consolidated Financial Statements approved by the Board of Directors for filing to the ESFA and Companies House.

Policies

- Adopt (MAT policies - set out by the Board of Directors of the trust), adhere to, or keep under review (academy policy) statutory/recommended policies to ensure the academy fulfils its statutory requirements and the trust's SoDA.

Appendix 5

Trinity Multi-Academy Trust Scheme of Delegated Authority

KEY

Level 0: Members

Level 1: Board of Directors/Trustees (BoD)

Level 2: CEO/Accounting Officer

Level 3: Local Governing Body (LGB)

Level 4: A committee of the LGB

Level 5: Principal/Headteacher.

Note: Although decisions may be delegated, the members as a whole remains responsible for any decision made under delegation. Although the term 'academy' is used it should be noted that it is interchangeable with free school, school or any other educational organisation.

The Scheme of Delegated Authority (SoDA) is bespoke to each institution and is based on the assumption that an institution is currently rated a '1' or '2' in their most recent Ofsted inspection. If an institution is a '3' or '4' the members or BoD have the right to remove this level of autonomy for the benefit of the overall trust.

Key Function	No	Tasks	Decision Level					
			0	1	2	3	4	5
Admissions	1	Agree Admissions Policy				✓		
	2	Propose Admissions Policy						✓
	3	Agree PAN annually				✓		
	4	Propose PAN annually						✓
Central Services	5	Determine the scope of central services delivered by the MAT			✓			
	6	To ensure centrally provided services provide value for money			✓			
	7	To identify those additional services to be procured on behalf of individual academies						✓
Commercial Ventures	8	To approve and any proposed commercial venture (of educational or non-educational character) within the trust		✓				
	9	To cease any commercial venture (of educational or non-educational character) within the trust		✓				
	10	To monitor the impact (educational and financial) of any commercial venture within the trust e.g. teaching school			✓			
Curriculum	11	Approval of Curriculum Policy			✓			
	12	Propose and implement Curriculum Policy						✓
	13	Responsibility for standards in Teaching and Learning						✓
	14	Provision of Sex Education Policy						✓
	15	Arrangements for daily collective worship						✓
	16	Responsibility for ensuring provision of Religious Studies in line with curriculum and academy's religious designation.				✓		
	17	Approve and monitor individual student targets						✓
	18	Accountability for individual student education and achievement				✓		
	19	Responsibility for individual student education and achievement						✓

	No	Tasks	0	1	2	3	4	5
Discipline and Exclusions	20	Approve Behaviour for Learning (BfL) Policy			✓			
	21	Implement BfL Policy						✓
	22	Exclude a student for more than 15 days or permanently					✓	
	23	Review exclusion upon appeal					✓	
	24	Direct reinstatement of excluded students				✓		
	Extended Schools	25	To decide to offer additional activities (and what form these should take)					✓
26		To cease providing extended school provision					✓	
27		To implement the additional services provided						✓
Finance	28	Approve trust budget plans for the financial year		✓				
	29	Approve academy budget for financial year				✓		
	30	Prepare the academy budget plan for the financial year						✓
	31	Monitor trust budget termly		✓				
	32	Monitor academy budget termly					✓	
	33	Monitor monthly expenditure of budget spend						✓
	34	To establish a Charging and Remissions Policy				✓		
	35	To agree signatories for budget holders in each institution						✓
	36	To approve trust virements and budget adjustments above £50,000		✓				
	37	To approve trust virements and budget adjustments up to £50,000			✓			
	38	To approve academy virements and budget adjustments above £50,000		✓				
	39	To approve academy virements and budget adjustments from £25,001 to £50,000			✓			
	40	To approve academy virements and budget adjustments from £5,001 to £25,000				✓		
	41	To approve academy virements and budget adjustments under £5,000						✓
	42	Approval to order goods/services above the value of £50,000 (with 3 written quotes). EFA approval may be needed for £100k and above; OJEU rules may also apply.		✓				
	43	Approval to order goods/services between £25,001 and £50,000 (with 3 written quotes); OJEU rules may apply.			✓			
	44	Approval to order goods/services between £5,001 and £25,000 (with 3 written quotes); OJEU rules may apply.				✓		
	45	Approval to order goods and services up to the value of £5,000 (including entering contracts, with 3 written quotes required above £1,000)						✓
	46	Approve changes to governance structures, Terms of Reference, Articles of Association or Funding Agreement	✓					
	47	Recommend changes to the trust's governance structure, Terms of Reference, Articles of Association and/or Funding Agreement		✓				
	48	Approve changes to the SoDA		✓				
	49	Recommend changes to the SoDA			✓			
	No	Task	0	1	2	3	4	5
	50	Approve requests from other schools to join the trust	✓					

