

# FINANCIAL REGULATIONS

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## **1. Introduction**

- 1.1.** The University of Brighton Academies Trust is an educational trust as referred to in the Academies Act 2010, as amended by the Education Act 2011. Its structure of governance is constituted under the articles of association. The trust is an exempt charity by virtue of the Charities Act 2011.
- 1.2.** The funding agreement between the Department for Education (DfE) and the trust sets out the terms and conditions on which grant is made. The governing Board of Trustees is responsible for ensuring that conditions of grant are met. As part of this process the trust is required to have in place sound financial systems and controls. The financial regulations of the trust form part of this overall system of accountability.
- 1.3.** For the purpose of these Financial Regulations:
- the University of Brighton Academies Trust will be referred to as ‘the trust’ and applies to all the academies within the trust and all its subsidiary undertakings
  - the Regulations of the trust will be referred to as ‘the regulations’
- 1.4.** The purpose of these regulations is to ensure that the trust and the academies maintain and develop systems of financial control which conform to the requirements both of propriety and of good financial management. The regulations comply with the requirements laid down in the Academies Financial Handbook and the funding agreement with the Education Skills and Funding Agency (ESFA). In the event that there are requirements or revisions by the ESFA which are not met by the most up to date version of the regulations then the provisions of the latest Academies Financial Handbook or the Funding Agreement will take precedence.
- 1.5.** The financial controls for the trust are divided into four parts. The regulations set out the key financial controls. These are supported by: Standard Financial Procedures and Standard Procurement Procedures, which must be adhered to by all trust staff and which explain in more detail the operation of the controls; and the Scheme of Delegation which sets out individual responsibilities and financial limits. All staff involved with an aspect of finance or procurement must adhere to the regulations, guidance and limits set out in these documents.
- 1.6.** The regulations will be approved by the Risk and Audit Committee, whenever changes are required. The trust’s overarching Scheme of Delegation (which sets out the delegation of the trust’s governance, operational and financial responsibilities) will be approved by the Board of Trustees; however, the Risk and Audit Committee will be responsible for approving changes to the delegation of financial responsibilities. The Scheme of Delegation is reviewed and approved at least every five years. New financial controls for which Standard Procedures are required will be reported to the Risk and Audit Committee. The Standard Financial Procedures handbook and the Standard Procurement Procedures will be approved by the Director of Operational Services.
- 1.7.** References to ‘senior manager’ within this document means a member of the trust’s Executive Team or an Executive Principal/Principal.

## **2. Roles and responsibilities and financial oversight**

### **2.1. General**

- 2.1.1.** By approving the regulations and the Scheme of Delegation, the trust has ensured financial oversight and defined the responsibilities of each committee and person involved in the

administration of trust finances to avoid the duplication or omission of functions and to provide a framework of accountability for trustees and staff.

- 2.1.2. Compliance with the financial regulations is compulsory for all staff connected with the Trust. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the trust's Disciplinary Policy. Any such breach will be notified to the Board of Trustees through the Risk and Audit Committee. It is the responsibility of managers to ensure that staff are made aware of the existence and content of the trust's financial regulations.

## **2.2. Responsibilities of the Accounting Officer**

- 2.2.1. The Chief Executive is designated as the Accounting Officer. 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.
- 2.2.2. The role of Accounting Officer includes specific responsibilities for financial matters. It includes a personal responsibility to Parliament, and to the 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:
- 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; and
  - value for money – this is about achieving the best possible educational and wider societal outcomes, within the trust's objects, through the economic, efficient and effective use of resources, the avoidance of waste and extravagance, and prudent and economical administration. A key objective is to achieve value for money not only for the trust but for taxpayers generally.

## **3. Risk management**

- 3.1. Risk management can be defined as 'coordinated activities to direct and control an organisation with regard to risk'. The trust acknowledges the risks inherent in its business, and is committed to managing those risks which 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 the trust is set out in a separate risk management strategy.
- 3.2. The Board of Trustees, via the Risk and Audit Committee, has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the trust through the development, implementation and embedding within the organisation of a formal, structured risk management process.
- 3.3. In line with this policy, the Board of Trustees requires that the risk management 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
- a decision on the level of risk to be covered by insurance (see 13.1)
- detailed regular review at academy or central 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 will be 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; and
- the capability for independent verification.

#### **4. Financial management and control**

##### **4.1. Financial management**

###### *4.1.1. Financial planning*

- (i) Both medium and short-term financial plans will be prepared annually for each academy, usually on a rolling three-year basis, for approval by the Board of Trustees on the recommendation of the Finance and Resources Committee. The trust must have regard to the needs of the individual academies if any General Annual Grant (GAG) funding is pooled.
- (ii) Financial plans should be consistent with the strategic plans and estates strategy approved by the Board of Trustees.

###### *4.1.2. Budget objectives*

- (i) The Board of Trustees will, from time to time, set budget objectives for the trust. These will help the Finance and Business Service Director in preparing his or her more detailed financial plans for the trust. Resources are allocated annually by the Board of Trustees on the recommendation of the Finance and Resources Committee, and on the basis of the above objectives. Principals and budget holders are responsible for the economic, effective and efficient use of resources allocated to them.

###### *4.1.3. Budget preparation*

- (i) The Director of Operational Services is responsible for ensuring preparation and obtaining approval for the annual budgets of all academies and the central trust. He or she will be assisted in budget preparation by the Finance and Business Services Director, as well as the Chief Executive, principals and budget holders. The budgets must be agreed by the Finance and Resources Committee and ultimately approved by the Board of Trustees. Budgets must be consistent with the educational and financial strategies of the trust.
- (ii) The approved budgets must be submitted to the ESFA in a form specified by the ESFA by the notified deadline each year. The Director of Operational Services is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.
- (iii) The annual budgets will reflect the best estimate of the resources available to the academies and the trust overall for the forthcoming year and will detail how those resources are to be utilised. There should be clear links between school improvement priorities and the budgeted utilisation of resources.

- (iv) The budgetary planning process will incorporate the following elements:
- forecasts of the likely number of pupils and other funding drivers at each academy to estimate the amount of ESFA grant receivable
  - review of other income sources available to each academy and the trust overall to assess likely level of receipts
  - review of past performance against budgets to promote an understanding of each academies' cost base
  - identification of potential efficiency savings
  - review of the main expenditure headings in light of school improvement priorities and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

#### 4.1.4. *Capital programme*

- (i) 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 trust's financial statements. Expenditure of this type can only be considered as part of the capital programme approved by the Board of Trustees.
- (ii) The Finance and Business Services Director will establish protocols for the inclusion of capital projects in the capital programme for approval by the Board of Trustees. These will set out the information that is required for each proposed project as well as the financial criteria that they are required to meet. They are summarised at Appendix A and are shown in more detail in the Standard Financial Procedures.
- (iii) The Director of Operational Services or Finance and Business Services Director will also establish procedures for the approval of variations, including the notification of large variations to the funding body, as laid down in funding body guidelines.
- (iv) Regular statements concerning all capital expenditure will be reported to the Finance and Resources Committee for monitoring purposes.
- (v) Following completion of a capital project in excess of the amount of the delegated authority of the Chief Executive a post-project evaluation or final report should be submitted to the Finance and Resources Committee and/or Board of Trustees 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 funding body, as laid down in funding body guidelines. For projects at or below the amount of the delegated authority of the Chief Executive, an annual post-project summary will be provided to the Finance and Resources Committee.

#### 4.1.5. *Other major developments including overseas activity*

- (i) Any new aspect of business, or proposed establishment of a company or joint venture or overseas activity, which will require an investment in buildings, resources or staff time should be presented to the Finance and Resources Committee. The trust must have due regard to the relevant guidelines issued by the DfE/ESFA.
- (ii) The Director of Planning, Policy and Governance will establish protocols for these major developments to enable them to be considered for approval by the Board of Trustees. These will set out the information that is required for each proposed development including a business plan, using a risk based approach and covering risk and accountability issues, as well as the financial criteria that they are required to meet. They are summarised at Appendix B.

#### *4.1.6. Balancing the budget*

- (i) Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where savings can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be transferred to reserves or alternatively allocated to areas of need. The ESFA must be notified if the trust is unable to balance the budget for any academy and expects to set a deficit budget.

#### *4.1.7. Finalising the budget*

- (i) Once the different options and scenarios have been considered, draft budgets should be prepared under the direction of the Director of Operational Services (see 4.1.2) for agreement by the Executive Team and the Finance and Resources Committee. Ultimate authorisation of the budget will rest with the Board of Trustees. The budgets should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.
- (ii) The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need re-forecasting throughout the year as circumstances change.

