

Financial Regulations

September 2026

EKC Schools Trust

Approval Date: September 2026

Next Approval: September 2027

CONTENTS

CONTENTS	2
1 INTRODUCTION	5
1 Background	5
2 Status of Financial Regulations	5
3 Anti-Bribery and Fraud	6
3.1 Anti Bribery	6
3.2 Fraud	6
B FINANCIAL RESPONSIBILITIES	6
1 The Trust Board	7
2 Risk, Audit and Compliance Committee	8
3 The Chief Executive Officer	8
4 Chief Financial Officer	8
5 Local Governing Body	9
6 Budget holders	9
C PLANNING AND BUDGETING	10
1 Planning	10
2 Budgeting	10
3 Virement	10
4 Forecasting	11
5 Year End Balances	11
D FINANCIAL REPORTING	11
1 Trust Board and the funding body	11
2 Monthly accounts	11
3 Reporting to Trust Board	11
4 Annual Financial Statements	11
5 Publishing of Fund Distribution	12
E CASH FLOW MANAGEMENT	12
1 Strategic	12
2 Borrowings	12
3 Forecast	12
F AUDIT	12
1 Risk, Audit and Compliance Committee	12
2 Financial Statements Audit	12

3	Internal Audit	12
4	Access to Information	13
G	CASH CONTROL	13
1	Bank Accounts	13
2	Transfers of funds between bank accounts.....	13
3	Banking of cash and cheques	13
4	Petty cash.....	14
H	FINANCIAL ACCOUNTING.....	14
1	Systems.....	14
2	Transactions	14
3	Novel, contentious and repercussive transactions	14
I	INCOME.....	14
1	Systems.....	14
2	Other cash receipts.....	15
3	Other income.....	15
3.1	European Union (EU) and other matched funding.....	15
3.2	Profitability and recovery of overheads	15
4	Write-offs.....	16
5	Guarantees	16
J	PURCHASING AND PAYMENTS	16
1	Systems.....	16
2	Quotations and tenders	16
3	Purchase orders and invoices	17
4	Payments.....	17
5	Accounting	17
6	VAT.....	18
7	Gifts or other rewards from suppliers.....	18
8	Purchasing of alcohol	18
9	Budget holders.....	18
10	Corporate Cards.....	18
11	Related Party Transactions (RPT)	18
K	EMPLOYMENT OF STAFF	18
1	Contracts.....	18
2	Establishment.....	19
3	Agency Teachers and Temporary Staff.....	19

4	Expenses	19
5	Special Payments	19
L	PAYROLL	20
1	Payroll service.....	20
2	Transactions	20
3	Payment processing.....	20
M	ASSETS.....	20
1	Capitalisation values.....	20
2	Stocks	20
3	Purchase of fixed assets.....	20
4	Disposal of fixed assets	21
5	Fixed asset register	21
N	BUDGET VARIATIONS.....	21
1	Overview	21
2	Grant income and expenditure	21
O	LAND, BUILDING & EQUIPMENT TRANSACTIONS	22
1	Land and Buildings	22
2	Equipment.....	22
3	Depreciation Policy	22
4	Leased Assets	23
	APPENDICES.....	24
	APPENDIX 1: Primary Budget Holders.....	24
	APPENDIX 2: Scheme of Delegation – Financial Authorisation Limits.....	25
	APPENDIX 3: Required Signatories.....	26
	APPENDIX 4: Associated Policies & Procedures	27

1 Introduction

1 Background

EKC Schools Trust ('the Trust') is a Multi Academy Trust. Its structure of governance is laid down in the articles of association, which may only be amended by application to the Secretary of State for Education. The Trust is accountable through its Trust Board, which has ultimate responsibility for the effectiveness of its management and administration.

The financial memorandum between the funding body and the Trust sets out the terms and conditions on which grant is made. The Trust Board is responsible for ensuring that conditions of grant are met. The Financial Regulations of the Trust form part of this overall system of accountability.

2 Status of Financial Regulations

This document sets out the Trust's Financial Regulations. It translates the Trust's broad policies relating to financial control into practical guidance.

These Financial Regulations are subordinate to the Trust's articles of association and to any restrictions contained within the Trust's financial memorandum with the funding body.

The purpose of these Financial Regulations is to provide control over the totality of the Trust's resources and provide management with assurances that the resources are being properly applied for the achievement of the Trust's Strategic Plan and business objectives;

- financial viability;
- achieving value for money;
- fulfilling its responsibility for the provision of effective financial controls over the use of public funds;
- ensuring that the Trust complies with all relevant legislation; and
- safeguarding the assets of the Trust.

