



South Gloucestershire and Stroud  
Academy Trust  
(SGS Academy Trust)

# Financial Regulations

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Please contact the SGS HR Department

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<b>Date:</b>	30 March 2022

# SGS Academy Trust – Financial Regulations

## Mandatory Initial Equality and Diversity Impact Screening

Main aim and purpose of the policy:	To enable employees to raise concerns in a confidential manner about matters of public interest related to the conduct of staff, managers or Governors, or the Groups practices				
Is this policy (or its constituent parts) relevant to a general equality duty? (please tick)	This policy development will assist in the elimination of unlawful discrimination and/or harassment of identified Groups?	Implementation of this policy will promote equal opportunities for identified Groups?	Implementation of this policy will promote positive attitudes and participation between Groups?	Implementation of this policy will promote good relations between Groups?	
<b>Age</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Disability</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Gender Reassignment</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Race or Ethnicity</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Religion or Belief</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Marriage</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Pregnancy/ Maternity</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Sex</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Sexual Orientation</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Carers/ Care givers</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Persons in care</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Specify any Groups for which there is evidence or reason to believe that some Groups or individuals could be affected differently:					
None					
How much evidence is there:	None	A little	Some	A lot	
<b>Is there any concern that the policy may operate in a discriminatory way?</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	None	A little	Some	A lot	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Assessed relevance to equality (tick one row only)	High	Med	Low	None	Brief reason for this assessment
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Gender Reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Race or Ethnicity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Religion or Belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Marriage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Pregnancy/ Maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Carers/ Care givers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
What is the next step? (tick one only)	What priority level is this policy?			Has the Policy been sent for Full EQIA, or do you believe the policy should have a Full EQIA?	
	High <input type="checkbox"/>	Medium <input checked="" type="checkbox"/>	Low <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>I am satisfied that an initial screening has been carried out on this policy/procedure and a full Impact Assessment is not required</b>					
<b>Completed by:</b> Angela Humphrey		<b>Position:</b> Director of Finance		<b>Date:</b> February 2022	

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# **South Gloucestershire and Stroud Academy Trust – Financial Regulations**

## **A. TERMINOLOGY**

### **FINANCE & AUDIT COMMITTEE**

The Finance & Audit Committee is independent of Head Teachers' responsibility, and advises the Board of Trustees on issues related to internal audit, external audit and financial control. It must issue an Annual Report to the Board of Trustees which comments on SGSAT's system of internal control.

### **HEAD TEACHER**

The Head Teacher is responsible for the continued development and growth /provision for the day to day running of each individual School who has been assigned their own budget and is accountable for it.

### **CHIEF EXECUTIVE OFFICER & ACCOUNTING OFFICER**

Under the Financial Memorandum, the Chief Executive Officer is also SGSAT's Accounting Officer with the ultimate Executive responsibility for the finances and the management of SGSAT.

### **SOUTH GLOUCESTERSHIRE AND STROUD ACADEMY TRUST (SGSAT)**

Reference to the South Gloucestershire and Stroud Academy Trust includes any school run by SGSAT.

### **DESIGNATED FUNDING BODY**

This refers to the Department for Education (DfE).

### **FUNDING BODY/BODIES**

This refers to the Education and Skills Funding Agency (ESFA) and Local Governing Bodies.

### **CHIEF FINANCIAL OFFICER**

The Chief Financial Officer is responsible for the design and implementation of the internal control framework, financial and management accounting.

### **EXECUTIVE**

The Executive is the Senior Management Team that assists the Chief Executive Officer & Accounting Officer in running SGSAT. This includes the Chief Financial Officer and Chief Services Officer.

## **South Gloucestershire and Stroud Academy Trust – Financial Regulations**

### **THE BOARD OF TRUSTEES**

The Board of Trustees is ultimately responsible for the affairs of SGSAT. The membership, powers and procedures are defined within the Funding Agreement between the DfE and SGSAT. The Board is supported by the Finance & Audit Committee and the Curriculum and Quality Committee.



# South Gloucestershire and Stroud Academy Trust – Financial Regulations

## B. GENERAL PROVISIONS

### 1. Background

- 1.1. The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.
- 1.2. The Trustees of South Gloucestershire and Stroud Academy Trust ("SGSAT") are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as South Gloucestershire and Stroud Academy Trust.
- 1.3. South Gloucestershire and Stroud Academy Trust (SGSAT) must comply with the principles of financial control outlined in the Academies guidance published by the DfE. These financial regulations provide detailed information on SGSAT's accounting procedures and systems and should be read by all staff involved with financial systems.

### 2. Status of Financial Regulations

- 2.1. This document sets out South Gloucestershire and Stroud Academy Trust's (SGSAT) Financial Regulations. It translates into practical guidance within SGSAT's broad policies relating to financial control and the SGSAT Financial Procedures.
- 2.2. These Financial Regulations should be read in conjunction with the:
  - Scheme of Delegation
  - Master Funding Agreements
  - Supplemental Funding Agreements
  - Academy Trust Handbook
  - Committee Terms of References
  - SGSAT Financial Procedures
- 2.3. The purpose of this manual is to ensure that SGSAT maintains and develops systems of financial control which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).
- 2.4. Compliance with the Financial Regulations is compulsory for all staff connected with SGSAT. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under SGSAT's disciplinary policy. The Board of Trustees must be notified of any such breach through the Finance & Audit Committee. It is the responsibility of Head Teachers to ensure that their staff are made aware of the existence and content of SGSAT's Financial Regulations.
- 2.5. The Finance & Audit Committee is responsible for maintaining a continuous review of the Financial Regulations, through the Chief Financial Officer, and for advising the Board of Trustees of any additions or changes necessary.

## **South Gloucestershire and Stroud Academy Trust – Financial Regulations**

- 2.6.** In exceptional circumstances, this committee may authorise a departure from the detailed provisions herein, such departure must be reported to the Board of Trustees at the earliest opportunity, setting out why such action was taken.
- 2.7.** The SGSAT detailed Financial Procedures set out precisely how these regulations will be implemented and are contained in a separate manual.

## C. GOVERNANCE

### 1. SGS Academy Trust

SGSAT Board of Trustees has the overall responsibility for the administration of SGSAT's finances. The main responsibilities of SGSAT are prescribed in the Funding Agreement between SGSAT and the DfE and in SGSAT's scheme of delegation.

The main responsibilities include:

- ensuring that grant from the DfE is used only for the purposes intended;
- approval of the annual budget;
- appointment of the Head Teachers and
- appointment of the Chief Financial Officer.
- Appointment of the Chief Executive Officer/Deputy Chief Executive Officer.
- appoint a person to be hold temporary Executive roles should any be vacant or to cover long term absence.

The main responsibilities of SGSAT are prescribed in the Funding Agreement between SGSAT and the DfE and the scheme of delegation which are authorised and approved by SGSAT Board of Trustees annually.

Local School Boards, as local Committees of the Trust Board, have no delegated responsibilities in relation to financial oversight, as outlined in the Scheme of Delegation and Local School Board Terms of Reference. Local School Boards receive financial information for contextual awareness to their school improvement activities supporting the school.

### 2. Finance and Audit Committee

The Finance and Audit Committee is a committee of SGSAT. The Finance and Audit Committee meets at least three times during an academic year.

The main responsibilities include:

- the initial review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual Accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE / ESFA guidance issued to academies;
- reviewing and recommending to SGSAT Board for approval, any orders over £40,000 (excluding VAT)
- to review SGSAT staffing establishment as part of Trust budget considerations, and
- reviewing the reports of the Chief Financial Officer, Director of Finance and external Auditors on the effectiveness of the financial procedures and controls. These reports must also be reported to the Trustees of SGSAT.

### 3. Head Teachers

Within the framework of the School Improvement Plans as approved by SGSAT Board of Trustees, the Head Teachers have overall executive responsibility for the academies' activities including financial activities and thus are the main Budget Holders. As Budget Holder, Head Teachers are responsible for authorising expenditure

## South Gloucestershire and Stroud Academy Trust – Financial Regulations

on all goods and services, expense reimbursement and entering into any contracts related to the objectives of the academy up to a value of £40,000 (excluding VAT) in conjunction with the SGSAT Director of Finance and / or the SGSAT Finance Business Partner, provided that the expenditure can be met from within the appropriate approved budget heading and that no liability is incurred in any future year.

### 4. Accounting Officer

The Accounting Officer is appointed by SGSAT Board of Trustees and is the Chief Executive Officer (CEO). Full outline of the requirements and responsibilities of the role are included within the Academy Trust Handbook.

- These include specific responsibilities for financial matters, a personal responsibility to Parliament, and to ESFA's Accounting Officer, for the financial resources under the trust's control. Accounting Officers must be able to assure Parliament, and the public, of high standards of probity in the management of public funds, particularly:
- value for money – achieving the best possible educational outcomes through the economic, efficient and effective use of resources. A key objective is to achieve value for money not only for the trust but for taxpayers generally.
- regularity – dealing with all items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement and this handbook, and compliance with the trust's internal procedures – this includes spending public money for the purposes intended by Parliament
- propriety – the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of parliamentary control – this covers standards of conduct, behaviour and corporate governance.

The accounting officer has specific responsibilities to complete and sign a statement on regularity, propriety and compliance each year and submit this to the ESFA with the audited accounts. The accounting officer must also demonstrate how the trust has secured value for money via the governance statement in the audited accounts.

Whilst the Trust's accounting officer is accountable for the Trust's financial affairs, for keeping proper financial records, and for the management of opportunities and risks, the delivery of the trust's detailed accounting processes will be delegated to the Chief Financial Officer.

The accounting officer must take personal responsibility (which must not be delegated) for assuring the board that there is compliance with the Financial handbook and the funding agreement. The accounting officer must advise the board in writing if, at any time, in his or her opinion, any action or policy under consideration by them is incompatible with the terms of the articles, funding agreement or the Financial handbook. Similarly, the accounting officer must advise the board in writing if the board appears to be failing to act where required to do so by the terms and conditions of the Financial handbook or funding agreement. Where the board of trustees is minded to proceed, despite the advice of the accounting officer, the accounting officer must consider the reasons the board gives for its decision. If, after considering those reasons the accounting officer still considers that the action proposed by the board is in breach of the articles, the funding agreement or the Financial handbook, the accounting officer must notify EFA's accounting officer immediately, and in writing.

## **South Gloucestershire and Stroud Academy Trust – Financial Regulations**

The appointment of an accounting officer does not remove the responsibility of trustees, both individually and as a board, for the proper conduct and financial operation of the trust.

### **5. The Chief Financial Officer**

The Chief Financial Officer (CFO) is appointed by SGSAT Board of Trustees and provides Trustees with an independent oversight of the academy's financial affairs. The main duties of the CFO are to provide SGSAT with independent assurance that:

- the financial responsibilities of SGSAT are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained and
- financial considerations are fully taken into account in reaching decisions.

The Chief Financial Officer will undertake an agreed programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by SGSAT Board of Trustees. A report of the findings from each visit will be presented to the Finance & Audit Committee.