Governance	51	Recommend requests from other schools to join the trust		✓					
	52	Appoint the chair of the BoD	✓						
	53	Appoint the vice chair of the BoD		✓					
	54	Appoint the chairs of any trust committees		✓					
	55	Appoint the chairs of the LGBs					✓		
	56	Elect the chairs of academy LGB committees					✓		
	57	Appoint the Clerk to LGB					✓		
	58	Elect staff and parent governors					✓		
	59	Review performance of LGBs			✓				
	60	Suspend and/or dismiss members of LGB			✓				
	61	Set up Register of Business Interests for members	✓						
	62	Set up Register of Business Interests for directors		✓					
	63	Set up Register of Business Interests for governors					✓		
	64	Approve and set up Directors' Expenses Scheme		✓					
	65	Approve and set up LGB Expenses Scheme					✓		
	66	Appoint a Chief Executive Officer (CEO)/Accounting Officer		✓					
	67	Appoint Company Secretary		✓					
	68	Appoint external auditors for trust		✓					
	69	Appoint internal auditors or Responsible Person via Audit Committee		✓					
	70	To hold a Full Governing Body meeting at least three times in a school year (or more often if required)					✓		
	71	Approve changes impacting the ethos and vision of the trust	✓						
Health and Safety	72	Approve academy Business Continuity Plans			✓				
	73	Monitor implementation of academy Business Continuity Plans				✓			
	74	Propose and approve Health and Safety Policy (including Fire Evacuation Procedures)					✓		
	75	Implement Health and Safety Policy (including Fire Evacuation Procedures)						✓	
	76	Propose and approve a Risk Management Plan					✓		
	77	Implement Risk Management Plan						✓	
Policies and practices	78	Approve trust policies*		✓					
	79	Propose trust policies*			✓				
	80	Approve individual academy policies				✓			
	81	Propose individual academy policies						✓	
Premises and Insurance	No	Task	0	1	2	3	4	5	
	82	Provision of appropriate buildings and other insurance (including all liability cover)			✓				
	83	Develop and approve trust capital strategy			✓				
	84	Develop and approve academy maintenance strategy					✓		

Safeguarding	85	To approve and monitor a Safeguarding Policy			✓			
	86	To implement a Safeguarding Policy						✓
	87	Complete and maintain a Single Central Record						✓
	88	Appoint a safeguarding governor				✓		
School Meals	89	Monitor and ensure lunch nutritional standards are met				✓		
	90	Implement lunch nutritional standards						✓
	91	Ensure provision of Free School Meals to those students meeting the criteria						✓
School Organisation	92	Approve academy day, term dates and holidays			✓			
	93	Recommend academy day, term dates and holidays						✓
	94	Approve academy prospectus				✓		
	95	To prepare and publish the academy prospectus						✓
	96	Adoption and review of Home-School Agreement						✓
	97	Ensure each academy meets the minimum requirement of school days in a year				✓		
Staffing	98	Academy Headteacher/Principal appointments			✓			
	99	Appointment of trust staff who directly support the BoD			✓			
	100	Appoint senior leaders in academies						✓
	101	Attendance on panel for appointment of academy senior leaders				✓		
	102	Appointment of any other staff in academies						✓
	103	Approve changes to trust staffing structure			✓			
	104	Approve changes to academy staffing structure					✓	
	105	Propose changes to academy staffing structure						✓
	106	Performance review of the CEO/EP		✓				
	107	Suspend/dismiss the CEO/EP		✓				
	108	Approve pay scale of the CEO/EP		✓				
	109	Performance review of academy Headteacher/Principal			✓			
	110	Suspend/dismiss an academy Headteacher/Principal			✓			
	111	Suspend/dismiss a trust staff member who directly supports the BoD			✓			
112	Suspension/dismissal of all academy staff (not including the Headteacher/Principal)						✓	
113	Approve any dismissal/severance/compensation payments			✓				
114	Performance review of all academy staff (not including the Headteacher/Principal)						✓	
Strategy	115	Approve and review progress of trust Improvement Plan		✓				
	116	Approve and review progress of each academy improvement plan (AIP)				✓		
	117	Review progress across trust of all AIPs			✓			
	118	Approve and monitor trust Strategic Risk Register		✓				
	119	Approve and monitor each academy Operational Risk Register				✓		

*A list of all current trust policies is provided in Annex A (and copies of these policies are available from the trust website). If a policy is not listed as a trust policy, then a LGB maintains the responsibility to ensure a policy is in place and regularly reviewed at each individual academy.