#### *4.1.8. Monitoring and review*

- (i) Monthly reports will be prepared by the central Finance team or academy Business Manager and quality assured by the Finance Manager in the central Finance team. The reports will detail actual income and actual expenditure against budget for budget holders; and at a summary level for the Executive Team, Senior Management Team and the Finance and Resources Committee.
- (ii) Not less than 3 times a year, forecasts should be prepared detailing anticipated income and expenditure to the end of the financial year on the basis of up to date knowledge. In this way timely intervention will be possible to correct any variances.
- (iii) Any potential overspend against the budget must in the first instance be discussed with the Executive Team or Principal and the Finance and Business Services Director.
- (iv) The monitoring process must be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from contingency. All budget virements must be authorised in accordance with the Scheme of Delegation.

## **4.2. Financial control**

### *4.2.1. Budgetary control*

- (i) The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively. Budget holders are responsible to the relevant member of the Executive Team or Principal for the income and expenditure appropriate to their budget.

- (ii) Significant departures from agreed budgetary targets must be reported immediately to the Executive Team by the Principal or budget holder concerned and, if necessary, corrective action taken.

#### **4.2.2. *Financial information***

- (i) The budget holders are assisted in their duties by management information provided by the central Finance Team and financial systems. The types of management information available to the different levels of management are described in the Standard Financial Procedures, together with the timing at which they can be expected.
- (ii) The Finance and Business Services Director is responsible for supplying budgetary reports on all aspects of the trust's finances to Finance and Resources Committee on a basis determined by the Board of Trustees but subject to any specific requirements of the DfE/ESFA. These reports are also presented to the Board of Trustees, which has overall responsibility for the Trust's finances.

#### **4.2.3. *Changes to the approved budget including virements***

- (i) Changes proposed to the approved budget will be first considered by the Finance and Resources Committee, which will make proposals to the Board of Trustees, unless they fall within the delegated approval arrangements.
- (ii) Virement between budgets headings is permitted up to the limits outlined in the Scheme of Delegation. The Chief Executive and Director of Operational Services are responsible for submitting requests for virement of resources above the delegated limit to the Finance and Resources Committee for consideration before submission to the Board of Trustees for approval.

#### **4.2.4. *Treatment of year-end balances***

- (i) At the year end, budget holders will not normally have the authority to carry forward a balance on their budget to the following year unless the Finance and Resources Committee has approved a specific scheme for carrying forward all or part of unspent amounts. Specific academy consumables and equipment account balances may be carried forward with the approval of the Finance and Resources Committee. Year end balances without a designated purpose will be transferred to reserves.

## **5. Accounting arrangements**

### **5.1. *Financial year***

- 5.1.1. The Trusts financial year will run from 1 September until 31 August the following year.

### **5.2. *Basis of accounting***

- 5.2.1. The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

### **5.3. *Format of the financial statements***

- 5.3.1. The financial statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice, subject to any specific requirements of the DfE/ESFA, and in accordance with the provisions of the Companies Act legislation.

#### **5.4. Capitalisation and depreciation**

- 5.4.1. 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.
- 5.4.2. Works of art and other valuable artefacts (heritage assets) valued over £5,000 are capitalised and recognised at the cost or value of the acquisition where the cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.
- 5.4.3. 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.
- 5.4.4. 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 £5,000 or more. Capitalised assets other than land and buildings will be depreciated over a period of between 3 and 10 years commencing in the year of acquisition.

#### **5.5. Accounting records**

- 5.5.1. The trust's central Finance team and Business Managers are responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.
- 5.5.2. Prime documents include:
- official purchase orders
  - paid invoices
  - accounts raised
  - bank statements
  - copies of receipts
  - paid cheques
  - payroll records.
- 5.5.3. Where appropriate arrangements for the retention of electronic records will be made.
- 5.5.4. The trust is required by law to retain prime documents for six years. Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder. Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations.

#### **5.6. Public access**

- 5.6.1. Under the terms of the funding agreement, the Board of Trustees is required to supply any person with a copy of the trust's most recent financial statements within two months of a request. The Freedom of Information Act enables the trust to levy a reasonable fee and this will be charged at the discretion of the Director of Operational Services. The trust will publish the statements on its website. It will also allow members of the public to inspect the statement of accounts during normal working hours.

#### **5.7. Taxation**

- 5.7.1. The Finance and Business Services Director is responsible for advising senior managers and Principals on all taxation issues, in the light of guidance issued by the appropriate



bodies and relevant legislation as it applies to the trust. Therefore the Finance and Business Services Director will issue instructions on compliance with statutory requirements including those concerning VAT, PAYE, National Insurance, corporation tax and import duty.

- 5.7.2. The central Finance team is responsible for maintaining the trust's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

## **6. Audit requirements**

### **6.1. General**

- 6.1.1. External auditors and internal auditors shall have authority to:
- access trust premises at reasonable times
  - access all assets, records, documents and correspondence relating to any financial and other transactions of the trust
  - require and receive such explanations as are necessary concerning any matter under examination
  - require any employee of the trust to account for cash, stores or any other trust property under his or her control
  - access records belonging to third parties, such as contractors, when required.
- 6.1.2. The Finance and Business Services Director is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.
- 6.1.3. The financial statements should be reviewed by the Risk and Audit Committee. On the recommendation of the Risk and Audit Committee, they will be submitted to the Board of Trustees for approval (where appropriate).

### **6.2. External audit**

- 6.2.1. The external auditors are appointed by the trust's Members on the advice of the Risk and Audit Committee. It is good practice for a competitive tendering exercise to be held at regular intervals, at least every five years.
- 6.2.2. The primary role of external audit is to report on the trust's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the ESFA's Academies Financial Handbook and the Auditing Practices Board's statements of auditing standards.

### **6.3. Internal audit**

- 6.3.1. The internal auditor is appointed by the Risk and Audit Committee. The internal audit service remains independent in its planning and operation but has direct access to senior managers, principals and the Chair of the Risk and Audit Committee. See Appendix C for fuller details.

### **6.4. Fraud and corruption**

- 6.4.1. It is the duty of all members of staff, management and local board members to notify the Director of Operational Services immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety. The trust's Fraud Policy statement is included at Appendix D.

- 6.4.2. The Director of Operational Services shall immediately invoke the fraud response plan, which incorporates the following key elements (see Appendix D for fuller details):
- 6.4.3. He or she will notify the Chief Executive or Principal and the Risk and Audit Committee (through its chair) of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report.
- 6.4.4. The Chief Executive or Principal shall inform the police if a criminal offence is suspected of having been committed. Any significant cases of fraud or irregularity shall be reported to the ESFA in accordance with its requirements as set out in the Academies Financial Handbook.
- 6.4.5. The Risk and Audit Committee shall 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, shall prepare a report for the Risk and Audit Committee on the suspected irregularity. Such report shall include advice on preventative measures.
- 6.4.6. If the suspected fraud is thought to involve the Director of Operational Services, Chief Executive and/or a Principal, the member of staff shall notify the Chair of the Risk and Audit Committee (via the Trust Clerk) of his or her concerns regarding irregularities.

## **6.5. Value for money**

- 6.5.1. The trust, through its Finance and Resources Committee is responsible for securing value for money from public funds. The Board of Trustees or Finance and Resources Committee should 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 funding and regulatory agency and the National Audit Office.

## **6.6. Other auditors**

- 6.6.1. The trust may, from time to time, be subject to audit or investigation by external bodies such as the DFE/ESFA, the National Audit Office, the European Court of Auditors, HM Revenue & Customs. They have the same rights of access as external and internal auditors.

## **7. Treasury management**

### **7.1. Treasury management policy**

- 7.1.1. The Finance and Resources Committee is responsible for approving a Treasury Management Policy Statement (based on CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes and sector-specific guidance) setting out a strategy and policies for cash management, long-term investments and borrowings. This will require compliance with any ESFA rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the financial memorandum. The Finance and Resources Committee has a responsibility to ensure implementation, monitoring and review of the policy.
- 7.1.2. The Finance and Business Services Director is responsible for identifying investment and financing opportunities, for consideration and approval by the Executive Team and reporting to the Finance and Resources Committee. Borrowing is not normally permitted and will only be undertaken in line with ESFA requirements in the name of the trust. The

Finance and Business Services Director and members of the Finance team are required to act in accordance with CIPFA's code of practice.

- 7.1.3. The Finance and Business Services Director will report to Finance and Resources Committee each financial year on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him or her.

## **7.2. *Appointment of bankers and other professional advisers***

- 7.2.1. The Finance and Resources Committee is responsible for the appointment of the trust's bankers and other professional financial advisers (such as investment managers) on the recommendation of the Finance and Business Services Director. The appointment shall be for a specified period after which consideration shall be given by the Finance and Resources Committee to competitively tendering the service.