### **6. The Director of Finance**

The Director of Finance reports to the Chief Financial Officer and works in close collaboration with the Head Teachers.

The main responsibilities of the Director of Finance are:

- the day to day management of financial issues;
- the management of the academy financial position at a strategic and operational level within the framework for financial control determined by SGSAT Board of Trustees;
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts, in collaboration with the Finance Business Partner, are properly presented and adequately supported by the underlying books and records of the academy;
- the overview of monthly management accounts prepared by the Finance Business Partner;
- ensuring all financial statutory forms and ESFA returns are completed accurately and submitted on time.

### **7. SGS AT Governance Professional/Clerk**

The SGS AT has appointed a governance professional to support the board of trustees, known as the SGS AT Clerk and Company Secretary. The role holder is to be someone other than a trustee, principal or Chief Executive of the trust.

The SGS AT Clerk contributes to the efficient functioning of the board by providing:

- guidance to ensure the board works in compliance with the appropriate legal and regulatory framework, and understands the potential consequences of non-compliance
- Independent advice on procedural matters relating to the operation of the board
- Administrative and organisational support.

## **South Gloucestershire and Stroud Academy Trust – Financial Regulations**

### **8. Auditors – External and Internal**

#### **External Audit**

The appointment of external auditors for the financial statements of the SGSAT is reviewed annually and is the responsibility of the Members of the Trust, on recommendation from the Board of Trustees. The Trustees will be advised by the Finance & Audit Committee. The primary role of the external audit is to report on the SGSAT's Financial Statements and to carry out such examination of the statements and underlying records and control systems as are necessary for the external auditors to reach an opinion on the statements and to report on the appropriate use of funds.

#### **Internal audit**

The Internal Auditor is appointed by the Board of Trustees on the recommendation of the Finance & Audit Committee. The appointment is reviewed annually.

The main responsibility of internal audit is to provide the Trustees, the Chief Executive Officer and senior management with assurances on the adequacy of the internal control system and the management of risk.

The internal audit service remains independent in its planning and operation but has direct access to the Trustees, Chief Executive Officer, Deputy Chief Executive Officer and Chair of the Finance & Audit Committee.

### **9. Other Staff**

Other members of staff, the central Finance Team, administrative staff within academies and Head Teachers, will have some financial responsibilities and these are detailed in the following sections of this manual and in the SGSAT Financial Procedures. All staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

### **10. Register Of Interests**

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

The register should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with SGSAT. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a Trustee, Local School Board members or a member of staff by that person.

The existence of a register of business interests does not, of course, detract from the duties of Members, Trustees, Local School Board members and staff to declare

## **South Gloucestershire and Stroud Academy Trust – Financial Regulations**

interests whenever they are relevant to matters being discussed by SGSAT or a committee. A Member, Trustee or Local School Board member who has declared an interest in an item shall refrain both from taking part in the debate and from voting in that item. The Chair of the meeting may also ask that individual to withdraw from the meeting during discussion of that item.

## D. PLANNING AND BUDGETING

### 1. Financial Planning

#### 1.1. Responsibility

The Chief Financial Officer, in collaboration with the Director of Finance, is responsible for preparing annually a rolling three-year financial plan for approval by the Board of Trustees and for preparing financial forecasts for submission to the Designated Funding Body. Financial plans must be prepared in line with the SGSAT Strategic Plan.

The ESFA strongly recommended an integrated approach to curriculum and financial planning. This should also include Pupil Premium and School Improvement Plan.

#### 1.2. Budget

The Board of Trustees will annually set budget objectives for SGSAT. These will help the Chief Financial Officer in preparing their more detailed financial plans for the SGSAT.

#### 1.3. Resource Allocation

Resources are allocated annually by the Board of Trustees on the basis of the above objectives. Head Teachers are responsible for the economic, effective and efficient use of resources allocated to them.

#### 1.4. Budget Preparation

The Chief Financial Officer has overall responsibility for the annual revenue budget and capital budget and presents it for consideration by the Board of Trustees. The budget must also include monthly cash flow forecasts for the year and a projected year-end balance sheet.

The Director of Finance is responsible for co-ordinating the production of the annual budget and 3 year financial plan. The Head Teachers in conjunction with the Director of Finance are responsible for preparing the annual budget and financial plan for their setting. In addition, Head Teachers are responsible for preparing the curriculum plan which forms a key input into the financial planning process. The Director of Finance is responsible for the consolidation of the individual plans to form the SGSAT 3 year financial plan.

The Chief Financial Officer must ensure that the approved annual budget are communicated to Head Teachers as soon as possible following their approval by the Board of Trustees.

Budget preparation is shown in more detail in the Financial Procedures.

The approved budget must be submitted to the DfE by 31 July and the Director of Finance is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.



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The Chief Financial Officer is responsible for submitting monitoring reports to the Board of Trustees at least three times a year.

### **1.5. Capital Budget**

1.5.1 Devolved capital funds allocated to each Academy will inform the production of the annual capital budget submitted to Trustees for their consideration. Regular monitoring of capital spend will be presented as part of the monthly management accounts.

1.5.2 The capital programme includes all expenditure on land, buildings, equipment, furniture and associated costs whether or not they are funded from capital grants or capitalised for inclusion in the SGSAT's Financial Statements. Expenditure of this type is approved by the Board of Trustees.

The Chief Financial Officer must establish protocols for the inclusion of capital projects for approval by the Board of Trustees. These must set out the information that is required for each proposed project as well as the financial criteria that they are required to meet as summarised at Appendix 3.

The Chief Financial Officer must establish procedures for the approval of variations, including the notification of large variations to the Designated Funding Body, as laid down in Designated Funding Body guidelines.

The Chief Executive Officer is responsible for providing regular statements concerning all capital expenditure to the Board of Trustees for monitoring purposes.

Following completion of a capital project, a post-project evaluation or final report must be submitted to the Board of Trustees by the Chief Executive Officer, including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. Post project evaluations may also need to be sent to the relevant Designated Funding Body, as laid down in the Designated Funding Body guidelines.

### **1.6. Overseas Activity**

In planning and undertaking overseas activity, SGSAT must have due regard to the relevant guidelines issued by the Designated Funding Body.

## **2. Financial Control**

### **2.1. Budgetary Control**

The control of income and expenditure within an agreed budget is the responsibility of the designated Head Teacher, who must ensure that day-to-day monitoring is undertaken effectively.

Head Teachers are responsible to the Director of Finance and the Deputy Chief Executive Officer for the income and expenditure appropriate to their budget.

Significant departures from agreed budgetary targets must be reported immediately to the Chief Financial Officer by the Head Teacher concerned and, if necessary, corrective action taken.

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## **2.2. Financial Information**

The Head Teachers are assisted in their duties by management information provided by the Director of Finance. The types of management information available to the different levels of management are described in the detailed Financial Procedures, together with the timing at which they can be expected. The Chief Financial Officer is responsible for supplying budgetary reports on all aspects of SGSAT's finances to the Board of Trustees on a basis determined by the Board of Trustees but subject to any specific requirements of the Designated Funding Body. These reports are presented to the Board of Trustees, which has overall responsibility for SGSAT's finances, by the Chief Financial Officer.

## **2.3. Changes to the Approved Budget**

Changes proposed to the approved budget will only be made if requested by the Board of Trustees or at the discretion of the Director of Finance or Chief Financial Officer.

Where monies are allocated from SGSAT's Capital budget for a specific purpose, the monies must be used for that purpose.

## **2.5. Treatment of Year-end Balances**

At the year end, Head Teachers will not normally have the authority to carry forward a balance on their budget to the following year unless the Board of Trustees has approved a specific scheme for carrying forward all or part of unspent amounts or unless it relates to funds received for a specific project or activity in the future.

## E. FINANCIAL REPORTING

### 1. Financial Year

SGSAT's financial year runs from 1 September until 31 August the following year.

### 2. Basis of Accounting

The consolidated Financial Statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

### 3. Format of the Financial Statements

The Financial Statements are prepared in accordance UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Academies Accounts Direction further requires the financial statements to be prepared in accordance with the Charities SORP (FRS 102).

### 4. Capitalisation and Depreciation

New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Land will not be depreciated.

Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.

Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost per item is £1,000 or more. Grouped items (eg a suite of computers) with an individual value of less than £1,000, but a group value of £1,000 or more, will also be capitalised. Capitalised assets other than land and buildings will be depreciated as follows:

- Computer equipment – 3-5 years
- Other equipment – 5 years

### 5. Accounting Records

The Chief Financial Officer is responsible for the retention of financial documents. These must be kept in a form that is acceptable to the relevant authorities.

SGSAT is required by law to retain prime documents for six years. These include:

- official purchase orders
- paid invoices
- accounts raised
- bank statements
- copies of receipts

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- paid cheques
- payroll records, including part-time contracts.

The Chief Financial Officer must make appropriate arrangements for the retention of electronic records, ensuring that these arrangements enable SGSAT to comply with GDPR and Freedom of Information requirements.

Members of staff must ensure that retention arrangements comply with any specific requirements of funding organisations such as those of the EU.

Additionally, for auditing and other purposes, other financial documents must be retained for three years or as determined by the funding organisation.

### 6. Public Access

Under the terms of the Freedom of Information Act 2000, the Board of Trustees must supply any person with a copy of SGSAT's Financial Statements.

The Act enables the Board of Trustees to levy a reasonable fee and this will be charged at the discretion of the Chief Financial Officer. SGSAT must also allow members of the public to inspect the statement of accounts during normal working hours, and make a summary available on SGSAT's website.

### 7. Taxation

The Chief Financial Officer is responsible for advising Head Teachers, in the light of guidance issued to SGSAT by the appropriate bodies, and of relevant legislation as it applies, on all taxation issues, to SGSAT. Therefore the Chief Financial Officer will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty.

The Director of Finance is responsible for maintaining SGSAT's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

### 8. Control Accounts

In accordance with the Finance SLA, the SGS College Finance Operations Manager is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- Sales ledgers control account;
- Purchase ledger control account and;
- Bank balance per the nominal ledger to the bank statement.

The SGS College Finance Operations Manager will review and sign all reconciliations as evidence of their review. Any unusual or long outstanding reconciling items must be brought to the attention of the Chief Financial Officer.

In accordance with the HR SLA, the SGS College Pay and Benefits Analyst is responsible for reconciling the Trust's payroll control accounts.

## **South Gloucestershire and Stroud Academy Trust – Financial Regulations**

### **9. Management Accounts**

The Director of Finance shall be responsible for ensuring the prompt and accurate preparation of monthly management accounts and the accompanying commentary in collaboration with the Finance Business Partner.

These will be completed by the tenth working day of the following month and, after review by the Executive, shall be circulated to all members of the Board of Trustees and made available to the funding agency and bank (as required).

At the same time detailed departmental reports will be made available to all Head Teachers through the Ebis system.

## F. Audit Requirements

### 1. General

External auditors and internal auditors have authority to:

- access SGSAT premises at reasonable times
- access all assets, records, documents and correspondence relating to any financial and other transactions of SGSAT
- require and receive such explanations as are necessary concerning any matter under examination
- require any employee of SGSAT to account for cash, stores or any other SGSAT property under his or her control
- access records belonging to third parties, such as contractors, when required.