For clarity and ease of communication, certain key LGB-maintained policies are still included in the SoDA e.g. Admissions, Charging and Remissions, Health and Safety and Sex Education.

Further notes:

Conflicts of Interests Procedures

- All members of staff or Governors that join the trust are asked to sign a declaration of business and pecuniary interests form prior to starting their employment. Senior Leaders, Governors, Directors and Members are asked to complete a form annually and to inform the Chief Financial Officer if their business interests change within the year. The Chief Financial Officer will collate new registers as required upon new guidance from the EFA or any other changes that may affect this process.

Connected Party Provisions

- All connected party transactions are completed at arm's length and can only be completed as per EFA guidelines on an 'at cost' quote basis.

Outsourced Tendering Process

- If the trust outsources a tendering process to a third party it will only be done if it feels the level of skills and expertise would bring better knowledge about the requirements and more informed skillset regarding pricing negotiations. The Chief Financial Officer is ultimately responsible for deciding to outsource and will be the final decision maker on who to proceed the order with following informed meetings from the third party.

EFA consent

- The academy should seek confirmation from the EFA if it is ever unsure whether consent is required. Certain projects like capital investments, legislative consents and any planning permissions will be sought by the EFA if required.

Three Quote Policy

- The Chief Financial Officer and the Accounting Officer of the Academy Trust have the authority to overrule the three quote rule if three quotes can't be identified due to the nature of the requirement (for example using the Times Educational Supplement to advertise teacher posts) or already committed services (for example ADT providing access, CCTV and intruder alarms, therefore using another provider to add to these services would require a full building change in these areas).

Annex A - Policies

Statutory policies required by education legislation						
Name	Statutory or Recommended	Publish	Last Reviewed	Next Review	Owner (Trust or local academy)	Notes
Charging and Remissions	Statutory	Y			Trust	
Behaviour for Learning Policy (Student Behaviour)	Statutory	Y			Local academy	
Sex Education	Statutory				Local academy	
Special Educational Needs	Statutory	Y	Sep-15	Sep-17	Trust	Overarching Trust policy with local arrangements and information
Statutory policies required by other legislation						
Health and Safety (inc. Fire Evac)	Statutory				Local academy	
Other statutory arrangements						
Accessibility Plan	Statutory	Y			Trust	Overarching Trust policy with local arrangements and information
Accounts	Statutory	Y			Trust	
Admission Arrangements	Statutory	Y			Local academy	
Anti Bullying Policy					Recommended	
Behaviour principles (written statement)	Statutory	Y			Local academy	

Child Protection and Safeguarding Policy	Statutory	Y	Nov-14	Sep-17	Trust	Overarching Trust policy with local arrangements and information
Complaints procedure	Statutory	Y			Trust	
Curriculum policies/information	Statutory	Y			Local academy	
Data Protection Policy	Statutory	Y	Oct-16	Oct-18	Trust	
Early Years Foundation Stage (EYFS)	Statutory				Local academy	
Equality information and objectives (public sector equality duty) statement for publication	Statutory	Y			Trust	
Exclusion Arrangements/Policy	Statutory	Y			Local academy	
Exclusion Policy	Statutory	Y			Local academy	
Freedom of Information	Statutory	Y			Trust	
Governors Allowances	Recommended				Trust	
Governors information and papers	Statutory	Y			Local academy	
Premises management documents	Statutory				Local academy	
Pupil Premium policy (strategy)	Statutory	Y			Local academy	
Pupil register and attendance	Statutory				Local academy	
Single Central Record	Statutory				Local academy	Based on Trust template
Supporting students with medical conditions	Statutory				Trust	Statutory for KS1-KS4. Overarching Trust policy with local arrangements and information
Values and Ethos	Statutory	Y			Trust	Overarching Trust policy with local arrangements and information