## **7.3. *Banking arrangements***

- 7.3.1. The Finance and Business Services Director is responsible, on behalf of Finance and Resources Committee, for liaising with the trust's bankers in relation to the trust bank accounts.
- 7.3.2. Only the Director of Operational Services or Finance and Business Services Director may open or close a bank account for dealing with the trust's funds. All bank accounts shall be in the name of the trust, academies or subsidiary companies.
- 7.3.3. All automated transfers on behalf of the trust, such as BACS or CHAPS, must be authorised in the appropriate manner. Details of authorised persons and limits is provided in the trust's Scheme of Delegation.
- 7.3.4. The Finance and Business Services Director is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

## **8. *Income***

### **8.1. *General***

- 8.1.1. The main sources of income for the trust are Government grants via the ESFA and Local Authority. The receipt of these grants is monitored by the central Finance team / Principals who are responsible for ensuring that all grants due to the academy are collected.
- 8.1.2. The trust also obtains income from:
- students, mainly for trips
  - the public, for nursery provision, before/after school activities and lettings
  - provision of ICT support to local schools.
- 8.1.3. The trust should set fees for chargeable services at full cost but can apply an additional rate of return when in a commercial environment.
- 8.1.4. The central Finance team / Principal is responsible for ensuring that appropriate procedures are in operation to enable the trust 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 Finance and Business Services Director.

- 8.1.5. Levels of charges for contract research, services rendered, goods supplied and rents and lettings are determined by procedures approved by the Finance and Resources Committee, and are approved by the Board of Trustees.
- 8.1.6. The central Finance team or Business Manager is responsible for the prompt collection, security and banking of all income received.
- 8.1.7. The central Finance team is responsible for ensuring that all grants notified by the DfE/EFSA and other bodies are received and appropriately recorded in the trust's accounts.
- 8.1.8. The central Finance team or Business Manager together with the budget holder are responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

## **8.2. Maximisation of income**

- 8.2.1. It is the responsibility of all staff to ensure that revenue to the trust 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 central Finance team or Business Manager of sums due so that collection can be initiated.

## **8.3. Receipt of cash, cheques and other negotiable instruments**

- 8.3.1. All monies received from whatever source must be recorded on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable instruments.
- 8.3.2. All monies received must be paid to the cashier promptly, and in accordance with a timetable prescribed by the central Finance team and set out in Standard Financial Procedures. The custody and transit of all monies received must comply with the requirements of the trust's insurers.
- 8.3.3. All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous departmental expenses or be paid into the departmental petty cash float. Personal or other cheques must not be cashed out of money received on behalf of the Trust.

## **8.4. Receipts by credit or debit card**

- 8.4.1. The trust can receive payments by debit or credit card over the telephone or cash office counter using merchant terminals provided by the trust's banker.
- 8.4.2. These terminals support primary account number (PAN) truncation where the card number is partially obscured on the customer receipt. A copy of the receipt should be retained to support evidence of payment.
- 8.4.3. In operating this facility, the trust is bound to the Payment Card Industry Data Security Standard (PCI DSS), which is designed to ensure cardholder information is stored, processed and transmitted securely.
- 8.4.4. The central Finance team and Business Manager are responsible for ensuring the trust maintains PCI DSS compliance, which is monitored by the bank's merchant services unit.

## **8.5. Internet receipts**

- 8.5.1. The trust offers an online payment facility to customers for secure payment of service provided eg nursery fees/lettings/ school trips etc.
- 8.5.2. Access is via secure login through the trust's portal or approved in-house website. Once a successful payment has been made, a receipt will be generated electronically to the email address specified when lodging the cardholder details. The receipt should be retained to support evidence of payment.
- 8.5.3. In operating this facility the trust is subject to continuous risk assessment and annual review by the external service provider. Where these facilities are used outside the finance office, it is the budget holder's responsibility to ensure all terms of use are complied with.

## **8.6. Collection of debts**

- 8.6.1. The central Finance team and Business Managers should ensure that:
  - customer invoices are raised promptly on official invoices, in respect of all income due to the trust
  - 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 customer account
  - swift and effective action is taken to collect overdue debts, in accordance with the protocols noted in the financial procedures
  - outstanding debts are monitored and reports prepared for management.
- 8.6.2. Only the Finance and Business Services Director can implement credit arrangements, following approval by the Finance and Resources Committee and indicate the periods in which different types of invoice must be paid.
- 8.6.3. Requests to write off debts in excess of £200 must be referred in writing to the Finance and Business Service Director for submission to the Finance and Resources Committee for consideration. Debts below this level may be written off with the permission of the Finance and Business Service Director.
- 8.6.4. The requirements of the Trust's articles of association should be taken into account.

## **8.7. Refunds**

- 8.7.1. The trust seeks to minimise the opportunities for money laundering in accordance with the Money Laundering Regulations 2007. Where refunds are required, they should be made to the original payer and follow the method by which the money was received.

## **8.8. Private consultancies and other paid work**

- 8.8.1. Unless otherwise stated in a member of staff's contract:
  - outside consultancies or other paid work may not be accepted without the consent of the Chief Executive (for central trust staff and principals) or Principal (for academy staff)
  - applications for permission to undertake work as a purely private activity must be submitted to the Chief Executive or Principal, as appropriate, and include the following information:
    - the name of the member(s) of staff concerned
    - 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.

### **8.9. *European Union and other ‘match funding’***

8.9.1. Any such project requires the approval of the Chief Executive prior to any commitment being entered into. Such approval shall be dependent upon the relevant senior manager being able to demonstrate that eligible matching funds are available and that the project is financially viable by the application of the trust’s Costing and Pricing Policy.

8.9.2. Individual applications for funds in excess of £5,000 shall be the subject of a report by the senior manager in conjunction with the Finance and Business Services Director to the Finance and Resources Committee which will set out, among other things, the potential risks generated by the project.

8.9.3. If the trust sub-contracts such work to external providers, the relevant senior manager shall ensure that:

- this is on the basis of a written contract which allows for full audit access to detailed records
- appropriate monitoring procedures are in place to ensure that the outputs are achieved and the provision is of suitable quality
- payments are only made against detailed invoices.

### **8.10. *Profitability and recovery of overheads***

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

8.10.2. Other income-generating activities organised by members of staff must be costed and agreed with the central Finance team before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the trust’s Costing and Pricing Policy.in particular for the recovery of overheads.

### **8.11. *Deficits***

8.11.1. Any unplanned deficits incurred on other income-generating activities will be a charge to academy funds and must be reported to the Finance and Resources Committee.

### **8.12. *Additional contributions***

8.12.1. Distribution of profits on other income-generating activity between central funds of the trust and individual academies will be in accordance with the policy approved by the Finance and Resources Committee.

### **8.13. *Additional payments to staff***

8.13.1. Any proposal which involves additional payments to members of staff should be supported by a schedule of names and values and must be approved by the Chief Executive (for central trust staff and principals) or Principal (for academy staff).

## **9. Expenditure**

### **9.1. General**

9.1.1. The central Finance team is responsible for making payments to suppliers of goods and services to the trust.

### **9.2. Scheme of delegation / financial authorities**

9.2.1. The Chief Executive is responsible for purchases within the central trust and the Principal is responsible for purchases within his or her academy. Purchasing authority may be delegated to named individuals within the central trust or academy. In exercising this delegated authority, budget holders are required to observe the Standard Procurement Procedures and Standard Financial Procedures.

9.2.2. The central Finance team shall maintain a register of authorised signatories and all budget holders must supply the team with specimen signatures of those authorised to certify invoices for payment (for paper-based systems).

9.2.3. Under procedures agreed by the Finance and Business Services Director, central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits (for electronic systems).

9.2.4. Any changes to the authorities to commit expenditure must be notified to the central Finance team immediately.

9.2.5. Budget holders are not authorised to commit the trust to expenditure without first reserving sufficient funds to meet the purchase cost.

9.2.6. The member of staff (or budget holder) authorising the invoice for payment must be different from the member of staff responsible for signing the purchase order form.

9.2.7. Refer to the Scheme of Delegation for authorisation limits.

### **9.3. Procurement**

9.3.1. All budget holders, irrespective of the source of funds, are required to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability and equality legislation, and in accordance with sound business practice, taking into account framework agreements as appropriate. Factors to be considered in determining lowest cost are noted in the Standard Procurement Procedures.

9.3.2. The purchasing function is the responsibility of the Finance and Business Services Director although it may be delegated to another member of staff. He or she will:

- ensure that the trust's Standard Procurement Procedures are known and observed by all involved in purchasing for the trust
- provide advice on matters of trust procurement and practice
- provide advice to and assist budget holders where required on specific purchases
- develop appropriate standing supply arrangements on behalf of the trust to assist budget holders in meeting their value for money obligations
- draft and negotiate all large-scale purchase contracts (generally in excess of £25,000) undertaken by the trust, in collaboration with the responsible senior manager or principal
- ensure that the trust complies with European Union regulations on public purchasing policy.