The Finance Business Partner is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

The Financial Statements must be reviewed by the Finance & Audit Committee and on the recommendation of the Committee they will be submitted to the Board of Trustees for approval.

### 2. Financial Statements Audit

The appointment of external auditors for the main Financial Statements of SGSAT is reviewed annually, in line with the provisions of the Joint Audit Code of Practice, and is the responsibility of the Board of Trustees. The Board of Trustees will be advised by the Finance & Audit Committee.

The primary role of the external audit is to report on SGSAT's Financial Statements and to carry out such examination of the statements and underlying records and control systems as are necessary for the external auditors to reach an opinion on the statements and to report on the appropriate use of funds. Their duties must be in accordance with advice set out in the Designated Funding Body's *Joint Audit Code of Practice* and the *International Standards on Auditing (UK and Ireland)*, Auditing Practices Board.

### 3. Internal Audit

The Internal Auditor is appointed by the Board of Trustees on the recommendation of the Finance & Audit Committee. The appointment is reviewed annually.

The main responsibility of internal audit is to provide the Trustees and the Senior Management Team with assurances on the adequacy of the internal control system and the management of risk.

The internal audit service remains independent in its planning and operation but has direct access to the Board of Trustees, Chief Executive Officer & Accounting Officer, Head Teachers and Chair of the Finance & Audit Committee. The formal responsibilities of internal audit are detailed in Section C. The internal auditor will also comply with the annual *Academies Accounts Direction* issued by the Education and Skills Funding Agency and International Standards on Auditing (UK) ("ISAs (UK)") and applicable law.

## **South Gloucestershire and Stroud Academy Trust – Financial Regulations**

### **4. Value For Money**

It is a requirement of the Financial Memoranda that the Board of Trustees of SGSAT is responsible for delivering value for money from public funds. It must keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the Designated Funding Body, the National Audit Office, the Public Accounts Committee or other relevant bodies.

Internal audit must have regard to value for money in its programme of work. This will be used to enable the Audit Committee to refer to value for money in its Annual Report.

### **5. Other Auditors**

SGSAT may, from time to time, be subject to audit or investigation by external bodies such as the Funding Bodies, National Audit Office and HM Revenue and Customs. They have the same rights of access as external and internal auditors.

## G. Treasury Management

### 1. Treasury Management Policy

Decisions concerning borrowing, investment or financing (within policy parameters agreed by the Board of Trustees) are delegated to the Chief Financial Officer and an appropriate reporting system set up. All borrowing must be undertaken in the name of SGSAT or one of its subsidiary undertakings. The Chief Financial Officer and his/her staff must act in accordance with CIPFA's *Treasury Management in the Public Services Code of Practice* (Revised 2017).

### 2. Appointment of Bankers and Other Professional Advisers

The Board of Trustees is responsible for the appointment of SGSAT's bankers and other professional financial advisers (such as investment managers). The appointment must be for a specified period after which consideration must be given to competitively tendering the service.

### 3. Banking Arrangements

The Director of Finance is responsible, on behalf of the Trust, for liaising with SGSAT's bankers in relation to SGSAT's bank accounts and the issue of cheques. All cheques must be ordered on the authority of the Director of Finance, who must make proper arrangements for their safe custody.

Only the Chief Financial Officer, the Director of Finance or the Chief Executive Officer & Accounting Officer may open or close a bank account for dealing with SGSAT's funds. All bank accounts must be in the name of South Gloucestershire and Stroud Academy Trust.

All cheques drawn on behalf of SGSAT must be signed in the form approved by the Board of Trustees, as detailed in Appendix 1 – Summary of Financial Limits. Details of authorised persons and limits must be provided for in SGSAT's detailed Financial Procedures.

All automated transfers on behalf of SGSAT, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the Board of Trustees.

The Director of Finance is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.



## H. Income

### 1. Systems

#### 1.1. Procedures

The Director of Finance is responsible for:

ensuring that appropriate procedures are in operation to enable SGSAT to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the Chief Financial Officer;

the prompt collection, security and banking of all income received;

ensuring that all grants notified by the Funding Bodies and other bodies are received and appropriately recorded in SGSAT's accounts.

ensuring that all claims for funds, including research grants and contracts, are made by the due date.

#### 1.2. Maximisation of Income

It is the responsibility of all staff to ensure that revenue to SGSAT is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to the Chief Financial Officer of sums due so that collection can be initiated.

### 2. Receipt of Cash, Cheques and Other Negotiable Instruments

All monies received within school from whatever source must be recorded by the school on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable instruments.

All monies received must be paid to the SGS College Cashbook Team promptly, and in accordance with a timetable prescribed by the Director of Finance and set out in Financial Procedures. The custody and transit of all monies received must comply with the requirements of SGSAT's insurers.

All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous school expenses or be paid into any petty cash float. Personal or other cheques must not be cashed out of money received on behalf of SGSAT.

#### 2.1. Receipts by Credit or Debit Card

SGSAT is not able to receive payments by debit or credit card.

The alternative method of payment into school is ParentPay. This is an online payment system which will allow schools to collect money for extra services being provided to students i.e. Education study visits, uniform or revision guides. The parent can log onto ParentPay and make payment by Debit or Credit Card and ParentPay will transfer the funds directly into SGSAT's bank account less a processing fee.

## **South Gloucestershire and Stroud Academy Trust – Financial Regulations**

### **2.2. Internet receipts**

Any member of staff wishing to arrange for payment to be made to SGSAT via the internet must seek guidance from the SGS College Finance Operations Manager at an early stage.

### **3. Collection of Debts**

The Director of Finance must ensure that:

- debtors invoices are raised promptly on official invoices, in respect of all income due to SGSAT;
- invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account;
- any credits granted are valid, properly authorised and completely recorded;
- VAT is correctly charged where appropriate, and accounted for;
- monies received are posted to the correct debtors account;
- swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the Financial Procedures;
- outstanding debts and sales ledger credits are monitored and reports prepared for management.

#### **3.1. Credit Arrangements**

Only the Chief Financial Officer can implement credit arrangements and indicate the periods in which different types of invoice must be paid. Any subsequent changes must be submitted to Board of Trustees for approval.

#### **3.2. Bad Debts**

Requests to write off debts in excess of £250 referred to the Director of Finance or the Chief Financial Officer for consideration. Debts below this amount may be written off with Budget Holder approval.

All bad debts written off must be reported to the SGSAT Board of Trustees.

Any debts exceeding ESFA limits must be approved by the ESFA before writing off (see Appendix 1: Summary of Financial limits for ESFA limits.)

### **4. Other Income-Generating Activity**

#### **4.1. Private Consultancies and Other Paid Work**

Unless otherwise stated in a member of staff's contract:

- outside consultancies or other paid work must not be accepted without the consent of the Chief Group Services Officer.
- applications for permission to undertake work as a purely private activity must be submitted to the Chief Group Services Officer, as appropriate, and include the following information:

## South Gloucestershire and Stroud Academy Trust – Financial Regulations

- the name of the member(s) of staff concerned
- the title of the project and a brief description of the work involved
- the proposed start date and duration of the work
- full details of any Trust resources required (for the calculation of the full economic cost)
- an undertaking that the work will not interfere with the teaching and normal Trust duties of the member(s) of staff concerned.

### 4.3. Subcontracting (Partnership Activity)

Any contract or arrangement whereby SGSAT provides education to students away from SGSAT premises, or with the assistance of persons other than SGSAT's own staff or with independent contractors (partner organisations), must be subject to the following procedure and monitoring arrangements.

There must be a contract signed by the Head Teacher and on behalf of any partner organisation in place before any provision is made. Contracts will only be awarded to legal entities, if the legal entity is a registered Company, it must be recorded as 'Active' on the Companies House database. Contracts will not be awarded if:

- If has an above average risk warning from a credit agency;
- If has passed a resolution (or the court has made an order) to wind up or liquidate the company, or administrations have been approved; or
- The statutory accounts are overdue.

Contracts for significant changes in franchising activity must be approved in advance by the Board of Trustees. The form of the contract must be approved by the Board of Trustees.

The impact of the contract(s) must be subject to scrutiny by the Board of Trustees. The format for regular reports must be as stated in Designated Funding Body guidance. They must consider the risk factors associated with the proposed partnership and agree an appropriate entry in SGSAT's financial forecast.

Where the partnership would represent a significant departure from SGSAT's strategic plan, the Board of Trustees must approve the departure, and the Head Teacher must seek the views of and inform the Funding Bodies.

SGSAT will remain ultimately responsible for all provision subcontracted. It will make sure that learners and employers supported through subcontracting arrangements know SGSAT and the subcontractor's role and responsibilities in providing the learning. Monitoring and compliance checks will be in accordance with guidance provided by the Education Skills Funding Agency.

### 4.4. Service Level Agreements

Where SGS Academy Trust has a Service Level Agreement (SLA) with a Partner or Sponsor and is entitled to invoice for goods/services provided it should do so at the earliest opportunity after the goods/services have been provided quoting an approved Purchase Order number.

## **South Gloucestershire and Stroud Academy Trust – Financial Regulations**

### **4.5. Profitability and Recovery of Overheads**

All other income-generating activities must be self-financing or surplus-generating.

Other income-generating activities organised by members of staff must be costed and agreed with the Chief Financial Officer before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with SGSAT's fee policy, in particular for the recovery of overheads.

### **4.6. Deficits**

Any unplanned deficits incurred on other income-generating activities will be charged to the individual academy to which the activity related.

### **4.7. Additional Contributions to Departments**

Distribution of profits on other income-generating activity between central funds of SGSAT and individual academies will be in accordance with the process agreed by the Chief Financial Officer.

### **4.8. Additional Payments to Staff**

Any proposal that involves additional payments to members of staff must be supported by a schedule of names and values and reasons for such payments and must be recommended by the Head Teacher, and the Deputy Chief Executive Officer, for approval by the Board of Trustees.

## **5. Intellectual Property Rights and Patents**

### **5.1. General**

Certain activities undertaken within SGSAT including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property.

### **5.2. Patents**

The Head Teacher is responsible for establishing procedures to deal with any patents accruing to SGSAT from inventions and discoveries made by staff in the course of their research.

### **5.3. Intellectual Property Rights**

In the event of SGSAT deciding to become involved in the commercial exploitation of inventions and research, the matter must then proceed in accordance with the intellectual property procedures issued by SGSAT.

## I. PURCHASING AND PAYMENTS

### 1. Scheme of Delegation / Financial Authorities

The Chief Financial Officer is responsible for making payments to suppliers of goods and services to SGSAT.

The Head Teacher is responsible for purchases within their school. Purchasing authority may be delegated to named individuals within the school. In exercising this delegated authority, Head Teachers must observe the SGSAT Financial Procedures. The Director of Finance must maintain a register of authorised signatories and Head Teachers must supply him or her with specimen signatures of those with authority to commit expenditure on behalf of SGSAT.

Under procedures agreed by the Chief Financial Officer, central control must be exercised over the creation of requisitioners and authorisers and their respective financial limits.