Employment Policies					
Name	Statutory or Recommended	Last Reviewed	Next Review	Owner (Trust or local academy)	Notes
Allegations against staff	Statutory	Nov-14	Nov-17	Trust	
Attendance Management policy	Recommended	Mar-16	Mar-19	Trust	
Capability policy	Statutory	Sep-15	Sep-17	Trust	
Dignity at Work	Recommended	Nov-14	Sep-17	Trust	
Disciplinary policy	Statutory	Jun-15	Jun-18	Trust	
Equalities policy	Statutory	Jun-13	Jun-17	Trust	
Family Leave	Recommended	Jan-14	Jan-17	Trust	
Flexible Working policy	Recommended	Jun-15	Jun-18	Trust	
Grievance Policy	Statutory	Jan-14	Jan-17	Trust	
Internships policy	Recommended	Jun-15	Jun-18	Trust	
Leave of absence policy	Recommended	Mar-15	Mar-18	Trust	
Managing Staff Reductions (Redundancy)	Recommended	Jun-14	Jun-18	Trust	
Pay Policy	Statutory	Sep-15	Sep-16	Trust	
Performance Management (teachers & support)	Statutory	Sep-16	Sep-17	Trust	
Prevent Policy	Recommended	Apr-16	Apr-18	Trust	
Probation policy	Recommended	Jun-14	Jun-18	Trust	
Union recognition agreement	Recommended	Sep-10	2012/2013	Trust	

Employment procedures – forming professional expectations of employment					
Name	Statutory or Recommended	Last Reviewed	Next Review	Owner	Notes
Burgundy Book	Adopted	N/a		National document	
Cover and absence requests	Recommended	Annually		Local	
CPD Policy	Recommended	Mar-15	Mar-18	Local	Local arrangements made within main policy
Recruitment and selection policy	Statutory	Mar-15	Mar-18	Trust	
Staff code of conduct	Statutory	Sep-16	Annually	Trust	Amendments and insertions can be made to suit local arrangements
Acceptable use of ICT policy	Recommended	Dec-13	Dec-15	Trust	Local arrangements can be made within main policy
Volunteer Policy	Recommended	Mar-15	Mar-18	Trust	Amendments and insertions can be made to suit local arrangements
Whistleblowing policy	Statutory	Jun-15	Jun-20	Trust	
Working practices (info in staff planner)	Recommended	N/a		Local	Reviewed as part of producing the Staff Planner
Guidance on work placements	Recommended			Local	Advice should be sought from local DSL
Keeping Children Safe in Education	Statutory	Sep-16	N/A	National document	The local safeguarding lead should be familiar with this document. Any changes to policy should be led by Trust safeguarding lead.
National terms and conditions for support staff ('Green Book')	Adopted	N/a	N/A	National document	For reference
WYPF Discretions Statement	Required	Mar-15	Annually	See notes	Requirement from WYPF

Note: updated version of Scheme of Delegation is always updated on the MAT website: <http://www.trinitymat.org/governance/board-directors/>

Appendix 6

Expenditure Evaluation Framework - Chapter 9, page 39, HM Treasury's Regularity, Propriety and Value for Money – November 2004

- Is the expenditure in the best interest of your organisation?
- Does the expenditure comply with approved procurement rules and policies?
- Will there be a valid business benefit to the organisation from the expenditure and not just personal benefit to the employee?
- Is the expenditure within approved budget?
- Is the expenditure necessary?
- Is the expenditure reasonable, meaning, does it fully meets the identified and agreed needs?
- Has the expenditure been properly authorised?

Appendix 7

The Seven Principles of Public Life – Chapter 6, page 15, HM Treasury’s Regularity, Propriety and Value for Money – November 2004

1. **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.

2. **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.

3. **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.

4. **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.

5. **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.

6. **Honesty**

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

7. **Leadership**

Holders of public office should promote and support these principles by leadership and example.

Appendix 8

ESFA Schedule of freedoms and delegations, Annex B, page 46, Academies Financial Handbook 2017

Novel, Contentious and repercussive	Novel, contentious and repercussive transactions	ESFA agreement required
Borrowing	Bank / sponsor loan, overdraft	ESFA agreement required
	Credit Cards (for business, not personal use)	Trust has discretion provided charges are not incurred
Leasing	Taking up a finance lease	ESFA agreement required
	Taking up a leasehold on land and buildings	ESFA agreement if lease term seven years or more
	Taking up any other lease	Trust has full discretion
	Granting a lease on land and buildings	ESFA agreement required
Write-offs and liabilities (subject to £250,000 ceiling)	Writing off debts and losses	ESFA consent required if transactions: <ul style="list-style-type: none"> • exceed 1% of annual income or £45,000 individually; or • 2.5% or 5% of annual income cumulatively
	Entering into guarantees, indemnities or letters of comfort	
Special payments	Staff severance	ESFA agreement required if payment £50,000 or more
	Compensation	
	Ex gratia payments	ESFA agreement required
Acquisition and disposal of fixed assets	Acquiring a freehold on land and buildings	ESFA agreement required
	Disposing of a freehold on land and buildings	ESFA agreement required
	Disposing of heritage assets	ESFA agreement required
	Disposal – not land, buildings or heritage	Trust has full discretion
GAG – General Annual Grant	Pooling by multi-academy trusts	No limits (except PFI) if trust eligible
	GAG carry forward	No limits if trust eligible