#### **9.4. Purchase orders**

- 9.4.1. The ordering of goods and services shall be in accordance with the trust's Standard Procurement Procedures. Official trust orders must be placed for the purchase of all goods or services, except those made using purchasing cards, company charge cards or petty cash. In exceptional circumstances, urgent orders may be given orally but must be confirmed by an official purchase order endorsed 'confirmation order only' not later than the following working day.
- 9.4.2. When transferring goods or services between academies, an inter trust transfer form must be used.
- 9.4.3. It is the responsibility of the Finance and Business Services Director to ensure that all purchase orders refer to the trust's conditions of contract (see Appendix E).

#### **9.5. Purchasing cards and credit & debit cards**

- 9.5.1. The operation and control of the trust's purchasing cards and credit & debit cards are the responsibility of the Finance and Business Services Director. There will be appropriate oversight of the distribution of such cards and the associated card limits.
- 9.5.2. Holders of cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Such cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. Cards must not be loaned to another person, nor should they be used for personal or private purchases. Cardholders should obtain written approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the costs.
- 9.5.3. The Finance and Business Services Director shall determine what information is required on purchases made with cards from cardholders and deadlines for receipt in the central Finance team to enable financial control to be maintained. There should be appropriate segregation of duties, with those reviewing and reconciling cards not holding and using those cards.
- 9.5.4. Details of the operation of the scheme are set out in Standard Financial Procedures.

#### **9.6. Tenders and quotations**

- 9.6.1. Delegated budget holders must comply with the trust's tendering procedures, which are contained in the Standard Procurement Procedures, subject to any special rules imposed by funding bodies.
- 9.6.2. Only separately approved partnership arrangements for the supply of goods or services specifically approved by the Finance and Resources Committee or Board of Trustees will fall outside these arrangements for tenders and quotations.

#### **9.7. Contracts**

##### **9.7.1. Capital/building contracts**

- (i) Building contracts are the responsibility of the Finance and Resources Committee and are administered by the trust's Estates and Facilities Management Director.



- (ii) Proposals are normally be initiated by the Estates and Facilities Management Director in respect of planned replacements, general improvement schemes, or space planning, or in response to requests from academies.
- (iii) Consultants may be appointed if the project, as determined by the Finance and Resources Committee, is too large or too specialised for Estates team resources. Appointments shall be subject to tendering and other procedures where appropriate.
- (iv) Proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the Finance and Business Services Director as appropriate for Finance and Resources Committee consideration. Investment appraisals should comply with appropriate ESFA guidance.
- (v) Following consideration by the Finance and Resources Committee, and approval by the Board of Trustees, submissions should be forwarded to the funding body where appropriate. If required agreement is secured from the funding body, funding body procedural rules should be followed. Funding body guidance on best practice should be followed even when funding body approval is not required.

#### **9.7.2. Goods / services contracts**

- (i) Conditions of contract for the purchase of goods will be followed as described in the trust's Standard Financial Procedures. The main points are described at Appendix E.
- (ii) Approval of contracts should be in accordance with the Scheme of Delegation.

9.7.3. The achievement of value for money will be an objective in the letting of all contracts.

#### **9.8. EU regulations**

9.8.1. The Finance and Business Services Director is responsible for ensuring the trust 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.

9.8.2. The Standard Procurement Procedures set out the thresholds that are currently in operation. A breach of these EU regulations is actionable by a supplier or potential supplier.

9.8.3. It is the responsibility of each senior manager to ensure that their members of staff comply with EU regulations; they should notify the Finance and Business Services Director of any purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisements in journals such as OJEU.

9.8.4. The Finance and Business Services Director is also required annually to submit to the ESFA details on expenditure which exceed the threshold. Copies of the relevant documentation falling into this category must be provided by the budget holder to the Finance and Business Services Director.

#### **9.9. Receipt of goods**

9.9.1. All goods shall be received in accordance with the procedures set out in the Standard Procurement Procedures.

9.9.2. All persons receiving goods on behalf of the trust must be independent of those who negotiated prices and terms and placed the official order.

### **9.10. Payment of invoices**

- 9.10.1. The procedures for making all payments shall be in a form specified by the Finance and Business Services Director.
- 9.10.2. The Finance and Business Services Director is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by BACS transfer each week. In exceptional circumstances the Finance and Business Services Director can authorise the use of manually prepared cheques for urgent payments.
- 9.10.3. Senior managers are responsible for ensuring that expenditure does not exceed funds available.
- 9.10.4. Suppliers should be instructed by the budget holder to submit invoices for goods or services to the central Finance team.
- 9.10.5. Care must be taken to ensure that discounts receivable are obtained.
- 9.10.6. Payments will only be made by the central Finance team against invoices that can be matched to a receipted order or have been certified for payment by the appropriate budget holder.
- 9.10.7. Certification of an invoice or 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
  - where appropriate, an entry has been made on a stores record or departmental inventory
  - an appropriate cost centre is quoted – this must be one of the cost centre codes included in the budget holder's areas of responsibility and must correspond with the types of goods or service described on the invoice.

### **9.11. Staff reimbursement**

- 9.11.1. The trust's Standard Procurement Procedures are in place to enable the majority of non-pay supplies to be procured through the accounts payable without staff having to incur any personal expense. However, on occasions, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement (see 10.5 and 10.6).
- 9.11.2. Where such purchases by staff are planned, the Finance and Business Services Director and the relevant senior manager may jointly approve cash advances to staff who are going to incur expenditure on the trust's behalf. Upon completion of the travel or 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 an individual is still outstanding.

### **9.12. Petty cash**

- 9.12.1. Where a single item is for less than £25 it should be paid from the academy's petty cash. It must be supported by receipts or vouchers where available.

- 9.12.2. The Finance and Business Services Director shall make available to academies 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.
- 9.12.3. Requisitions for reimbursements must be sent to the central Finance team/Business Manager, 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.
- 9.12.4. The member of staff granted a float is personally responsible for its safe keeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of the trust's insurers when not in use and will be subject to periodic checks by the Finance and Business Services Director or another person nominated by him or her.
- 9.12.5. Standard trust petty cash books are supplied by the designated member of the finance team and must be used for recording all imprest accounts.
- 9.12.6. At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float and counter-signed by the Business Manager / central Finance team.

### **9.13. Late payment rules**

- 9.13.1. The Late Payment of Debts (Interest) Act 1998 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
  - the trust can be sued for non-payment.
- 9.13.2. In view of the penalties in this Act, the trust requires that invoices must be passed for payment as soon as they are received.

### **9.14. Project advances**

- 9.14.1. The Finance and Business Services Director and the relevant senior manager may jointly approve cash advances for projects carried out away from the trust where cash expenditure is unavoidable. Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or, in exceptional circumstances, the trust's procurement/ purchasing card.
- 9.14.2. Receipts or paid invoices will 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 still outstanding.

### **9.15. Giving hospitality**

- 9.15.1. Staff entertaining guests from outside bodies at lunch time should normally use the trust's catering facilities. Where this is not the case, reasons must be stated when submitting a claim for reimbursement.

9.15.2. The limits concerning acceptable expenditure for entertaining guests are set out in the trust's Standard Financial Procedures.

9.15.3. It is an offence under section 7 of the Bribery Act 2010 for commercial organisations to fail to prevent persons associated with them from bribing another person on their behalf. The trust's Anti-Bribery Policy Statement can be obtained from the Finance and Business Services Director.

#### **9.16. Telecoms**

9.16.1. The trust will reimburse staff for the cost of necessary business calls made from a private home phone or personal mobile in performance of employment duties.

9.16.2. The trust does not reimburse the cost of private line rental or broadband connections. The trust provides mobile phones to a limited number of employees where there is a genuine business requirement to enable performance of employment duties.

#### **9.17. Provision of clothing**

9.17.1. Where clothing is provided to employees whose duties require them to wear a uniform, that clothing must bear a trust logo. The logo must be permanent and clearly identify the wearer as a member of staff.

#### **9.18. Payments to volunteers**

9.18.1. It is the responsibility of the relevant senior manager to ensure that payments made to volunteers are correctly administered. The trust allows two types of payment from an approved budget:

- reimbursement of actual travel costs when fully supported by receipts
- a small gift or thank you payment as long as it is clearly a token of appreciation, not compensation, and there is no sense that those goods, vouchers or cash are expected in advance.

### **10. Payroll**

#### **10.1. Pay Policy**

10.1.1. All staff will be appointed to the salary scales approved by the Remuneration and HR Committee and in accordance with appropriate conditions of service. All letters of appointment and contracts must be issued by the central Human Resources team.

10.1.2. The Remuneration and HR Committee will determine what other benefits, such as cars, medical and life insurance, are to be available, the basis of their provision (contributory or not) and the staff to whom they are to be available.