The Chief Financial Officer must be notified immediately of any changes to the authorities to commit expenditure.

Head Teachers are not authorised to commit SGSAT to expenditure without first reserving sufficient funds from their budget to meet the purchase cost.

The member of staff authorising the invoice for payment must be different from the member of staff responsible for signing or electronically approving the purchase order.

Approval limits and requirements are detailed in Appendix 1 – Summary of Financial Limits.

### 2. Procurement

SGSAT requires all Head Teachers, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice.

The Head Teacher is responsible for:

- ensuring that SGSAT's purchasing guidelines detailed in the SGSAT Financial Procedures is known and observed by all involved in purchasing for their school;
- advising on matters of SGSAT purchasing guidelines and practice;
- advising and assisting departments where required on specific departmental purchases
- developing appropriate standing supply arrangements on behalf of SGSAT to assist Head Teachers in meeting their value for money obligations
- approving all orders under £5,000
- approving all orders between £5,000 and £20,000, alongside the Finance Business Partner, ensuring that three quotes have been obtained
- approving all orders between £20,000 and £40,000, alongside the Chief Financial Officer or Director of Finance and the Chief Executive Officer, ensuring that three quotes have been obtained

## South Gloucestershire and Stroud Academy Trust – Financial Regulations

- submitting to SGSAT Finance and Audit Committee for onward approval to SGSAT Board of Trustees all orders over £40,000 for approval. Purchase Order to be approved by the Chief Financial Officer once Board have approved spend.

Orders requiring approval by the Board of Trustees, on recommendation from the Finance & Audit Committee should be formally presented in line with the requirements outlined in this document, within timescales of scheduled meetings, whenever possible.

In the event that contracts with value over £40,000 need to be signed due to short notice given by the Broker, for example market volatility, it is expected that this will be known in advance of contract requirement and therefore prior approval is to be requested from the Finance and Audit Committee and Board of Trustees who may delegate the approving and signing of the contract to the Chair of the Board or the Chief Executive Officer. This is only to be actioned in circumstances where known timescales are prohibitive to the usual process.

Staff involved in procurement exercises for and on behalf of SGSAT, should keep records that show a clear audit trail of how conflicts of interest have been identified and managed as part of procurement processes. At every stage of procurement, steps should be taken to identify and manage conflicts of interest, to ensure and to protect the integrity of the process. Please refer to the SGSAT Declaration of Interest Policy available on SGSAT Sharepoint.

The Director of Finance is responsible for ensuring that all new suppliers and contractors are approved, ensuring I.R. 35 compliance.

### 3. Purchase Orders

The ordering of goods and services must be in accordance with SGSAT's detailed Financial Procedures.

Official Ebis orders must be placed for the purchase of all goods or services, except those made using Corporate cards or petty cash. In exceptional circumstances, urgent orders may be given verbally, but must be confirmed by an official purchase order endorsed 'confirmation order only' not later than the following working day.

Official orders must be issued to suppliers for all goods and services with the exception of utilities and certain other services approved by the Chief Financial Officer, as set out in Appendix 2 - Items Exempt from Financial Regulations.

### 4. Corporate Cards

Corporate cards include credit cards, procurement cards and pre-payment cards.

The operation and control of SGSAT's corporate cards is the responsibility of the Chief Financial Officer.

The cards are provided for costs that require the flexibility that a Corporate card offers. Where appropriate, the Chief Financial Officer will approve the issuing of corporate cards to staff. Each credit card has a monthly limit of up to £20,000 however other cards will have a lower limit of no more than £5,000.

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Holders of corporate cards must use them only for the purposes for which they have been issued, on valid business expenses and within the authorised purchase limits. Cards must not be loaned to another person, nor must they be used for personal or private purchases. The misuse of such cards will be grounds for disciplinary action. Cardholders must obtain approval to purchase from the relevant Head Teacher and must ensure that there is sufficient budget available to meet the costs.

The Director of Finance is responsible for setting in place a system to monitor the use of Trust corporate cards and account for expenses charged through them. They must determine what information is required on purchases made with corporate cards from cardholders and deadlines for receipt in the Finance Department to enable financial control to be maintained and cardholders must provide that information. The Director of Finance must maintain a register of all cardholders, card numbers and location. Any changes to these details must be notified to the Director of Finance.

Details of the operation of the scheme are set out in the Financial Procedures.

### 5. Tenders and Quotations

Head Teachers must comply with SGSAT's tendering procedures detailed in the SGSAT Financial Procedures.

Only partnership arrangements for the supply of goods or services specifically approved by the Board of Trustees will fall outside these arrangements for tenders and quotations.

The Chief Financial Officer is authorised to waive the Financial Regulations with respect to tenders and quotations where the interests of SGSAT are best served by so doing. This authorisation is strictly subject to the following provisions:

- approval must be obtained prior to placing the orders;
- where the Chief Financial Officer places the order, then the waiver must be authorised by the Chief Executive Officer;
- all waivers for goods and services exceeding £20,000 must be reported to the Finance & Audit Committee.

Requests to seek such exceptions must be made in writing to the Chief Financial Officer who shall retain records of all agreed exceptions for six years for inspection by the Internal Audit Service.

Normally waivers will relate to such matters as where the Chief Financial Officer is satisfied that goods or services are:

- only available from one source and no satisfactory alternatives exist, or
- are controlled prices by Government order or trade practice, or
- urgently required and delay would cause organisational disruption, or
- where unforeseeable additional work is discovered during a contract, taking the total price above the original category in regard of quotations or tenders.

Occasionally it may be necessary to engage a consultant directly without entering into a competitive selection process. Approval must be given by the Chief Financial Officer in advance. Examples of when this may be necessary include:

- No other known consultants are capable of providing the service, or

## South Gloucestershire and Stroud Academy Trust – Financial Regulations

- The task is so time limited that there is insufficient opportunity to go through the competitive process, or
- The work is an essential extension of the consultant's existing work and the total value of the work does not exceed £20,000.
- The consultant has previously been engaged on a project relating to the school or Trust and has extensive background knowledge of past and current work required

Where a Service Level Agreement has been approved by the Board of Trustees and signed this should be attached to any Purchase Orders on Ebis when submitting for approval. The SLA will replace the need for any waiver of the Financial Regulations should any orders be in excess of £5,000.

### 5.1. Post-tender Negotiations

Post-tender negotiations (ie after receipt of formal tenders but before signing of contracts) with a view to improving price, delivery or other tender terms may be entered into, provided:

- it will not put other tenderers at a disadvantage
- it will not affect their confidence and trust in SGSAT's tendering process.

In each case, a statement of justification must be approved by the Head Teacher prior to the event, showing:

- background to the procurement
- reasons for proposing post-tender negotiations
- demonstration of the improved value for money.

All post-tender negotiations must be reported to the Finance & Audit Committee.

### 5.2 Framework Agreements

Frameworks usually have 2-6 suppliers who have already tendered on price and quality. A further competition of these suppliers of 'call-off' can result in lower prices, due to the bulk spends negotiated as part of these frameworks. The two most used are the Crescent Purchasing Consortium and Government Procurement Service. Where a framework agreement is utilised, this must be processed through the SGS College Procurement Officer in accordance with Appendix 1.

### 5.3 EU Regulations

The Director of Finance is responsible for ensuring SGSAT complies with its legal obligations concerning EU procurement legislation. EU procurement regulations apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a threshold value.

The Director of Finance must advise Head Teachers or the Board of Trustees where appropriate on the thresholds that are currently in operation. A breach of these EU regulations is actionable by a supplier or potential supplier.

It is the responsibility of Head Teachers to ensure that their members of staff comply with EU regulations by notifying the Director of Finance of any purchase that is likely to exceed the thresholds. This must be done well in advance in order to permit advertisements in journals such as the *Official Journal of the European Union* (OJEU). Alternatively, SGSAT may complete a further competition through a pre OJEU



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completed where they can demonstrate that OJEU procedures have been adhered to such as those found via the Crescent Purchasing Consortium or Government Procurement Service.

### **6. Contracts**

Building contracts over the value of £40,000 are the responsibility of the Board of Trustees.

Proposals must be initiated by the Chief Executive Officer in respect of planned replacements, general improvement schemes, space planning or in response to requests from departments.

Consultants may be appointed if the project is too large or too specialised to be managed internally. Appointments must be subject to tendering and other procedures where appropriate.

Proposals must be presented in the form of costings or investment appraisals prepared in conjunction with the Chief Financial Officer as appropriate for Trustees consideration.

The achievement of value for money must be an objective in the letting of all contracts. Conditions of contract for the purchase of goods must be followed as described in SGSAT's detailed Financial Procedures.

### **7. Receipt of Goods and Services**

All goods must be received at designated receipt and distribution points. They must be checked for quantity and/or weight and inspected for quality and specification. A delivery note must be obtained from the supplier at the time of delivery and signed by the person receiving the goods.

Whenever possible goods received must be recorded as such on the Finance system on the day of receipt. If the goods are deemed to be unsatisfactory, the record must be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record must be marked accordingly and the supplier immediately notified.

SGSAT requires all Head Teachers, irrespective of the source of funds, to obtain suppliers, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice. See Appendix 1 of the Financial Procedures for further details.

### **8. Payment**

#### **8.1. Payment of Invoices**

The procedures for making all payments must be in a form specified by the Director of Finance.

The Director of Finance is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by

## South Gloucestershire and Stroud Academy Trust – Financial Regulations

BACS transfer each week. In exceptional circumstances the Director of Finance will arrange for bank transfers to be prepared for urgent payments to suppliers.

Head Teachers are responsible for ensuring that expenditure within their departments does not exceed funds available.

Suppliers must be instructed to submit invoices for goods or services to the Finance Department, SGS College, Filton Avenue, Bristol, BS34 7AT as detailed on the Purchase Order form or electronically to [purchase.ledger@sgscol.ac.uk](mailto:purchase.ledger@sgscol.ac.uk).

Care must be taken by the Head Teacher to ensure that discounts receivable are obtained. Payments will only be made against invoices that can be matched to a receipted order.

Receipting of an electronic order will ensure that:

- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory;
- where appropriate, it is matched to the order;
- invoice details (quantity, price discount) are correct;
- the invoice is arithmetically correct;
- the invoice has not previously been passed for payment;
- an appropriate Purchase Order Number is quoted; this must be one included in the Head Teacher's area of responsibility and must correspond with the types of goods or service described on the invoice.

Finance staff and others dealing with any changes to suppliers' details should be made aware of the risk of fraud in this area. Staff should also be advised that they must be careful about the information they give out to callers regarding the organisation's payment processes and any unique supplier identifiers etc which may be held. Such callers may not be genuine and may help the fraudsters by making their subsequent requests more authentic looking.

### **8.2. Staff Reimbursement**

SGSAT's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement (see section I – Employment of Staff) and must be claimed through SGSAT's Expenses system through Payroll. See the Travel, Subsistence and Personal Expenses Policy and Procedure for further details.