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 Staff Disciplinary Policy. The Trustees Board will be notified of suspected financial irregularities through the Risk, Audit and Compliance Committee. It is the responsibility of line managers to ensure that their staff are made aware of the existence and content of the Trust's Financial Regulations.

The Risk, Audit and Compliance Committee is responsible for maintaining a continuous review of the Financial Regulations, through the Chief Financial Officer, and for advising the Trustees Board of any additions or changes necessary.

In exceptional circumstances, the Chief Executive Officer may authorise a departure from the detailed provisions herein, such departure to be reported to the Trustees Board at the earliest opportunity. This will be in accordance with the standing orders of the Trustees Board.

3 Anti-Bribery and Fraud

The Trust aims to maintain a culture of honesty and openness in all of its dealings, with opposition to bribery, fraud and corruption in any form.

3.1 Anti Bribery

The Trust works in accordance with the Bribery Act 2011 and its provisions apply to all Trust activities and to all staff, local Governors and Trustees.

Bribery is a criminal offence and the Trust prohibits any form of bribery in its business dealings. Integrity and transparency are of utmost importance to the Trust and we have a zero-tolerance stance towards corrupt activities of any kind, whether committed by staff, pupils or by third parties acting for or on behalf of the Trust.

It is prohibited, directly or indirectly, to offer, give, request or accept any bribe (i.e. a gift, loan, payment, reward or advantage, either in cash or any other form of inducement), to or from any person or company in order to gain commercial, contractual or regulatory advantage for the Trust, or in order to gain any personal advantage for an individual or anyone connected with the individual in a way that is unethical.

3.2 Fraud

Fraud comprises both the use of deception to obtain an unjust or illegal financial advantage and/or intentional misrepresentations by one or more individuals amongst management, staff, students, contractors and other third parties. It may include (but is not limited to):

- falsification or alteration of accounting records or other documents;
- misappropriation of assets or theft;
- suppression or omission of the effects of transactions from records or documents;
- plagiarism;
- recording of transactions without substance;
- intentional misapplication of accounting policies; or
- wilful misrepresentations of transactions.

The Trust implements procedures and controls to provide an environment which will minimise the opportunity for fraud.

B Financial Responsibilities

Trustees, members, committee members, governors and the Senior Team must:

- complete annual declarations of interests, update declarations when circumstances change;
- withdraw from discussion and decision making where a conflict exists;
- ensure interests are recorded in the Register of Interests which shall be published.

1 The Trust Board

The Trust Board is responsible for the management and administration of the Trust. Its financial responsibilities are to:

- ensure the solvency of the Trust and the safeguarding of the Trust's assets;
- appoint, grade, suspend, dismiss and determine the pay and conditions of service of the Chief Executive Officer and other senior post-holders;
- set a framework for pay and conditions of service for all other staff;
- take decisions relating to executive and central team pay and remuneration based on evidence and do so transparently, proportionately and ensuring proper documentation;
- ensure that the financial planning and other management controls, including controls against fraud and theft, applied by the Trust are appropriate and sufficient to safeguard public funds;
- approve the appointment of external auditors and an internal audit service;
- secure the efficient, economical and effective management of all the Trust's resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds in the Trust is not put at risk;
- ensure that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution;
- plan and conduct its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure;
- approve an annual budget before the start of each financial year;
- ensure that the Trust complies with the funding body's audit code of practice;
- approve the Trust's Strategic Plan;
- approve the annual financial statements;
- maintain sufficient financial knowledge, skills and experience to provide effective oversight of the Trust's finances;
- ensure that the Trust estate is safe, compliant and meets statutory requirements.

The Trust Board considers commitment to expenditure in excess of £50,000 and contracts that have significant impact on the financial operation of the Trust. The Chair of the Trust Board is authorised to sign any such mandate.

The Trust Board considers applications for extended loan facilities and planned overdrafts.

The Risk, Audit and Compliance Committee oversees the financial control systems including reviewing and recommending the financial control systems, delegating to the Chief Executive Officer and the Chief Financial Officer the preparation of financial regulations and procedures and reviewing arrangements for securing value for money, solvency and safeguarding of assets.