10.1.3. Salaries and other benefits for senior management will be determined by the by the Remuneration and HR Committee

#### **10.2. Staff appointments**

10.2.1. All contracts of service shall be concluded in accordance with the trust's approved Human Resources practices and procedures and all offers of employment with the trust shall be made in writing by a senior manager (normally principals for staff based in academies and the Director of Operational Services for central staff). Budget holders shall ensure that the

Human Resources Director is provided promptly with all the information they may require in connection with the appointment, resignation or dismissal of employees.

### **10.3. Salaries and wages**

- 10.3.1. The Human Resources Director is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All time sheets and other pay documents, including those relating to fees payable to external examiners, consultants or invigilators will be in a form prescribed or approved by the Human Resources Director.
- 10.3.2. The Human Resources Director is responsible for keeping the Finance and Business Services Director informed of all matters relating to human resources for payroll purposes.
- 10.3.3. All payments must be made in accordance with the trust's detailed Payroll Financial Procedures and comply with HM Revenue & Customs regulations. Staff should be aware that the trust could incur penalties for non-compliance with such regulations.

### **10.4. Superannuation schemes**

- 10.4.1. The Board of Trustees is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.
- 10.4.2. The Human Resource Director is responsible for day-to-day superannuation matters including:
- paying contributions to various authorised superannuation schemes
  - preparing the annual return to various superannuation schemes
  - liaising with the trust's pension fund administrators.

### **10.5. Expenses and allowances**

- 10.5.1. Where possible the trust will gain dispensation from HM Revenue & Customs to make payments to employees for certain specified items without deduction of income tax.
- 10.5.2. Reimbursement by the trust of expenditure not included in the dispensation is subject to the deduction of income tax before payment.

### **10.6. Travel, subsistence and other allowances**

- 10.6.1. All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Finance and Business Services Director.
- 10.6.2. Claims by members of staff must be approved by the relevant senior manager in accordance with the Scheme of Delegation. The approval be taken to mean that:
- the journeys were authorised
  - the expenses were properly and necessarily incurred
  - the allowances are properly payable by the trust
  - consideration has been given to value for money in choosing the mode of transport.

### **10.7. School trips**

- 10.7.1. In academies, members of staff must ensure that charges/funds available for taking students on school trips cover the costs of those trips.

## **10.8. Expenses for trustees and Local Board members**

10.8.1. Claims for trustees and members of Local Boards will be authorised in accordance with the trust's Expenses Policy for Trustees and Local Board Members. Claims for meeting attendance will be based on out-of-pocket expenses, but only reasonable expenses can be reimbursed.

## **10.9. Severance and other non-recurring payments**

10.9.1. Severance payments shall only be made in accordance with relevant legislation and ESFA guidance and under a scheme approved by the Finance and Resources Committee.

10.9.2. Professional advice should be obtained where necessary. No amounts shall be expended which exceed the budget allocated for the purpose. All such payments shall be in accordance with the Scheme of Delegation, with calculations checked by the Human Resources Director or Finance and Business Services Director. Any individual amounts which do not fall within the parameters require approval by the Finance and Resources Committee. In exceptional circumstances this approval may be given by the Chair Finance and Resources Committee and the Chief Executive in consultation with the relevant senior manager to be reported to the next meeting of the Committee. Amounts paid should be declared in the financial statements. ESFA approval must be sought for all such payments over and above the level detailed in the ESFA's Academies Financial Handbook prior to payment.

10.9.3. All matters referred to an industrial tribunal shall be notified to Human Resources and the Finance and Resources Committee at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

## **11. Assets**

### **11.1. Land, buildings, fixed plant and machinery**

11.1.1. The purchase, lease or rent of land or building or fixed plant can only be undertaken with authority from the Board of Trustees and with reference to ESFA requirements where exchequer-funded assets or exchequer funds are involved.

### **11.2. Asset register**

11.2.1. All items purchased with a value over the trust's capitalisation limit must be entered in an asset register. All budget holders will provide the central Finance team with any information needed to maintain the register. Detailed guidance for the registration, custody and disposal of fixed asset is included in the Standard Financial Procedures.

### **11.3. Inventories**

11.3.1. The Principal is responsible for ensuring that an inventory is maintained in their academy; and the Finance and Business Services Director is responsible for ensuring that an inventory is maintained on behalf of the central trust teams. The inventory will be in a form prescribed by the Finance and Business Services Director, for all plant, equipment, furniture and stores with a value in excess of £1,000. The inventory must include items donated or held on trust.

11.3.2. Inventories should also include "attractive items" such as minor office equipment, laptops, tablets, mobile phones and AV equipment.

11.3.3. Inventories must be checked at least annually as described in the trust's Standard Financial Procedures. When transferring equipment, etc., between central trust team/academies, a transfer record must be kept and the inventories amended accordingly.

#### **11.4. Stocks and stores**

11.4.1. Principals/budget holders 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 Finance and Business Services Director.

11.4.2. Principals/budget holders are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks.

11.4.3. Those budget holders whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Finance and Business Services Director and that instructions to appropriate staff within their departments are issued in accordance with advice contained in the trust's Standard Financial Procedures.

#### **11.5. Safeguarding assets**

11.5.1. Senior managers are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc. under their control. They will consult the Director of Operational Services in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

11.5.2. Assets owned by the trust shall, so far as is practical, be effectively marked to identify them as trust property.

#### **11.6. Personal use**

11.6.1. Assets owned or leased by the trust shall not be subject to personal use without proper authorisation.

#### **11.7. Asset disposal**

11.7.1. Disposal of equipment and furniture must be in accordance with procedures agreed by the Finance and Resources Committee and contained in the trust's Standard Financial Procedures.

11.7.2. Disposal of land and buildings must only take place with the authorisation of the Board of Trustees. ESFA consent may also be required if exchequer funds were involved in the acquisition of the asset.

#### **11.8. All other assets**

11.8.1. Senior managers are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the trust, whether tangible (such as stock – see above) or intangible, including electronic data.

## **12. Funds held on trust**

### **12.1. General**

12.1.1. The Finance and Business Services Director and Business Managers are responsible for ensuring that incoming funds are properly classified and designated as appropriate.

### **12.2. Gifts, benefactors and donations**

12.2.1. The Director of Operational Services supported by the Finance and Business Services Director is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the trust and initiating claims for recovery of tax where appropriate.

### **12.3. Student welfare and access funds**

12.3.1. The Director of Operational Services supported by the Finance and Business Services Director will prescribe the format for recording the use of student welfare funds. Records of welfare funds will be maintained according to ESFA requirements.

### **12.4. Trust funds**

12.4.1. The Finance and Business Services Director is responsible for maintaining a record of the requirements for each trust fund and for advising Finance and Resources Committee on the control and investment of fund balances.

12.4.2. The Finance and Resources Committee is responsible for ensuring that all the trust funds are operated within any relevant legislation and the specific requirements for each trust. They will also be responsible for investment of fund balances.

### **12.5. Voluntary funds**

12.5.1. The Finance and Business Services Director shall be informed of any fund, not being an official fund of the trust, which is controlled wholly or in part by a member of staff in relation to their function in the trust.

12.5.2. The accounts of any such fund shall be audited by an independent external person and shall be submitted with a certificate of audit to the appropriate body. The Finance and Business Services Director shall be entitled to verify that this has been done.

### **12.6. Donation of equity shares**

12.6.1. When shares are offered by a donor, the Finance and Business Services Director, or person nominated by him/her is responsible for the same due diligence they would normally undertake for a donation of cash. In addition they should ensure:

- the donor is the rightful owner of the donated shares
- the company holding the shares complies with the trust's Ethical Policies.

12.6.2. At the time of the donation, the central Finance team should obtain in writing the purpose of the donation. All share certificates should be held in the safe.



## **13. Other**

### **13.1. Insurance**

- 13.1.1. The Director of Operational Services supported by the Finance team is responsible for the trust's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy (see paragraphs 3.1 to 3.3), all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities such as terrorism and provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be considered and approved by the Risk and Audit Committee annually.
- 13.1.2. The Director of Operational Services supported by the Finance team is responsible for effecting insurance cover as determined by the Risk and Audit Committee. He or she is therefore responsible for overseeing obtaining quotes, negotiating claims and maintaining the necessary records. The Director of Operational Services or nominated officer will keep a register of all insurances affected by the trust and the property and risks covered. He or she will also deal with the trust's insurers and advisers about specific insurance problems.
- 13.1.3. Principals must ensure that any agreements negotiated within their academies with external bodies cover any legal liabilities to which the trust may be exposed. The Director of Operational Services' or designated officer's advice should be sought to ensure that this is the case. Principals must give prompt notification to the Director of Operational Services or designated officer of any potential new risks, additional property and equipment that may require insurance and any alterations affecting existing risks. Principals must advise the Director of Operational Services or designated officer, immediately, of any event that may give rise to an insurance claim. The central finance team / Business Manager will notify the trust's insurers and, if appropriate, prepare a claim in conjunction with the Principal for transmission to the insurers.
- 13.1.4. The Estates and Facilities Management Director / Business Manager is responsible for ensuring suitable records are kept of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.
- 13.1.5. All staff using their own vehicles on behalf of the trust shall maintain appropriate insurance cover for business use.