### **8.3. Petty Cash**

Where SGSAT needs to make a low value purchase up to the value of £50, the cost can be reclaimed using the petty cash procedure. The procedure allows for a school to purchase the goods and reclaim the cost back from SGSAT. The Head Teacher must approve the spend before the purchase is made. The payment must be supported by receipts or vouchers. Should purchases over £50 need to be made these must be approved by the Director of Finance or Chief Financial Officer prior to the purchase being made.

## **South Gloucestershire and Stroud Academy Trust – Financial Regulations**

No payments shall be made from petty cash for payroll items or other items which may legitimately be paid through the normal payment routine. The petty cash system should not be used for the payment of travel and subsistence expenditure or expenses claim.

No income received on behalf of SGSAT should be paid into petty cash.

The Director of Finance may make available to individuals such imprests as he or she considers necessary for the disbursements of petty cash expenses. However, it is important for security purposes that petty cash imprest floats are kept to a minimum.

Requisitions for reimbursements must be sent to the SGS College Cashbook Team, together with appropriate receipts or vouchers, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.

The member of staff granted a float is personally responsible for its safekeeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of SGSAT's insurers when not in use and will be subject to periodic checks by the Assistant Accountant or another person nominated by them.

Petty cash documents are supplied by the SGS College Cashbook Team and must be used for recording all imprest accounts.

At the end of the financial year a certificate of the balances held must be completed by the member of staff responsible for the float and counter-signed by the Head Teacher and submitted to the Finance Department.

### **9. Late Payment Rules**

The Late Payment of Debts (Interest) Act 1998, (amended August 2002) was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:

- small businesses can charge interest on overdue invoices;
- interest is chargeable on sales made after 1 November 1998;
- the rate of interest is currently 8% per annum above the official daily rate of the Bank of England;
- the Act also applies to overseas organisations;
- SGSAT can be sued for non-payment.

In view of the penalties in this Act, the Board of Trustees requires that invoices must be passed for payment as soon as they are received.

### **10. Project Advances**

The Chief Financial Officer or the Director of Finance and the relevant Head Teacher may jointly approve cash advances for projects carried out away from SGSAT where cash expenditure may be unavoidable.

Other forms of payment must be used wherever possible, such as an official purchase order and subsequent payment or an SGSAT purchasing card.

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Receipts or paid invoices must be retained for all sums expended in this way. Upon completion of the project to which the advance relates, within one month a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to a project or individual is outstanding.

### **11. Providing Hospitality**

Staff entertaining guests from outside bodies should normally use SGSAT's catering facilities. Where this is not possible, reasons must be stated when submitting a claim for reimbursement.

## J. EMPLOYMENT OF STAFF

### 1. Remuneration Policy

All SGSAT staff must be appointed to the salary scales approved by the Board of Trustees and in accordance with appropriate conditions of service.

Salaries and other benefits for senior post-holders will be determined by the Board of Trustees.

### 2. Appointment of Staff Including Staff Changes

All contracts of service must be concluded in accordance with SGSAT's approved Human Resources Policies and Procedures and all offers of employment with SGSAT must be made in writing. Head Teachers must approve all changes whether that be appointment, revisions to terms & conditions, resignation or dismissal of employees.

The Requisition process must be adopted when a school wishes to seek approval for any staff changes. The process is designed so that budgetary sign off is obtained and the Deputy Chief Executive Officer agrees with the staffing amendments. When the form has been approved it is sent to the Human Resources function for payroll implementation.

### 3. Salaries and Wages

The Chief Financial Officer is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, must be in a form prescribed or approved by the Chief Financial Officer.

The SGS College Head of Human Resources is responsible for keeping the Chief Financial Officer informed of all matters relating to personnel for payroll purposes. In particular these include:

- appointments, resignations, dismissals, supervisions, secondments and transfers;
- absences from duty for sickness or other reason, apart from approved leave;
- changes in remuneration including increments and pay awards.

The Director of Finance is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees must be included on the payroll.

The Chief Services Officer is responsible for keeping all records relating to payroll including those of a statutory nature.

All payments must be made in accordance with SGSAT's detailed payroll Financial Procedures and comply with Her Majesty's Revenue and Customs regulations.

## **South Gloucestershire and Stroud Academy Trust – Financial Regulations**

### **4. Superannuation Schemes**

The Board of Trustees is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

The Chief Services Officer is responsible for day-to-day superannuation matters, including:

- paying contributions to various authorised superannuation schemes;
- preparing the annual return to various superannuation schemes;
- administering the superannuation schemes.

The SGS College Head of Human Resources is responsible for administering eligibility to pension arrangements and for ensuring payroll records are amended accordingly when staff deductions must begin or cease.

### **5. Travel, Subsistence and Other Allowances**

All claims for payment of subsistence allowances, travelling and incidental expenses must be completed in a form approved by the Chief Financial Officer and in accordance with the rules set out in SGSAT's Travel, Subsistence and Expenses policy.

Claims by members of staff must be authorised by their Head Teacher. The certification by the Head Teacher will be taken to mean that:

- the journeys were authorised
- the expenses were properly and necessarily incurred
- the allowances are properly payable by SGSAT
- consideration has been given to value for money in choosing the mode of transport

Arrangements for travel by the Chief Executive Officer & Accounting Officer, Clerk or members of the Board of Trustees must be approved by the Chair of the Board of Trustees. Arrangements for travel by the Chair must be approved by the Board of Trustees.

### **6. Overseas Travel**

All arrangements for overseas travel must be approved by the Head Teacher in advance of committing SGSAT to those arrangements or confirmation of any travel bookings. Arrangements for overseas travel by the Chief Executive Officer & Accounting Officer, Head Teacher or members of the Board of Trustees must be approved by the Chair of the Board of Trustees. Arrangements for travel by the Chair must be approved by the Board of Trustees.

Where spouses, partners or other persons unconnected with SGSAT intend to participate in a trip, this must be clearly identified in the approval request. SGSAT must receive reimbursement for the expected costs it is asked to cover for those persons in advance of confirming travel bookings.

## South Gloucestershire and Stroud Academy Trust – Financial Regulations

### 7. Expenses for Trustees

Trustees and Local School Board members are not entitled to payments to attend meetings or for loss of earnings. They are entitled to claim for expenses incurred. These include travel to and from Board and Finance & Audit Committee or Curriculum and Quality meetings, other travelling and subsistence, in accordance with SGSAT's Travel, Subsistence and Personal Expenses policy; fees for agreed attendance at conferences or other training events; and other incidental expenses, such as telephone calls, postage and photocopying.

Claims must be submitted through the Clerk to the Board of Trustees and must be authorised by the Chair of the Board of Trustees.

### 8. Severance and Other Non-recurring Payments

Severance payments must only be made in accordance with relevant legislation and under a scheme approved by the Board of Trustees.

In considering a staff severance payment above statutory or contractual entitlements, SGSAT must consider the following issues before making a binding commitment:

- that the proposed payment is in the trust's interests
- whether the payment is justified, based on legal assessment of the trust's chances of successfully defending the case at employment tribunal.

Staff severance payments should not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance.

Where SGSAT is considering a staff severance payment including a non-statutory/non-contractual element of £50,000 or more, (gross, before income tax or other deductions), [ESFA's](#) prior approval must be obtained before making any binding offer to staff. ESFA will refer such transactions to HM Treasury, so trusts should allow sufficient time for proposals to be considered.

Additionally, SGSAT must obtain prior ESFA approval before making a staff severance payment where an exit package, which includes a special severance payment is at or above £100k and/or the employee earns over £150k. Professional advice must be obtained where necessary. No amounts may be expended that exceed the budget allocated for the purpose. All such payments must be authorised by the Head Teacher and calculations checked by the SGS College Head of Human Resources or Chief Financial Officer. Amounts paid must be disclosed in the Financial Statements.

All matters referred to on industrial tribunal shall be notified to the Chief Financial Officer at the earliest opportunity in order that budget provision may be made as necessary. All determination of tribunals must be similarly notified.

## K. ASSETS

### 1. Purchase of Fixed Assets

The purchase, lease or rent of land, buildings or fixed plant must only be undertaken with authority from the Board of Trustees and with reference to the Designated Funding Body requirements.

### 2. Control of Assets, Stocks and Stores

#### 2.1. Fixed Asset Register

The Finance Business Partner is responsible for maintaining SGSAT's register of land, buildings, fixed plant and machinery. Head Teachers must provide the Finance Business Partner with any information they may need to maintain the register.

#### 2.2. Inventories

Head Teachers are responsible for maintaining inventories, in a form prescribed by the Director of Finance, for all plant, equipment, furniture and stores in their departments with a value in excess of £250. The inventory must include items donated or held on trust.

Inventories must be checked at least annually and at the end of the financial year a certificate of the inventories held must be completed and signed by the Head Teacher and submitted to the Finance Department.

When transferring equipment, between departments, a transfer record must be kept and the inventories amended accordingly.

#### 2.3. Custody and Control of Stocks and Stores

Head Teachers are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. The systems used for stores accounting in departments must have the approval of the Director of Finance.

Head Teachers are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature must be subject to appropriate security checks.

Those Head Teachers whose stocks require valuation in the Balance Sheet must ensure that the stock-taking procedures in place have the approval of the Director of Finance and that instructions to appropriate staff within their departments are issued in accordance with advice contained in SGSAT's detailed Financial Procedures.



## **South Gloucestershire and Stroud Academy Trust – Financial Regulations**

### **2.4. All Other Assets**

Head Teachers are responsible for establishing adequate arrangements for the custody and control of all other assets owned by SGSAT, whether tangible (such as stock – see above) or intangible (such as intellectual property – see Income Section H – Item 5.3), including electronic data.

### **2.5. Safeguarding Assets**

Head Teachers are responsible for the care, custody and security of the buildings, stock, stores, furniture and cash under their control. They must consult the Chief Financial Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Assets owned by SGSAT must, so far as is practical, be effectively marked to identify them as SGSAT property.

### **3. Personal Use of Assets**

Assets owned or leased by SGSAT should not be subject to personal use without authorisation by the Head Teacher.

### **4. Asset disposal**

Disposal of equipment and furniture must be in accordance with procedures contained in SGSAT's detailed Financial Procedures.

Disposal of land and buildings must only take place with the authorisation of the Board of Trustees.

Designated Funding Body consent may also be required if exchequer funds were involved in the acquisition of the asset.

### **5. Companies and Joint Ventures**

In certain circumstances it may be advantageous to SGSAT to establish a company or a joint venture to undertake services on behalf of SGSAT. Any member of staff considering the use of a company or a joint venture must first seek the advice of the Chief Financial Officer, who must have due regard to guidance issued by the Designated Funding Body.

The Board of Trustees is responsible for ensuring that the required procedures are followed. The process involved in forming a company or a joint venture and arrangements for monitoring and reporting on the activities of these undertakings are documented in SGSAT's Financial Procedures.

It is the responsibility of the Board of Trustees to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by SGSAT. These and other arrangements must be set out in a memorandum of understanding.

The directors of companies where SGSAT is the majority shareholder must submit an Annual Report and Financial Statements to the Board of Trustees. They must also

## **South Gloucestershire and Stroud Academy Trust – Financial Regulations**

submit business plans or budgets as requested to enable the Board of Trustees to assess the risk to SGSAT. SGSAT's internal and external auditors must also be appointed to such companies.