2 Risk, Audit and Compliance Committee

Multi Academy Trusts are required by their financial memorandum with the funding body and by the funding body's audit code of practice to appoint a Risk, Audit and Compliance Committee. The Committee is independent, advisory and reports to the Trust Board. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The Committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

The Trust will not pay cyber ransomware demands under any circumstances and the RAC committee will monitor effective cyber security of the Trust.

3 The Chief Executive Officer

The Chief Executive Officer is the Trust's designated officer and is responsible for ensuring the financial administration of the Trust's affairs in accordance with the financial memorandum with the funding body. As the designated officer and accounting officer the Chief Executive Officer is responsible for regularity, probity, value for money, feasibility, keeping parliament informed through the DfE and signing the annual Accounting Officer Statement. They also have responsibility for raising concerns where the Board acts improperly and may be required to justify any of the Trust's financial matters to the Public Accounts Committee at the House of Commons.

The Chief Executive Officer shall demonstrate his or her oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements, and the financial plans submitted to the funding body.

The CEO and CFO will ensure the board receives sufficient information to assess and formally consider the Trust's status as a going concern.

4 Chief Financial Officer

Day-to-day financial administration is controlled by the Chief Financial Officer, who is responsible to the Chief Executive Officer for:

- preparing annual capital and revenue budgets and financial plans;
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations;
- preparing the Trust's annual accounts and other financial statements and accounts which the Trust is required to submit to other authorities;
- ensuring that the Trust maintains satisfactory financial systems;
- providing professional advice on all matters relating to financial policies and procedures;
- day-to-day liaison with auditors in order to achieve efficient processes; and
- treasury management.

The Trust will ensure that the CFO is appropriately qualified and has the experience and expertise required for the role.

5 Local Governing Body

The Local Governing Body is responsible for the management and administration of their respective Schools Trust. Its financial responsibilities are to:

- manage all the school's finances covering the delegated formula budgets, other money delegated or devolved by the ESFA and other funds (e.g. the School Voluntary Fund);
- approve the Schools Budget Plan;
- auditing performance related pay for the schools;
- auditing performance development process for the schools;
- reporting on budget monitoring and the outturn position to the Local Governing Body, highlighting any significant variances between actual and budgeted figures;
- evaluating (and authorising as necessary) any proposed virements and reporting to the Local Governing Body as appropriate;
- on-going review of in-school financial procedures;
- making decisions in respect of service agreements and insurance;
- auditing performance development process for the schools;
- benchmarking the school's financial performance and reporting to the Local Governing Body.

The Headteacher is responsible for implementing the decisions of the Local Governing Body and for the day-to-day operation of financial procedures in the school within the framework of the policies and strategic plans approved by the Trust Board. The Headteacher has the authority to delegate the general administration of these day-to-day operations to other staff, as documented in the Financial Regulations.

6 Budget holders

Members of staff with delegated budgetary responsibilities are responsible to the Chief Executive Officer for financial management for the areas or activities they control. They are advised by the Chief Financial Officer in executing their financial duties. Resources are devolved to members of staff that are accountable for their own budget. The Chief Financial Officer will also supervise and approve the financial systems operating within the Trust, including the form in which accounts and financial records are kept. Budget holders are responsible for establishing and maintaining clear lines of responsibility within their areas for all financial matters. Where resources are devolved to budget holders, they are accountable to their line manager for their own budget.

Budget holders shall provide the Chief Financial Officer with such information as may be required to enable:

- compilation of the Trust's financial statements;
- implementation of financial planning; and
- implementation of audit and financial reviews, projects and value for money studies.

C Planning and Budgeting

1 Planning

The Chief Financial Officer is responsible for preparing a rolling three-year financial plan on an annual basis for approval by the Trust Board and for preparing financial forecasts for submission to the funding body. Financial plans should be consistent with the Strategic Plans approved by the Trust Board.

2 Budgeting

The Local Governing Body will approve the budgetary objectives for the Trust. These will help the Chief Financial Officer in preparing the detailed financial plans for the Trust.

Resources are allocated annually by the Trust Board based on the above objectives. The Chief Executive Officer and Chief Financial Officer decide the specific allocations to Local Governing Bodies who are responsible for the economic, effective and efficient use of resources allocated to them.

The Chief Financial Officer is responsible for preparing an annual revenue budget and capital programme for consideration by the Trust Board. The budget will also include a projected year-end balance sheet. The Chief Financial Officer must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to budget holders as soon as possible following their approval by the Trust Board.

During the year, the Chief Financial Officer is responsible for submitting revised forecasts to the Trust Board on a quarterly basis.