Appendix 9

Current Details

Registered Office Address: Trinity Multi Academy Trust, Trinity Academy Halifax, Shay Lane, Halifax, West Yorkshire, HX2 9TZ

Company Registration Number: 06897239, Incorporation Date: 6 May 2009

VAT Registration Number: 257 120 915

Schools and Academies within the MAT:

Trinity Academy Halifax, Shay Lane, Halifax, HX2 9TZ
Phase / type: Secondary, Academy sponsor led
URN: 136094
LAESTAB: 381/6905
Local authority name: Calderdale
Joined date: 01/09/2010

The Maltings College, Maltings Road, Wheatley, Halifax, HX2 0TJ
Phase / type: 16 plus, Free schools 16 to 19
URN: 139433
LAESTAB: 381/4003
Local authority name: Calderdale
Joined date: 01/10/2016

Akroydon Primary Academy, Rawson Street North, Boothtown, Halifax, HX3 6PU
Phase / type: Primary, Academy converter
URN: 143651
LAESTAB: 381/2001
Local authority name: Calderdale
Joined date: 01/02/2017

Cathedral Academy, Thornes Road, Wakefield, WF2 8QT
Phase / type: Secondary
URN: 145579
LAESTAB: 384/4007
Local authority name: Wakefield
Joined date: 01/03/2018

WYPF Number: 326

Bank: Lloyds Bank, Commercial Street, Halifax, West Yorkshire, HX1 1BB

Payment Run Deadlines: BACS Run – by 3pm on the system Faster Payment by 2pm on the system.

Pay Day: 26th of each month; if this falls on a weekend, then is it paid on the Friday before that weekend.

Payroll Company: Working with Schools Ltd, 10 James Nasmyth Way, Nasmyth Business Park, Eccles, Manchester, M30 0SF. Telephone: 0161 707 1520 admin@workingwithschools.co.uk

Appendix 10

Fraud Indicators (quoted from the ESFA as at October 2016)

Introductory text

This reference document provides a list of generic indicators of potential fraud. These include personal and organisational motives for fraud, possible weakness of governance or internal controls, transactional indicators and possible methods of concealing fraud. This document may be helpful for use as a checklist where concerns exist that fraudulent activity may be taking place. You may remove, add or re-order indicators as required.

REF	ISSUES INCREASING FRAUD RISK	MITIGATING CONTROLS	REQUIRED IMPROVEMENTS
1	Potential Personal Motives		
1.1	Financial motives: <ul style="list-style-type: none"> • Personnel believe they receive inadequate pay and/or rewards (recognition, holidays, promotions etc.) • Individuals' expensive lifestyle (cars, holidays etc.) • Personal problems (gambling, alcohol, drugs, debt, etc.) 		
1.2	Personal motives: <ul style="list-style-type: none"> • Disgruntled employee (recently demoted, reprimanded etc.) • Recent failure associated with specific individual • Personal animosity or professional jealousy 		
1.3	Unusually high degree of competition/peer pressure		
1.4	Undeclared conflicts of interest or related party transactions (business activities with personal friends, relatives or their companies)		
2	Possible Organisational Motives		
2.1	Financial issues: <ul style="list-style-type: none"> • Organisation experiencing financial difficulty • Commercial arm experiencing financial difficulty • Organisation has for-profit component • Not-for-profit entity has a for-profit counterpart with linked infrastructure (shared board of governors or other shared functions and personnel) • Organisation under pressure to show results (budgetary, exam results etc.) • Organisation recently suffered disappointment/reverses/consequences of bad decisions • Organisation recently affected by new/changing conditions (regulatory, economic, environmental etc.) 		