Where SGSAT is the majority shareholder in a company, the Designated Funding Body requires that the company's financial year must be consistent with that of SGSAT.

# South Gloucestershire and Stroud Academy Trust – Financial Regulations

## L. FUNDS HELD ON TRUST

### 1. Gifts, Benefactions and Donations

The Chief Financial Officer is responsible for maintaining financial records in respect of gifts, benefactions and donations made to SGSAT and initiating claims for recovery of tax where appropriate. SGSAT must not make donations to another charity without it being made in furtherance of its own objects, and any decision around this should be made by the Board of Trustees.

### 2. Student Welfare and Access Funds

The Chief Financial Officer will prescribe the format for recording the use of student welfare funds.

Records of Learner Support funds must be maintained according to the Designated Funding Body requirements.

### 3. Trust Funds

The Chief Financial Officer is responsible for maintaining a record of the requirements for each trust fund and for advising the Board of Trustees on the control and investment of fund balances.

The Finance & Audit Committee is responsible for ensuring that all SGSAT's trust funds are operated within any relevant legislation and the specific requirements for each trust. It is also responsible for investment of fund balances.

### 4. Voluntary Funds

The Chief Financial Officer must be informed of any fund that is not an official fund of SGSAT which is controlled wholly or in part by a member of staff in relation to their function in SGSAT.

The accounts of any such fund must be audited by an independent external person and must be submitted with a certificate of audit to the appropriate body. The Chief Financial Officer will be entitled to verify that this has been done.

### 5. Bursaries, Grants and Other Authorised Expenditure

Payments may be made to students for bursaries, grants and other authorised expenditure. All payments must be supported by detailed claims or other appropriate evidence and approved by the Head Teacher as appropriate. Policies for bursaries and other students' payments must be approved by the Board of Trustees. The current policy available relates to the UTC – 16 – 19 Bursary Fund Policy and is available on Sharepoint.

## M. SECURITY

### 1. Security

Keys to safes or other similar containers must be retained securely at all times. The loss of any such keys must be reported to the Chief Financial Officer immediately. The SGS College Finance Operations Manager is responsible for maintaining procedures governing security of and access to information held in safes or other similar secure containers.

The SGS College Head of IT is responsible for maintaining proper security and privacy of information held on SGSAT's computer network. Appropriate levels of security must be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer is subject to the provisions of the GDPR. The SGS College Assistant Principal for Quality and Performance is the Data Protection Officer, nominated to ensure compliance with the Act and the safety of documents.

The Personal Assistant to the Chief Financial Officer and the Clerk to the Trustees are responsible for the safekeeping of official and legal documents relating to SGSAT. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the PA to the Chief Financial Officer. All deeds and lease must be held in an appropriately secure, fireproof location and copies held at a separate location. All other agreements and contracts must be held in secure locations appropriate to the risk of loss.

### 2. Provision of Indemnities

Any member of staff asked to give an indemnity, for whatever purpose, must consult the Chief Financial Officer before any such indemnity is given.

## N. RISK & COMPLIANCE

### 1 Money Laundering

In response to the Proceeds of Crime Act 2002 and Money Laundering Regulations 2003 SGSAT and its employees must comply with the legislation and ensure that the highest standard of due diligence are applied in relation to 'know your customer' principles. Legislation has broadened the definition of money laundering and the range of activities where this can apply. SGSAT staff are required to follow the Anti-Money Laundering policy if money laundering is suspected. This policy also defines the responsibility of individual employees in the process.

### 2 General Data Protection Regulation (GDPR)

The Head Teacher shall be responsible to the Board of Trustees for maintaining proper security and compliance with the GDPR in respect of information held in the computer installations or for their use. It shall be released only to those officers authorised by the Head Teacher.

### 3 Code of Conduct

**3.1.** SGSAT is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe. These principles are set out at Appendix 4. In addition, SGSAT expects that staff at all levels to observe its code of conduct which covers:

- probity and propriety
- selflessness, objectivity and honesty
- relationships.

**3.2** Additionally, members of the Board of Trustees, Senior Management Team or the SGS College Procurement Officer, must disclose interests in SGSAT's Register of Interests maintained by the Clerk to the Board of Trustees. They are also responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the Financial Procedures.

In particular, no person must be a signatory to an SGSAT contract where he or she also has an interest in the activities of the other party or parties to that contract.

### 4. Insurance

The Chief Financial Officer is responsible for SGSAT's insurance arrangements, including the provision of advice on the types of cover available including the DfE's Risk Protection Arrangements (RPA). As part of the overall risk management strategy, all risks must be considered and those most effectively dealt with by insurance cover

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must be identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets.

The SGS College Procurement Officer is responsible for effecting insurance cover as determined by the Trustees. They are therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The SGS College Procurement Officer must keep a register of all insurances affected by SGSAT and the property and risks covered. They must also deal with SGSAT's insurers and advisers about specific insurance problems.

Head Teachers must ensure that any agreements negotiated within their school with external bodies cover any legal liabilities to which SGSAT may be exposed. The SGS College Procurement Officer advice must be sought to ensure that this is the case. Head Teachers must give prompt notification to the SGS College Procurement Officer of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks.

Head Teachers must advise the Chief Financial Officer immediately of any event that may give rise to an insurance claim. The Chief Financial Officer must notify SGSAT's insurers and, if appropriate, prepare a claim in conjunction with the Head Teachers for transmission to the insurers.

The School Caretaker or SGS College Site Co-ordinator is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and must ensure that inspection is carried out in the periods prescribed.

All staff using their own vehicles on behalf of SGSAT must maintain appropriate insurance cover for business use.

### 5. Risk Management

- 5.1. SGSAT acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable/unacceptable by SGSAT is set out in a separate risk management policy/strategy.
- 5.2. The Board of Trustees has overall responsibility for ensuring there is a risk management policy/strategy and a common approach to the management of risk throughout SGSAT through the development, implementation and embedding within the organisation of a formal, structured risk management process.
- 5.3. In line with this policy, the Board of Trustees requires that the risk management policy/strategy and supporting procedures include:
  - the adoption of common terminology in relation to the definition of risk and risk management;
  - the establishment of Trust-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis;
  - a decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes;

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- a decision on the level of risk to be covered by insurance;
- detailed regular review at school or Trust level to identify significant risks associated with the achievement of key objectives and other relevant areas;
- development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who is responsible and accountable for managing the risk in question;
- regular reporting to the Board of Trustees of all risks above established tolerance levels;
- an annual review of the implementation of risk management arrangements.

The strategy and procedures must be capable of independent verification.

- 5.4.** Head Teachers must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which SGSAT may be exposed. The Chief Operations Officer – Commercial & Estates advice must be sought to ensure that this is the case.

### **6. Receiving Gifts or Hospitality**

It is an offence under the Bribery Act 2010 for members of staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity.

The test should be whether a fair minded member of the public, knowing all the facts, would see anything improper or suspicious in the receipt or offer of hospitality. All staff (howsoever engaged by SGSAT) are required to:

- refuse gifts, benefits, hospitality or sponsorship of any kind which might reasonably be seen to compromise their personal judgement or integrity;
- immediately declare and register gifts, hospitality or sponsorship worth £30 or more, whether the offer was refused or accepted;
- modest offers to pay some or all of the travel and accommodation costs related to attendance at events may be accepted and must be declared. Offers which go beyond most, or are of a type that SGSAT itself might not usually offer, need approval by the Chief Financial Officer, should only be accepted in exceptional circumstances, and must be declared. A clear reason should be recorded on SGSAT Gifts & Hospitality register as to why it was permissible to accept travel and accommodation of this type;
- offers of business class or first class travel and accommodation (including domestic travel) offers of foreign travel and accommodation;
- meals or refreshments of a value between £25 and £75 – may be accepted and must be declared;
- meals or refreshments over a value of £75 – should be refused unless (in exceptional circumstances) Line Manager approval is given. A clear reason should be recorded on SGSAT's register of interest as to why it was permissible to accept. A common sense approach should be applied to the valuing of meals and refreshments (using an actual amount, if known, or a reasonable estimate);
- not misuse or dishonestly abuse their position of trust or information acquired in the course of their normal duties, to further their private interests or the private interests of others;

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- ensure that their professional registration (if applicable) and/or status are not used in the promotion of commercial products or services;
- beware of bias generated through sponsorship, where this might impinge on professional judgement and impartiality;
- neither agree to practice under any conditions which compromise professional independence or judgement, nor impose such conditions on other professionals;
- avoid any activities that might be construed as either offering or accepting any form of bribe, whether 'active' or 'passive' as described as Bribery;
- where gifts or hospitality are declined on the basis that they create a sense of obligation, the Chief Financial Officer must be notified.

The guiding principles to be followed by all members of staff must be:

- the conduct of individuals must not create suspicion of any conflict between their official duty and their private interest;
- the action of individuals acting in an official capacity must not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

Thus, members of staff must not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted must not be significantly greater than SGSAT would be likely to provide in return.

On no account should an employee accept secondary employment or a financial payment from any person, body or organisation, eg contractors, developers, consultants, with which SGSAT is involved. Gifts may only be accepted when they are low cost, functional items suitable for business use, rather than personal use, eg diaries, calendars, pens. Other gifts which may be sent to employees by outside contractors or organisation, should be returned officially with a suitable letter.

Normally, visits by employees to exhibitions, demonstrations, conferences, business meals, and social functions, in connection with their official duties shall be at SGSAT's expense.

Where hospitality, in the form of meals and drinks, is offered by a third party, this is normally only acceptable where it forms parts of, or immediately follows on from, normal business meetings/discussions held during the normal working day.

Where offers of hospitality are made, eg invitation to dinners, these should only be accepted if there is a clear and demonstrable benefit to SGSAT, and the hospitality would not expose SGSAT to criticism that the provider of the hospitality was achieving undue influence. Attendance must have the Chief Financial Officer's approval in advance, and will be recorded in the Gifts & Hospitality register.

Offers of hospitality in the form of purely social events and sporting occasions should on no account be accepted when these are from organisations with which SGSAT has



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commercial links. However, invitations to social events from non-commercial organisations with which SGSAT has a partnership arrangement will be acceptable, but must have the Chief Financial Officer's advance approval, and must be recorded in the Gifts & Hospitality register.

Regular social contact, eg drinks in a public house, with representatives of organisations, which supply, or hope to supply goods or services to SGSAT, must be avoided. Where such instances do occasionally take place, ie after late working, staff should ensure that they "pay their way" and that the other party does not meet the costs of such contact in full. For their own protection, employees should record such events in the Gifts & Hospitality Register.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer must be declined or advice sought from the relevant Head Teacher or the Chief Financial Officer.

Guidance on acceptable hospitality is contained in the detailed Financial Procedures. For the protection of those involved, the Chief Financial Officer will maintain a register of gifts and hospitality received where the value is in excess of £30. Members of staff in receipt of such gifts or hospitality must notify the Chief Financial Officer promptly. The register will be reviewed annually by the Finance & Audit Committee.