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 their line manager for the income and expenditure appropriate to their budget.

Budget performance reviews are undertaken regularly between the budget holder and the Chief Financial Officer. Significant departures from agreed budgetary targets are reported immediately to the Chief Financial Officer and, if necessary, corrective action taken.

3 Virement

Where a budget holder is responsible for more than one budget, virement is permitted, with the written approval of the Chief Executive Officer.

Virement between budgets held by different budget holders is permitted with the written approval of the transferring budget holders and the Chief Executive Officer. The Chief Financial Officer is responsible for submitting requests for virement of resources above £150,000 to the Trustees Board for approval.

The budget holders are assisted in their duties by information provided by the Chief Financial Officer.

Changes proposed to the approved budgeted surplus / (deficit) will be considered by the Trust Board, unless they fall within the delegated approval arrangements:

- Chief Executive Officer: up to £50,000

4 Forecasting

The Chief Financial Officer will undertake a review and reforecast of the Trust's accounts on a quarterly basis with the support of the Group Head of Financial, Planning & Analysis. This will involve in-depth reviews with the individual budget holders to ascertain the expected outcomes. Once the reforecast has been completed this will be reported as part of the monthly management accounts.

5 Year End Balances

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 Local Governing Body has approved a specific scheme for carrying forward all or part of unspent amounts. Specific equipment and consumables account balances may be carried forward with the approval of the Chief Financial Officer.

D FINANCIAL REPORTING

1 Trust Board and the funding body

The financial memorandum between the funding body and the trust sets out the terms and conditions on which grant is made. The Trust Board is responsible for ensuring that conditions of grant are met. As part of this process, the Trust must adhere to the funding body's audit code of practice, which requires it to have sound systems of financial and management control. The Financial Regulations of the Trust form part of this overall system of accountability.

The Trust Board has ultimate responsibility for the Trust's finances.

2 Monthly accounts

The Chief Financial Officer reports the Trust's financial position to the Chief Executive Officer and designated Trustees each month after the first period. The financial position is reported to the Trust Board.

3 Reporting to Trust Board

Monitoring of the Trust's financial control systems is undertaken by the Risk, Audit and Compliance Committee. The Trust Board will examine the forecasts and accounts (including the accounting policies upon which they are based) for approval. It will ensure that short-term budgets are in line with agreed longer-term plans and that they are followed. It will consider any other matters relevant to the financial duties of the Trust Board and ensures the adequacy of information to enable it to discharge its financial responsibilities.

The Chief Financial Officer is responsible for supplying budgetary reports on all aspects of the Trust's finances to the Trust Board on a basis determined by the Trust Board but subject to any specific requirements of the funding body.

The Chief Financial Officer will report to the Trust Board on the activities of the treasury management operation and on the exercise of treasury management powers delegated thereto.

4 Annual Financial Statements

The Trust's annual accounts are prepared by the Chief Financial Officer in accordance with funding body requirements. The accounts are audited by the Trust's financial statements auditors and approved by the Trust Board.

5 Publishing of Fund Distribution

The Trust shall publish annually, a statement explaining the methodology used to distribute funding across schools.

E CASH FLOW MANAGEMENT

1 Strategic

The Chief Financial Officer is responsible for providing details of the cash flow forecast associated with the annual budgeting process to the Trust Board.

2 Borrowings

The Trustees are responsible for oversight of any borrowings and the Trust must obtain the approval of the funding body prior to entering into most agreements for loans, finance leases and overdrafts. The Trust will seek to budget within its means, avoid entering into borrowing arrangements and minimise interest charges incurred.

3 Forecast

The Chief Financial Officer provides details of the Trust's cash flow within the monthly management accounts provided to the Chief Executive Officer and designated Trustees. The Chief Financial Officer is also responsible for providing cash flow forecasts in line with funding body requirements.

F AUDIT

1 Risk, Audit and Compliance Committee

Multi-Academy Trusts are required by their financial memorandum with the funding body, by the funding body's audit code of practice and the instruments and articles of Government to appoint a Risk, Audit and Compliance Committee. The Committee is independent, advisory and reports to the Trust Board. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The Committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

2 Financial Statements Audit

The appointment of financial statements auditors for the main financial statements of the Trust will take place annually and is the responsibility of the Risk, Audit Compliance Committee. The Trust Board will be advised by the Risk, Audit and Compliance Committee.

The primary role of this 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 funding body's audit code of practice and the Auditing Practices Board's statements of auditing standards.