### **13.2. Security**

- 13.2.1. Keys to safes or other similar containers must be kept securely at all times. The loss of such keys must be reported to the Finance and Business Services Director immediately.
- 13.2.2. An officer shall be responsible for maintaining proper security and privacy of information held on the trust's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs, together with restricted physical access to network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act. A data protection officer shall be nominated to ensure compliance with the Act and the safety of documents.
- 13.2.3. The Director of Policy and Governance is responsible for the safekeeping of official and legal documents relating to the Trust. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Director of Policy and Governance, unless otherwise explicitly agreed. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

### 13.3. *Provision of indemnities*

13.3.1. Any member of staff asked to give an indemnity, for whatever purpose, should consult the Director of Operational Services before any such indemnity is given.

### 14. **Policy status and review**

<b>Written by:</b>	Finance and Business Services Director
<b>Owner:</b>	Finance and Business Services Director
<b>Status:</b>	V1 = Approved by Board of Directors V2 = Amendments to reflect merger of trusts, approved by Board of Directors V2.1 = Chair of FRC
<b>Approval date:</b>	V1 = 27/7/15 V2 = 20/7/17 V2.1 = 2/07/2021
<b>Review Date:</b>	As required and at least every 5 years

## **Appendix A – Summary of protocols for proposed capital expenditure**

Proposed capital projects should be supported by:

- a statement which demonstrates the project's consistency with the strategic plans and estates strategy approved by the trust
- an initial budget for the project for submission to the Finance and Resources Committee; the budget should include a breakdown of costs including 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 funding body guidance on option and investment appraisal
- a demonstration of compliance with normal tendering procedures and funding body regulations – this will require careful consideration where partnership arrangements are in place
- a cash flow forecast.

## **Appendix B – Summary of protocols for proposed major developments**

The proposal should be supported by a three-year business plan which sets out:

- a demonstration of the proposal's consistency with the strategic plans approved by the trust and with the trust'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 place 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 the trust's cash flow forecast for the financial years in question.

## **Appendix C – Internal audit responsibilities**

The trust is responsible for ensuring that an adequate process exists to gain assurance over risk management and internal control which will include both external and internal audit activity.

The trust has engaged Internal Audit services from East Sussex County Council due to their knowledge and expertise in schools Internal Audit. The trust reserves the right to commission various work from the service including:

- Full audit review, similar to the programme for maintained schools which covers areas such as governance, financial planning, budget monitoring, payroll, purchasing, income and asset management
- Development of a bespoke audit programme to cover areas of risk identified by academy leaders
- Project management reviews
- Procurement, contract and contract management reviews
- Advice and assurance in relation to new systems development and implementation (including both ICT and non ICT systems)
- Specialist ICT audit reviews, including security and the safeguarding of data
- Investigations into suspected financial and non-financial irregularity
- Training for staff and trustees in relation to risk, governance and internal control

The Internal Audit service of East Sussex County Council will deliver through:

- A fully independent and objective service, reporting to the Board of Trustees via the Risk and Audit Committee
- Delivery in accordance with professional standards, ensuring that confidentiality is maintained at all times
- Flexible service provision which responds to the needs of each individual academy
- Access to a wide range of audit skills and expertise
- Ongoing availability (i.e. full cover during school holidays)
- Clear, concise and constructive audit reports with, where necessary, clear recommendations for improvement
- Access to professional advice and support

The Risk and Audit Committee of the trust will oversee the appointment of and output from Internal Audit and ensure the independence of both functions is maintained.

## **Appendix D – Fraud Policy Statement and procedures**

### **(i) Fraud Policy Statement**

The trust has a duty to its stakeholders to take all responsible steps to prevent fraud occurring, whether perpetrated by staff, pupils, contractors and suppliers, other organisations or members of the public.

The trust will maintain robust control mechanisms to both prevent and detect fraud. All line managers have a responsibility for maintaining documented control systems and must be seen to be setting an example by complying fully with procedures and controls. The effectiveness of controls will be subject to cyclical review by the trust's internal auditors.

All members of staff have a responsibility to protect the assets and reputation of the trust and are expected to be alert to the potential for fraud. Line managers should brief staff on the common types of fraud perpetrated in their areas of responsibility.

Confidential mechanisms have been established to allow staff to report suspected frauds to management. All reported suspicions will initially be investigated by the fraud investigation group. The members of such a group may include:

- Human Resources Director (chair)
- Director of Operational Services or member of Internal Audit service
- Finance and Business Services Director.

### **(ii) Procedure for Fraud Prevention, Detection and Investigation**

#### ***Introduction***

The trust's procedure for fraud prevention, detection and investigation is set out below. The objectives of the procedure are to:

- encourage staff to be aware of fraud
- bring suspected fraud to notice
- provide a framework response plan for investigating and reporting fraud (set out in Appendix D (iii))
- ensure that both alleged and proven fraud are dealt with in a consistent and timely manner.

The trust has a unique role to play in the community and any instances of fraud or corruption may be damaging to public confidence and support. Losses due to fraud, theft or corrupt practices can have a direct effect on jobs and the level and quality of service provision. Vigilance is essential since all staff are responsible for ensuring that the best possible service is provided to the trust's pupils and that value for money is secured from public funds.

Successful fraud prevention involves creating an environment which inhibits fraud. Taking immediate and vigorous action if fraud is detected is not only necessary to prevent future losses, but also helps deter frauds. A manager who is alert to the possibility of fraud and who acts accordingly on a day-to-day basis is a powerful deterrent to fraud.

#### ***Fraud prevention***

Fraud can be defined as any act of wilful dishonesty to gain individual or collective advantage. It is taken to include theft, misuse of property, corruption, the alteration of financial or other records or any unauthorised act which results directly or indirectly in financial gain to the perpetrator or a third party. Fraud can be perpetrated against staff, pupils, suppliers, government agencies or departments or the public.

Staff should be aware that gifts, including hospitality, offered by contractors, suppliers and other service providers may place employees in a vulnerable position (see the financial regulations).

### ***Management responsibility for risk management***

The prime responsibility for preventing fraud lies with management through:

- identifying risks to which systems and procedures are exposed
- designing, implementing, documenting and operating internal controls
- establishing an environment that promotes compliance with internal controls
- promoting fraud awareness amongst staff
- fostering an anti-fraud culture.

However, while managers are responsible for assessing and controlling the level of risk within their areas of authority, it is the responsibility of all staff to be aware of fraud and to take the necessary steps to minimise risk to the trust. Managing the risk of fraud is the same in principle as any other business risk. It is best approached systematically both at organisational and at operational level. Managers should identify risk areas, assess the scale of risk, allocate responsibility for managing specific risks and implement and test controls to minimise the risks.

Managers also have a responsibility to familiarise themselves with common fraud techniques in the areas for which they have control. Managers should also ensure that staff in their areas of operation are familiar with common types of fraud.

### ***Internal controls***

Internal controls are the key element in preventing fraud. They include both financial and non-financial controls, for example annual leave records, and those that are in place to safeguard the misuse of trust assets, including computing systems. The financial regulations are one example of these controls. The trust's financial and other non-financial procedures are the definitive guide and are available to all staff. It is the responsibility of management to ensure that controls in their area of responsibility have been documented and communicated.

In order to set a good example, managers should be seen to be complying with all controls. The emphasis should be on creating a culture of honesty and fraud detection, not increasing the volume of detailed operational and supervisory checks and controls unnecessarily.

### ***Management checks***

The prevention and detection of fraud and impropriety is only possible where strong internal controls are present and constantly applied. Routine checks and monitoring by management to ensure that procedures are being followed are, therefore, essential. The benefits of implementing a culture of strong management controls are:

- a deterrent effect when it is known that management is actively involved in ensuring that procedure are followed
- the results of the check will allow management to identify any operational areas where controls are not being uniformly applied and investigate whether systems have been exploited.

Periodic monitoring of compliance with controls by management will be supported and reinforced by reviews conducted by internal audit. It should be emphasised that the prime function of internal audit is to evaluate the effectiveness of the overall framework of internal

control with management being responsible for ensuring the implementation and monitoring framework.

Common excuses for non-compliance with controls is that they are no longer applicable, there is insufficient time available or they are not appropriate. It is important that such comments are reported to line managers so that the need for such controls is evaluated.

### ***Staff training***

Staff adhering to procedures, and who are not inhibited to challenge matters which do not appear to be correct, provide the best protection against fraud and corruption. It is important, therefore, that the trust's policy on fraud prevention and investigation is fully communicated to all staff. The lack of clear guidance and ignorance of procedures will often be the first excuse used by offenders.