### 7. Fraud and Corruption

It is the duty of all members of staff, management and the Board of Trustees to notify the Chief Financial Officer immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

The Chief Financial Officer must immediately invoke the Fraud Response Plan, which incorporates the following key elements:

- he or she must notify the Chief Executive Officer & Accounting Officer and the Finance & Audit Committee (through its Chair) of the suspected irregularity and must take such steps as he or she considers necessary by way of investigation and report;
- the Chief Executive Officer & Accounting Officer must inform the police if a criminal offence is suspected of having been committed;
- any significant cases of fraud or irregularity must be reported to the Designated Funding Body in accordance with their requirements as set out in the Joint Audit Code of Practice;
- the Finance & Audit Committee must commission such investigation as may be necessary of the suspected irregularity, by the internal audit service or others, as appropriate;
- the internal audit service, or others commissioned to carry out an investigation, must prepare a report for the Audit Committee on the suspected irregularity. Such report must include advice on preventative measures.
- If the suspected fraud is thought to involve the Chief Financial Officer and/or the Chief Executive Officer & Accounting Officer and/or the Head Teacher the member of staff must notify the Chair of the Finance & Audit Committee direct of their concerns regarding irregularities.

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It is the responsibility of the Head Teachers to ensure that all staff complete the Anti-Fraud and Anti-Bribery training annually that is available on the SGSAT Sharepoint.

### **8. Cybercrime**

8.1 SGSAT is aware of the risk of cybercrime and thus is reflected appropriately in the SGSAT Risk Registers, proportionate controls are put in place, including regular cybercrime penetration testing, and appropriate action is taken should a cyber security incident occur.

8.2 SGSAT supports the National Crime Agency's recommendation not to encourage, endorse, or condone the payment of ransom demands. Payment of ransoms has no guarantee of restoring access or services and is likely to result in repeat incidents.

8.3 SGSAT must obtain permission from ESFA to pay any cyber ransom demands.

### **9. Bribery**

9.1. Under the Bribery Act 2010, which came into force in July 2011 and which replaces the Prevention of Corruption Act 1906, it is an offence for members of staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity.

SGSAT prohibits staff and Trust members from offering, giving, soliciting or accepting any bribe. The bribe might include cash, a gift or other inducement, to or from any person or organisation, wherever they are situated and irrespective of whether or not they are a public official/body or private person or company, by any individual governor, employee, agent or other person or body acting on SGSAT's behalf. The bribe might be made in order to:

- Gain any commercial, contractual or regulatory advantage for SGSAT in a way which is unethical;
- Gain any personal advantage, pecuniary, or otherwise, for the individual or anyone connected with the individual.

9.2 This regulation is not intended to prohibit appropriate corporate entertainment and/or hospitality undertaken in connection with SGSAT's business activities, provided the activity is customary under the circumstances, is proportionate, and is properly recorded/disclosed to SGSAT in accordance with its procedures – all such activities being reported to the Chief Financial Officer for all staff, and the Clerk to the Board of Trustees in the case of Corporation members.

9.3 Staff and Trustees members are requested to remain vigilant in preventing, detecting and reporting bribery. Staff and Trustees are expected to report any concerns regarding any suspected bribery in accordance with SGSAT's procedures.

### **10. Whistleblowing**

10.1. Whistleblowing in the context of the Public Interest Disclosure Act 1998 is the disclosure by an employee (or other party) about malpractice in the workplace. A

## South Gloucestershire and Stroud Academy Trust – Financial Regulations

whistle-blower can blow the whistle about crime, civil offences (including negligence, breach of contract), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.

- 10.2.** Normally, any concern that a member of staff has about a workplace matter at SGSAT should be raised with his or her immediate line manager or head of department. However, SGSAT recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.
- 10.3.** A member of staff may, therefore, make the disclosure to one of the staff designated for this purpose, for example the Clerk to the Board of Trustees. If the member of staff does not wish to raise the matter with this person, or with the Chief Executive Officer & Accounting Officer, Head Teacher or the Chair to the Board of Trustees, it may be raised with the Chair of the Finance & Audit Committee.
- 10.4.** The full procedure for whistleblowing is set out in SGSAT's whistleblowing policy, which is available through the SGS College Human Resources Department.

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### APPENDIX 1: SUMMARY OF FINANCIAL LIMITS

#### Approval of purchase orders (see *schematics in Appendix 1.1*)

(applicable to goods and services)

Description	Requirement	SGSAT
Up to £5,000	Use of Registered suppliers recommended (ie being a registered eBis supplier)	Head Teacher
£5,001 – £20,000	A minimum of three written/email quotations	Head Teacher and Finance Business Partner
£20,001 - £40,000	A minimum of three written/email quotations	Head Teacher and Director of Finance or Chief Financial Officer and Chief Executive Officer
>£40,001	Formal Tendering procedures	SGSAT Board of Trustees (via Finance and Audit Committee)

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### Approval of payments

All cheques, bank transfers and BACS listings must be signed in accordance with the bank mandate in force at the time. Group A (Senior Management Team) and Group B signatories are as defined in SGSAT’s current bank mandate. Any staff fulfilling the below mentioned roles are required to be registered on the bank mandate as approved signatories.

Description	Approval
Up to £1,999	Any Group A or Group B signatory
£2,000 to £9,999	Two signatories; one from Group A and Group B
£10,000 to £99,999	Two signatories from Group A and Group B; one must be either the Chief Financial Officer, the SGSAT Director of Finance or the SGS College Head of Finance
> £100,000	Two Group A signatories; one must be either the Chief Financial Officer or the SGSAT Director of Finance
Signatory for ESFA grant claims and ESFA returns	Chief Financial Officer, CEO & Accounting Officer and Director of Finance

Group A  
 Chief Executive Officer  
 Chief Group Services Officer  
 Chief Financial Officer  
 SGSAT Director of Finance  
 SGS College Head of Finance

#### Group B

SGS College Finance Operations Manager  
 SGS College Finance Business Partner  
 SGSAT Finance Business Partner

### Petty Cash

Description	Approval
Approval of claims <£50	Budget Holder
Approval of claims >£50	Budget Holder and Director of Finance or Chief Financial Officer

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### Changes to approved budget

Description	Approval
Approval of annual budget for onward submission to SGSAT Board of Trustees	Head Teacher and Chief Financial Officer
Authorisation of annual budget	SGSAT Board of Trustees

### Writing off of Bad Debt and Disposal of Assets

Item	Description	Approval
Write off of Bad Debt	<£250	Budget Holder
Write off of Bad Debt	>£250	Budget Holder and Director of Finance or Chief Financial Officer
Disposal of Assets	<£1,000	Director of Finance
	>£1,000 where not subject to a capital grant payment	SGSAT Board of Trustees
	Any asset for which a capital grant in excess of £20,000 was paid	DfE

Novel, contentious and repercussive <small>See footnote</small>	Novel, contentious and repercussive transactions	ESFA agreement required
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
If any of the below are applicable then the ESFA approval must be sought prior to committing any expenditure: Special Payments	Staff severance and compensation	ESFA agreement required if £50,000 or more (gross)
	Ex gratia payments	ESFA agreement required
Write-offs and liabilities (subject to £250,000 ceiling)	Writing off debts and losses	ESFA consent required if exceeds:

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	Entering into guarantees, indemnities or letters of comfort	<ul style="list-style-type: none"> <li>• 1% of annual income or £45,000 individually; or</li> <li>• 2.5% or 5% of annual income cumulatively</li> </ul>
Acquisition and disposal of fixed assets	Acquiring freehold land/buildings	ESFA agreement required
	Disposing of a freehold on land/buildings	ESFA agreement required
	Disposing of heritage assets	ESFA agreement required
	Other disposals	Trust has full discretion
Novel, contentious and repercussive <small>See footnote</small> Leasing	Novel, contentious and repercussive transactions	ESFA agreement required
	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
GAG	GAG carry forward	No limit if Trust is eligible
	Pooling by MATs	No limit (except PFI) if trust is eligible
Borrowing	Loan, overdraft	ESFA agreement required
	Credit Cards (for business use)	Trust has full discretion provided charges not incurred
Related Party Transactions	Supplies to the trust from related parties	ESFA agreement required over £20,000

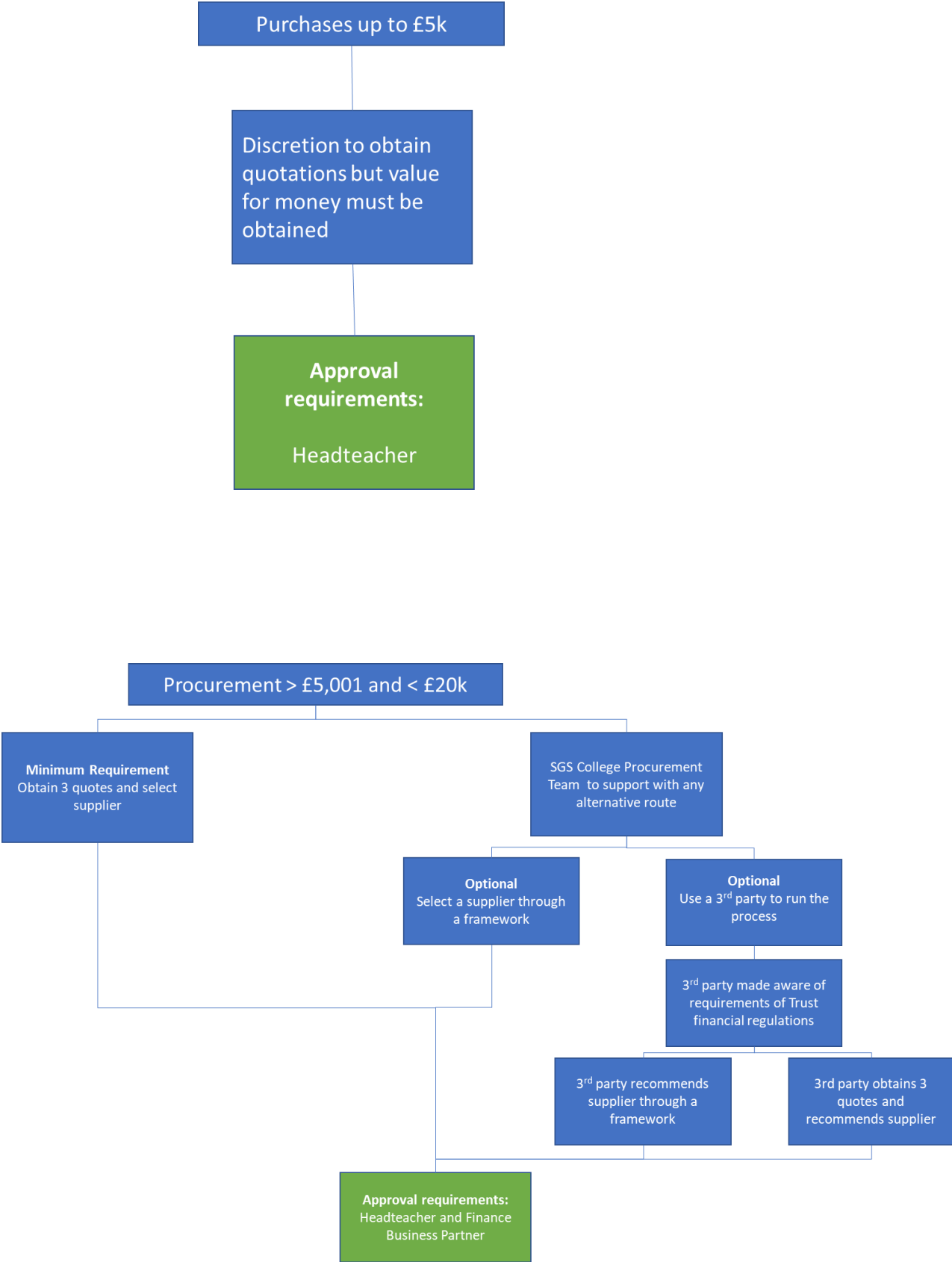
### Footnote:

Novel transactions are those of which the academy trust has no experience, or are outside its range of normal business.