3 Internal Audit

Internal audit is determined by Trustees in compliance with the DfE Internal Scrutiny Framework.

The internal auditor is appointed by the Risk, Audit Compliance Committee on the recommendation of the Chief Financial Officer. The appointed firm cannot also provide external auditing services as stated in the Financial Reporting Council's revised Ethical Standard.

The Trust's financial memorandum with the funding body requires that it has effective controls in place, and which must be in accordance with advice set out in the funding body's audit code of practice, but it is no longer stipulated that the Trust must appoint internal auditors.

The main responsibility of internal audit is to provide the Trust Board, the Chief Executive Officer and Chief Financial Officer with assurances on the adequacy of the internal control system. The internal audit service remains independent in its planning and operation but has direct access to the Trust Board, Chief Executive Officer and Chair of the Risk, Audit and Compliance Committee. The internal auditor will also comply with the Auditing Practices Board's auditing guidelines *Guidance for Internal Auditors*.

4 Access to Information

Under the terms of the Charities Act 1993, the Trust Board is required to supply any person with a copy of the Trust's most recent financial statements within two months of a request. The Act enables the Trust Board to levy a reasonable fee and this will be charged at the discretion of the Chief Financial Officer. The Trust will also allow members of the public to inspect the statement of accounts during normal working hours, provide copies to local libraries and make a summary available on the Trust's website.

G CASH CONTROL

1 Bank Accounts

The Chief Financial Officer is responsible for the appointment of the Trust's bankers. The appointment shall be for a specified period after which consideration shall be given by the Chief Financial Officer to competitively tender the service.

The Chief Financial Officer is responsible for liaising with the Trust's bankers in relation to the Trust's bank accounts

Only the Chief Executive Officer or the Chief Financial Officer 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. The Chief Financial Officer is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

2 Transfers of funds between bank accounts

All automated transfers on behalf of the Trust, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the Trust Board. Details of authorised persons and limits are provided for in the appendices to the Trust's financial regulations.

3 Banking of cash and cheques

All cash and cheque income received by the Trust is banked at the local post offices by the School Business Managers.

4 Petty cash

The Trust does not operate a petty cash system.

H FINANCIAL ACCOUNTING

1 Systems

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

The Trust is required by law to retain prime documents for six years. These include;

- official purchase orders;
- paid invoices;
- accounts raised;
- bank statements;
- copies of receipts;
- paid cheques; and
- payroll records, including part-time lecturers' contracts.

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

Advice and training are provided by the Finance team for users to access and use the data held in the accounting system.

2 Transactions

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

3 Novel, contentious and repercussive transactions

Novel, contentious and/or repercussive transactions must always be referred to ESFA for prior approval. ESFA may refer such transactions to HM Treasury for approval, so trusts should allow sufficient time for proposals to be considered.

Novel transactions are those of which the academy trust has no experience, or are outside its range of normal business, contentious transactions are those that might cause criticism of the trust by Parliament, the public or the media and repercussive transactions are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

The Trust will seek to avoid any such transactions from being undertaken.

I INCOME

1 Systems

The Chief Financial Officer 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 Chief Financial Officer.

Levels of charges for contract research, services rendered, goods supplied, and rents and lettings are determined by procedures approved by the Trust Board.

The Chief Financial Officer is responsible for the prompt collection, security and banking of all income received.

The Chief Financial Officer is responsible for ensuring that all grants notified by the funding bodies are received and appropriately recorded in the Trust's accounts.

The Chief Financial Officer is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

2 Other cash receipts

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. All monies received must be paid to the designated person promptly, and in accordance with a timetable as set out in the financial procedures. The custody and transit of all monies received must comply with the requirements of the Trust's insurers.

All sums received must be paid in and accounted for in full and must not be used to meet miscellaneous expenses. Personal or other cheques must not be cashed out of money received on behalf of the Trust.

Receipts by credit or debit card: The Trust may only receive payments by debit or credit card using procedures approved by the Chief Financial Officer.

Internet receipts: any member of staff wishing to arrange for payment to be made to the Trust by the internet should seek guidance from the Head of Finance at an early stage.

3 Other income

3.1 European Union (EU) and other matched funding

Any such project requires the approval of the Chief Executive Officer prior to any commitment being entered into. Such approval shall be dependent upon being able to demonstrate that eligible matching funds are available and that the project is financially viable by the application of suitable costing and pricing methodologies.

Reference will be made to relevant de-minimis state aid limits.