The recruitment of suitable staff is the trust's first defence in preventing fraud. Best practice recruitment policies such as detailed application forms including a statement on criminal records, communication with referees and past employers and verification of educational and professional qualifications must be strictly adhered to.

Staff awareness of policy and procedures is fundamental to the effective operation of systems. The trust will comply with best practice, including:

- instruction in and discussion of control and probity issues as part of staff induction
- formal staff training on operational procedures
- desktop instructions for specific tasks
- publication of the trust's policy on fraud
- regular staff notices regarding any changes to financial procedures.

### ***Fraud detection***

The primary responsibility for the detection of fraud lies with management through the implementation, documentation and operation of effective systems of internal control. The trust's internal auditors through their evaluation of the control framework also have a role to play in preventing and detecting fraud.

All staff have a responsibility to be aware of potential fraud and to take necessary steps to minimise risk to the trust.

Proper and consistently applied procedures for reporting and investigating fraud play an important part in preventing further fraud. The trust expects that reported suspicions will be investigated. The trust's fraud response plan, set out in Appendix D (iii), must be implemented where fraud is suspected.

## **(iii) Fraud response plan**

### ***Introduction***

Management and staff are likely to have little experience of dealing with fraud and when suspected cases arise, may be unsure of the appropriate action to take. The objectives of this response plan are to:

- provide a documented framework which the trust can refer to in the event that fraud is suspected or reported
- ensure that in the event of fraud, timely and effective action is taken to prevent further losses, identify fraudsters, safeguard evidence, minimise publicity, reduce adverse effect on business and learn lessons.



Fraud investigation checklists for line managers and the fraud investigation group are included in Appendix D (iv).

### ***Reporting fraud***

All actual or suspected incidents of fraud should be reported without delay to the Director of Operational Services (or in their absence the Finance and Business Services Director).

When staff report suspected fraud it is important that their suspicions are treated seriously and that all details provided by the reporting employee are recorded accurately and in a timely manner. They should be repeated back to the reporting employee to confirm understanding. It is essential that staff are put at ease, since the decision to report the suspected fraud may be traumatic for the individual concerned. Those reporting fraud should be assured that all information will be dealt with in the strictest confidence and that anonymity will be preserved if requested, unless that is incompatible with a full and fair investigation. The anonymity of any whistle-blower must be guaranteed at the initial investigation stage.

Once the Director of Operational Services or Finance and Business Services Director has recorded the details of the case, he or she should, within 24 hours, hold a meeting of the fraud investigation group to decide on the initial response.

At this stage management should also take whatever steps are necessary to prevent further losses, for example by changing procedures or suspending payments without compromising the quality of evidence or alerting the fraudsters.

### ***Initial enquiry***

On receiving the details of the suspected fraud, the fraud investigation group should undertake as limited review as necessary to establish whether further action needs to be taken. This will normally be an investigation, led by internal audit. The decision by the group to initiate a special investigation shall constitute authority to internal audit to use time provided in the internal audit plan for special investigations, or contingency time, or to switch internal audit resources from planned audits.

If this initial investigation suggests that suspicions are confirmed, the group will decide which body is best placed to undertake further investigative work and will inform the relevant senior manager, the chair of Risk and Audit Committee, the chair of the local board (if it involves a member of academy staff), auditors, the ESFA and the police as appropriate. The circumstances in which the trust must inform the ESFA of actual or suspected fraud are set out in the ESFA's Academies Financial Handbook.-The Chief Executive is responsible for informing the ESFA of any such incidents.

### ***Prevention of further loss***

Where the initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the fraud investigation group will need to decide how to prevent further loss. Fraudulent or corrupt activity is regarded as a breach of contract and where there are reasonable grounds for suspicion then suspension, with or without pay, of the suspects is likely, pending the outcome of enquiries. The rights of staff on suspension must be acknowledged, for example their right to union representation and to be informed of the reason for their suspension.

It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action. Suspect(s) should be supervised at all times before leaving the trust's premises.

They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the trust. Any security passes and keys to premises, offices and furniture should be returned.

Advice should be obtained on the best means of denying access to the trust while suspects remain suspended (for example by changing locks and informing security staff not to admit the individuals to any part of the premises). Similarly, access permissions to the trust's computer systems should be withdrawn without delay.

Internal audit should consider whether it is necessary to investigate systems other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate the trust's assets.

At this stage, the trust should decide if external parties including the ESFA and the police are to be involved. Delays in contacting the police may prejudice future enquiries and alerting them immediately is important since they will be able to advise the trust on how best to proceed and the most effective methods to gather evidence.

### ***Conducting a fraud enquiry***

Once it has been agreed that there is sufficient evidence to justify a fuller investigation, the fraud investigation group should meet with the police where appropriate to decide who is best placed to undertake further investigation. Should it be decided that an internal investigation is appropriate, either in tandem with a police investigation or on its own, it is important that it is undertaken by individuals with experience of fraud investigations. This is most likely to be internal auditors, supported as necessary by the trust's staff, who may have specialist knowledge and external specialists where appropriate.

Where fraud and corruption are suspected, contact by the Finance and Business Services Director and the internal auditors with the local fraud squad should be considered in order to agree an appropriate course of action.

For internal investigations, the fraud investigation group should agree the following:

- detailed remit and scope for the investigation; for example, is it to confirm that there is sufficient evidence to support the allegations, to gather evidence for the police, or does the trust wish to quantify the total potential loss?
- who should undertake the investigation
- reporting procedures and deadlines
- a programme of regular meetings.

There is a clear requirement to record all details fully, accurately and in a manner that is accessible. The police should be able to advise on an appropriate recording format. Developing a simple form to log all events and contacts made will provide a quick summary, ease the recording process and provide documented support for any future enquiries or possible prosecution.

### ***Recovery of losses***

It is important that any losses incurred by the trust are fully and accurately recorded and that costs are correctly apportioned. In addition to the direct cost of losses attributable to fraud, all costs associated with enquiries should be recorded. These will be required under loss reporting procedures and may also be required by the courts if the decision to prosecute is taken and in determining any assessment of costs or compensation and insurance recoveries.

Where the loss is substantial, legal advice should be obtained without delay about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice should also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment.

### ***Staffing issues***

A major objective in any fraud investigation will be the punishment of the perpetrators, to act as a deterrent to other personnel. The trust must follow disciplinary procedures against any member of staff who has committed fraud.

The trust will normally pursue the prosecution of any such individual. Of crucial importance is the need to conduct enquiries within the parameters of relevant laws and regulations. Employees have certain statutory rights, and if infringed, the likelihood of success of disciplinary action is diminished. It is vital, therefore, that any interviews with suspects are undertaken strictly in accordance with established procedures. No interviews should take place without first seeking advice from the police and from the Human Resources Director on the relevant procedures and rules to be followed. In particular all those involved in interviewing suspects should have knowledge of the 1994 Police and Criminal Evidence Act.

Internal audit will need to:

- maintain familiarity with the trust's disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation
- establish and maintain contact with the police where appropriate
- establish whether there is a need for audit staff to be trained in the evidence rules for interviews under the Police and Criminal Evidence Act
- ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

If fraud is proven which involves staff, appropriate disciplinary action will be taken. Such action may be considered not only against those found to have perpetrated the fraud, but also against managers whose negligence may have facilitated it.

### ***Reporting during the investigation***

The fraud investigation group should provide a confidential report to the chair of the Board of Trustees, the chair of Risk and Audit Committee, the relevant senior manager, and the trust's External Auditors at least monthly, unless the report recipients request a lesser frequency. The scope of the report should include:

- quantification of losses
- progress with recovery action
- progress with disciplinary action
- progress with criminal action
- estimate of resources required to conclude the investigation
- actions taken to prevent and detect similar incidents.

Any variation from the approved fraud response plan, together with reasons for the variation, should be reported promptly to the chairs of the Board of Trustees and the Risk and Audit Committee.

### ***Concluding an investigation***

At the end of a case, irrespective of the outcome, it is important that the progress of the investigation is reviewed to see what lessons can be learned and to assess the effectiveness of the action taken. Such reviews will help identify any weaknesses in internal

control that initially led to the fraud and should highlight any deficiencies in these systems for reporting and investigating, enable more effective future enquiries and precipitate changes to internal procedures designed to prevent reoccurrence.

On completion of a special investigation, a written report should be submitted to the Risk and Audit Committee for consideration and discussion containing:

- a description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud
- the measures taken to prevent a recurrence
- any action needed to strengthen future responses to fraud, with a follow-up report on whether or not the actions have been taken.

This report will normally be prepared by internal audit.