Contentious transactions are those that might cause criticism of the trust by Parliament, the public or the media.

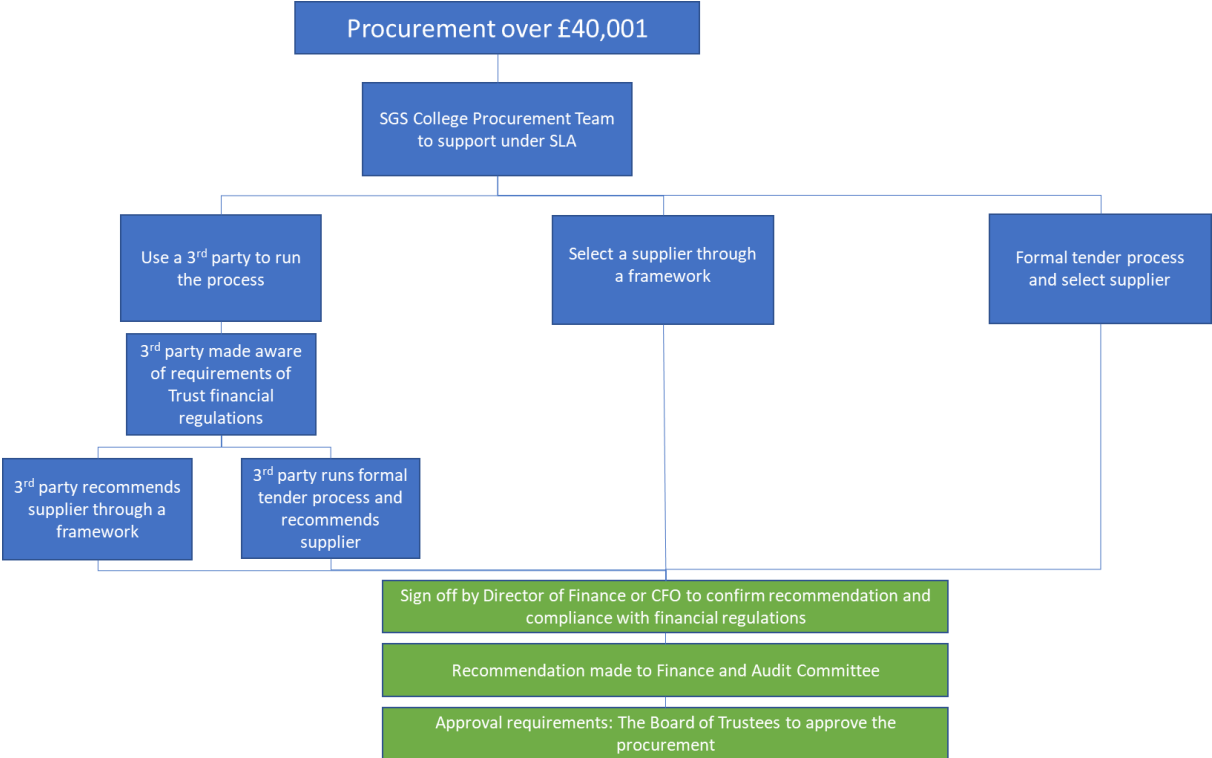
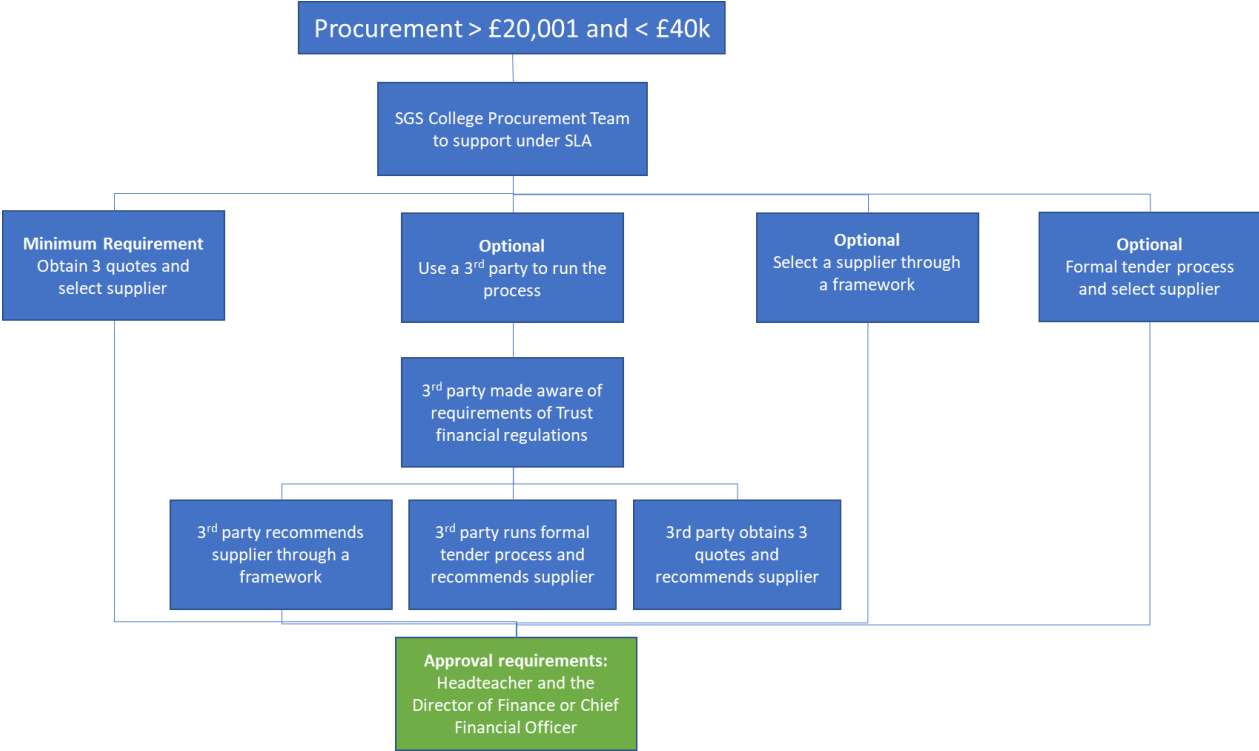
Repercussive transactions are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

**APPENDIX 1.1 - PROCUREMENT PROCESS**





# South Gloucestershire and Stroud Academy Trust – Financial Regulations



**APPENDIX 2: ITEMS EXEMPT FROM FINANCIAL REGULATIONS**

**ITEMS NOT REQUIRING A SYSTEM GENERATED PURCHASE ORDER**

<b>Category</b>	<b>Description</b>
Photocopying	Photocopying
Exam fees	Exam fees (excluding resits)
HR	Requests for doctor's report
Postage	Postage
Rates	Rates
Utilities	Phone lines
Utilities	Mobile phones
Utilities	Electricity
Utilities	Gas
Utilities	Water and sewerage

**ITEMS WHERE PURCHASE ORDER CAN BE RAISED AFTER SUPPLIER HAS INVOICED**

<b>Category</b>	<b>Description</b>
Catering	Hospitality/ meal tickets/tokens
DBS	Police checks
Agency Staff	Temporary Cover Staff
Minibus Running Costs	Fuel Only
Excluded Students	Council Charge for Permanent Exclusion
Alarm Call Outs	Security Call Out

**ITEMS NOT REQUIRING THREE QUOTATIONS**

<b>Category</b>	<b>Description</b>
Travel Agents	Overseas Educational Study Visits
ESFA/DFE	VAT Reimbursement
SLA	Goods/Services provided under a SLA.
Excluded Students	Council Charge for Permanent Exclusion
Exam Fees	Determined by Exam Board

**South Gloucestershire and Stroud Academy Trust – Financial Regulations**

**ITEMS NOT REQUIRING BOARD OF TRUSTEE APPROVAL**

<b>Category</b>	<b>Description</b>
Spend over £20,000	Educational Study Visits (To be approved by the Chief Financial Officer or Director of Finance)

## South Gloucestershire and Stroud Academy Trust – Financial Regulations

### APPENDIX 3: SUMMARY OF PROTOCOLS FOR PROPOSED MAJOR DEVELOPMENTS & ASSOCIATED CAPITAL EXPENDITURE

The proposal must be supported by a business plan for three years which sets out:

- a demonstration of the proposal's consistency with the Strategic Plan approved by the Board of Trustees and with SGSAT's powers under current legislation
- details of the market need and the assumptions (based on reference data) of the level of business available
- details of the business and what product or service will be delivered
- an outline plan for promoting the business to the identified market and achieving planned levels of business
- details of the staff required to deliver, promote and manage the business, together with any re-skilling or recruitment issues
- details of any premises and other resources required
- a financial evaluation of the proposal together with its impact on revenue and surplus, plus advice on the impact of possible alternative plans and sensitivity analyses in respect of key assumptions
- contingency plans for managing adverse sensitivities
- consideration of taxation and other legislative or regulatory issues
- a three-year financial forecast for the proposal including a monthly cash flow forecast and details of the impact on SGSAT's cash flow forecast for the financial years in question.

Where the development includes capital expenditure, the proposal must be supported by:

- An initial budget for the project including a breakdown of costs (professional fees, VAT and funding sources).
- A financial evaluation of the plans together with their impact on revenue plus advice on the impact of alternative plans.
- An investment appraisal in an approved format which complies with the relevant DfE guidance on option and investment appraisal.
- A demonstration of compliance with normal tendering procedures.
- A cash flow forecast.

## **South Gloucestershire and Stroud Academy Trust – Financial Regulations**

### **APPENDIX 4: THE SEVEN PRINCIPLES OF PUBLIC LIFE FROM THE REPORT OF THE COMMITTEE FOR STANDARDS IN PUBLIC LIFE (THE NOLAN REPORT)**

#### **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 families or their friends.

#### **INTEGRITY**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may influence them in the performance of their official duties.

#### **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.

#### **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.

#### **OPENNESS**

Holders of public office should be as open as possible about all their decisions and the actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

#### **HONESTY**

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

#### **LEADERSHIP**

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