REF	ISSUES INCREASING FRAUD RISK	MITIGATING CONTROLS	REQUIRED IMPROVEMENTS
	<ul style="list-style-type: none"> Organisation faces pressure to use or lose funds to sustain future funding levels 		
2.2	Tight or unusually tight time deadlines to achieve level of outputs		
2.3	Organisation wants to expand its scope, obtain additional funding		
2.4	Funding award up for continuation		
2.5	Organisation due for a site visit by auditors, Ofsted or others		
2.6	Record of previous failure(s) by one or more organisational areas		
3	Potential Weaknesses in Management and Governance		
3.1	Organisation governance lacks clarity and direction		
3.2	Organisation closely identified with/dominated by one individual		
3.3	Management demonstrates lack of attention to ethical values (e.g. Nolan principles, integrity and ethics)		
3.4	Risk management: <ul style="list-style-type: none"> Management fails to recognise required levels of competence in high risk areas Management displays lack of commitment towards the identification and management of risks relevant to the preparation of financial statements (does not consider significance of risks, likelihood of occurrence or how they should be managed) Management take unnecessary risks 		
3.5	Institution lacks policies and communication relating to financial management, individual accountability and best practices e.g. <ul style="list-style-type: none"> procurement travel and subsistence use of alcohol declarations of interest 		
3.6	Personnel policies: <ul style="list-style-type: none"> Lack of personnel policies and recruitment practices Institution lacks personnel performance appraisal measures or practices 		
3.7	Management is unaware of or displays lack of concern regarding applicable laws and regulations e.g. Companies Acts, Charities Acts, Funding Agreement, Child Protection		
3.8	Sudden change in organisation practice or pattern of behaviour		
3.9	Lack of staff training or fraud awareness		

4	Potential Internal Control Issues		
4.1	Internal Control		
4.1.1	Lack of an appropriate organisational and governance structure with defined lines of authority and reporting responsibilities		
4.1.2	Lack of oversight of budget management, including comparison of budgets with actual performance and costs, forecasts and prior performance; no regular reconciliation of control records and lack of proper reporting to governing body		
4.1.3	General lack of management oversight or appropriate level of challenge		
4.1.4	There is inadequate or inappropriate segregation of duties regarding initiation, authorisation and recording of transactions, maintaining custody of assets		
4.1.5	There is a lack of internal, independent monitoring of controls in place; failure to take any corrective actions, if needed		
4.1.6	No mechanism exists to inform management and governors of possible fraud		
4.1.7	Management of information systems is inadequate (no policy on information technology security, computer use and access, verification of data accuracy completeness or authorisation of transactions)		
4.1.8	Accounting systems are inadequate (ineffective method for identifying and recording transactions, no tracking of time periods during which transactions occur, insufficient description of transactions and to which account they should be allocated to, no easy way to know the status of funds on a timely basis, no adequate procedure to prevent duplicate payments or prevent missing payment dates, etc.)		
4.1.9	Purchasing systems/procedures inadequate (poor or incomplete documentation of purchase, payment, receipt; poor internal controls as to authorisation and segregation of duties)		
4.1.10	Previous audits with findings of <ul style="list-style-type: none"> • questioned costs • evidence of non-compliance with applicable laws or regulations • weak internal controls • inadequate management response to any of above • a qualified opinion 		

4.1.11	<ul style="list-style-type: none"> • History of problems • Slow response to past findings or problems • Unresolved findings 		
4.1.12	There is insufficient physical security over facilities, assets, records, computers, data files, cash; failure to compare existing assets with related records at reasonable intervals		

Appendix 11 - Declaration of Interest Form

Trinity Multi Academy Trust

Declaration of business and pecuniary interests

The Board of Directors are required to establish a register of business and pecuniary interests for themselves and all Local Governors and staff, which will be open to inspection. It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from decisions that they make. For this reason the Directors must also state any personal relationships that could benefit the Members, Directors, Local Governors, Senior Leaders, staff or close relatives of the trust (including relationships through marriage).

You are required to complete a declaration of business and pecuniary interests form which must include any governance roles in other educational institutions. Where there are no business or pecuniary interests at present, this should be noted as 'Nil', however, should this change it is your responsibility to inform the Directors.

Business and pecuniary interests include any material interests arising from close family relationships (child, parent, spouse etc.) between the academy trust's Members or Directors, and relationships between Members/Directors/Local Governors/Staff.

Full name	
Date of appointment	
Term of office	
Date they stepped down (if applicable)	
Appointed by	

As a Director of Trinity Multi Academy Trust, I need to declare the following business/material interests (please continue on a separate sheet if necessary), or note a nil return.

Name of the business (if applicable)	Nature of the business (if applicable)	Nature of the interest	Date the interest began

I undertake to notify the Board of Directors of any changes in these circumstances.

SignedName (in capitals)

Date