### ***References for employees disciplined or prosecuted for fraud***

Any request for a reference for a member of staff who has been disciplined or prosecuted for fraud should be referred to the Human Resources Director. The Human Resources Director should prepare any answer to a request for a reference having regard to employment law.

### ***Review of the fraud response plan***

This plan will be reviewed for fitness of purpose after each use. Any need for change will be reported to the Risk and Audit Committee for approval.

## **(iv) Fraud investigation**

### ***Checklist for line managers***

The following is a checklist of points for consideration following the reporting of an alleged fraud to management:

- Do not rush in – consider all options and plan the approach
- Establish the facts without alerting anyone
- Maintain confidentiality
- Make an immediate note of everything reported. Repeat these notes to whoever is reporting the details to ensure clear understanding
- Take steps to minimise any immediate further losses
- Secure any evidence
- Inform the Finance and Business Services Director or member of the fraud investigation group

### ***Checklist for the fraud investigation group***

The following is a checklist of points for consideration following the reporting of an alleged fraud by line management to a member of the fraud investigation group:

- Convene a meeting of the group to consider the allegation
- Conduct an initial investigation to establish the substance of the allegation
- Consider legal implications
- If substantiated, inform the relevant senior manager
- Agree if further investigation is required and who will undertake it
- Agree a remit, and establish scope and reporting deadlines for the investigation
- Ensure the investigating team has adequate resources, including secure storage
- Prepare for interviews thoroughly

- Ensure existing staff disciplinary procedures are followed
- Secure any evidence
- Assume the worst-case scenario in terms of losses and staff involved
- If not already requested to undertake the investigation, inform the police and the ESFA as appropriate
- Hold regular progress meetings at which progress and agreed action are documented
- Identify all internal and external sources of information and evidence

## **Appendix E – General conditions of purchase**

### **1. Definitions**

In these Conditions:

"Purchaser" means the Trust and its subsidiary companies.

"Supplier" means the Supplier of the Goods named on the Order.

"Goods" means any such articles, works or services as are to be supplied to the Purchaser by the Supplier as detailed on the Order.

"Order" means the trust's authorised Purchase Order detailing the supply of the Goods.

"Conditions" means these Conditions of Purchase.

### **2. Basis of purchase**

- 2.1. The Purchaser agrees to buy and the Supplier agrees to sell the Goods as specified on the Order and in accordance with the Conditions.
- 2.2. The Conditions shall apply to the exclusion of all other terms and conditions including the Supplier's Conditions of Sale.
- 2.3. The Conditions together with the Order and any amendments thereof shall constitute a contract between the Purchaser and the Supplier.

### **3. Quality and description**

- 3.1. The Goods shall be to the reasonable satisfaction of the Purchaser and shall conform in all respects with any particulars specified in the Order.
- 3.2. The Goods shall conform in all respects with the requirements of any statutes, orders regulations or by-laws from time to time in force.
- 3.3. The Goods shall be fit and sufficient for the purpose for which such Goods are ordinarily used and for any particular purpose made known to the Supplier.

### **4. Price and invoice**

- 4.1. The price of the Goods shall be as stated on the Order and no increase will be accepted by the Purchaser unless agreed in writing before the execution of the Order.
- 4.2. The Supplier shall render a separate invoice showing the Order number in respect of each consignment delivered under the Order. Payment shall be made within 30 days of a correctly rendered invoice.

### **5. Delivery**

- 5.1. The Goods shall be delivered to the place named on the Order between the hours of 8.00am and 4pm Monday to Friday. A delivery note shall be supplied with each consignment showing the Order number, items and delivery address as specified on the Order.

- 5.2. The requested date of delivery shall be of the essence and any failure to deliver by the due date shall entitle the Purchaser to be released from any obligation to accept and pay for the Goods and/or cancel all or part of the order; in either case without prejudice to other rights and remedies.

## **6. Acceptance, property and risk**

- 6.1. Property and risk in the goods shall pass to the Purchaser after delivery subject to the Purchaser's acceptance of the Goods.
- 6.2. The Purchaser shall not be deemed to have accepted the Goods until a reasonable time has elapsed for inspection, notwithstanding delivery.

## **7. Inspection and rejection**

- 7.1. The Purchaser may by written notice to the Supplier reject any of the Goods which fail to meet the requirements specified on the Order. Such notice shall be given within a reasonable time after delivery. If the Purchaser shall reject any of the Goods pursuant to this condition the Purchaser shall be entitled (without prejudice to his other rights and remedies) either:
- (a) to have the Goods concerned as quickly as possible either repaired by the Supplier or (as the Purchaser shall elect) replaced by the Supplier with Goods which comply in all respects with the specified requirements: or
  - (b) to obtain a refund from the Supplier in respect of the Goods concerned.
- 7.2. Any Goods returned by the Purchaser to the Supplier shall be at the Supplier's expense.
- 7.3. The Supplier shall make good free of charge any consignment shortages or loss in transit as notified by the Purchaser.

## **8. Labelling and packaging**

- 8.1. The Goods shall be packed and marked in a proper manner and in accordance with the Purchaser's instructions and any statutory requirements. In particular the Goods shall be marked with the Order number marked on each container and all containers of hazardous Goods (and all documents relating thereto) shall bear prominent warnings. The Supplier shall indemnify the Purchaser against all actions, suits, claims, demands, losses, charges, costs and expenses which the Purchaser may suffer or incur as a result of or in connection with any breach of this condition.
- 8.2. All packaging materials will be considered non-returnable unless the Supplier's delivery note states that such materials will be charged for unless returned.

## **9. Patents and information**

- 9.1. It shall be a condition of the Order that, except to the extent that Goods are made up in accordance with the designs furnished by the Purchaser, none of the Goods will infringe any patent, trade mark, registered design, copyright or other right of any third party and the Supplier shall indemnify the Purchaser against all actions, suits, claims, demands, losses, charges, costs and expenses which the Purchaser may suffer or incur as a result of or in connection with any breach of this condition.
- 9.2. All rights (including ownership and copyright) in any specifications, instructions, drawings, patterns, models, designs, or other material furnished to or made available to the Supplier

by the Purchaser pursuant to the Order shall remain vested solely in the Purchaser. The Supplier shall not (except where it is necessary for the implementation of this Order) without prior written consent of the Purchaser, use or disclose any such specifications, plans, drawings, patterns, models, designs or any information (whether or not relevant to the Order) which the Supplier may obtain pursuant to the order and in particular (but without prejudice to the generality of the foregoing) the Supplier shall not refer to the Purchaser or the Order in any advertisement or publication without the Purchaser's written consent.

## **10. Health and Safety**

- 10.1. The Supplier represents and warrants to the Purchaser that all necessary tests and examinations have been made or will be made prior to delivery of the Goods to ensure that the Goods are designed and constructed so as to be safe and without risk to the health and safety of persons using the same, and that adequate information has been made available by the Supplier to the Purchaser about the use for which the Goods have been designed. The Supplier shall indemnify the Purchaser against all actions, suits, demands, losses, charges, costs and expenses which the Purchaser may suffer or incur as result of or in connection with any breach of this condition.

## **11. Unlawful discrimination**

- 11.1. The Supplier shall not unlawfully discriminate within the meaning and the scope of the provisions of the Equality Act 2010.
- 11.2. The Supplier shall take all reasonable steps to ensure that his agents and subcontractors do not unlawfully discriminate within the meaning and scope of the above mentioned enactments.

## **12. Indemnity and insurance**

- 12.1. The Supplier shall indemnify the Purchaser against all actions, suits, claims demands, losses, charges, costs and expenses which the Purchaser may suffer or incur as a result of or damage to property or in respect of any injury (whether fatal or otherwise) to any person which may result directly or indirectly from any defect in the Goods or the negligence or wrongful act or omission of the Supplier.

## **13. Termination on Supplier's insolvency**

- 13.1. The Purchaser shall have the right forthwith to terminate the Order by written notice to the Supplier or trustee in bankruptcy, or receiver or (if a company) liquidator or administrator if the Supplier shall have a receiver appointed over all or a substantial part of assets or (if an individual) be declared bankrupt or (if a company) shall go into liquidation or have an administrator to manage its affairs.

## **14. Variation**

- 14.1. No variation of these conditions shall be made unless agreed by the trust's Finance and Business Services Director in writing.

## **15. Assignment and sub-contracting**

- 15.1. The Supplier shall not without the written consent of the Purchaser assign the benefit or burden of this Order or any part thereof.



15.2. No sub-contracting by the Supplier shall in any way relieve the Supplier of any responsibilities of these conditions.

**16. Inducements and consideration**

16.1. The Supplier shall take all reasonable steps to prevent its employees or agents from providing or offering gifts or entertainment, payments, loans or other considerations to anyone in relation to the supply of Goods to the Purchaser.

**17. Law**

17.1. These conditions shall be subject to English law and the jurisdiction of the English courts.