Individual applications for funds in excess of £150,000 shall be the subject of a report by an Executive member to the Trust Board which will set out, amongst other things, the potential risks generated by the project.

If the Trust sub-contracts such work to external providers, the relevant budget holder 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; and
- payments are only made against detailed invoices.

3.2 Profitability and recovery of overheads

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

4 Write-offs

The Trust will always pursue recovery of amounts owed to it, subject to practicality judgements undertaken by the Chief Financial Officer, and will always carefully consider any potential write-offs.

Additionally, the Trust must obtain the funding body's prior approval for writing off debts and losses beyond the delegated limits. The delegated limits, subject to a maximum of £250,000, are:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction;
- cumulatively, 2.5% of total annual income in any financial year per category of transaction for trusts that have not submitted timely, unqualified accounts for the previous two financial years. This category includes new trusts that have not had the opportunity to produce two years of audited accounts;
- cumulatively, 5% of total annual income in any financial year per category of transaction for trusts that have submitted timely, unqualified accounts for the previous two financial years.

5 Guarantees

Before accepting liabilities by issuing guarantees, a letter of comfort or indemnity, the trust will secure value for money by appraising the proposal through assessment of the costs and benefits of relevant options.

J PURCHASING AND PAYMENTS

1 Systems

Purchases are made via an official Trust purchase order generated from the Finance system, in accordance with the Trust's authorising procedures.

The Trust shall comply with all mandatory procurement requirements including, mandatory use of approved frameworks where specified by the DfE.

2 Quotations and tenders

- Budget holders must comply with the Trust's tendering procedures contained in the tendering procedure, which are applicable as follows:
- under £2,000 – the budget holder shall have the discretion to decide whether to obtain quotations, but value for money must always be obtained;
- from £2,000 to £8,000 – the procuring member of staff shall arrange for a written quotation to be obtained;
- from £8,000 to £50,000 – the procuring member of staff shall arrange for at least three written quotations to be obtained;
- over £50,000 – all items will require three competitive tenders; and the award of contracts over £150,000 shall be reported to the Trust Board.

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

The main points covered by the Trust's tendering procedures may be subject to special rules imposed by the funding body.

Delegated approval is given by the Trust Board to the Chief Executive Officer to depart from the above regulations in the event that this would lead to a conflict with civil or criminal legislation or where the supply of such goods and services are limited to less than three potential suppliers.

3 Purchase orders and invoices

Official purchase orders must be placed for the purchase of all goods or services, except those that have been authorised to be exempt from this process by the Chief Financial Officer. E.g. food supplies for school canteens.

It is the responsibility of the Chief Financial Officer (through East Kent Colleges Group's finance department) to ensure that all purchase orders refer to the Trust's conditions of contract.

Suppliers should be instructed by the budget holder to submit invoices for goods or services to the Finance team.

4 Payments

The procedures for making all payments shall be in a form specified by the Chief Financial Officer.

The Chief Financial Officer is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by a BACS transfer.

The Trust's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without staff having to incur any personal expense. However, staff may incur expenses in relation to travel and subsistence and are entitled to reimbursement.

Where such purchases by staff are planned, the Chief Financial Officer and the relevant budget holder 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 five working days 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.

5 Accounting

Payments will only be made by the Finance team against invoices that have been certified for payment by the appropriate budget holder.

Payments will only be made by the Finance team against invoices that can be matched to a receipted order.

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 and is arithmetically correct;
- the invoice has not previously been passed for payment;
- where appropriate, an entry has been made on a stores record or inventory; and

- an appropriate cost centre is quoted (i.e. a cost centre code that is included in the budget holder's areas of responsibility and must correspond with the types of goods or service described on the invoice).

6 VAT

The Trust is required to account for VAT in accordance with HMRC rules and regulations.

7 Gifts or other rewards from suppliers

The Chief Operating Officer is responsible for maintaining financial records in respect of gifts, hospitality, benefactions and donations made to the Trust and initiating claims for recovery of tax where appropriate.

8 Purchasing of alcohol

The trust's funds must not be used to purchase alcohol for consumption, except where it is to be used in religious services.

9 Budget holders

Budget holders are responsible for ensuring that expenditure within their departments does not exceed funds available.

Care must be taken by the budget holder to ensure that discounts receivable are obtained.

10 Corporate Cards

The Trust operates approved Purchase Cards in accordance with the guidance contained in Schools Financial Services publication "Corporate Card Guidance notes for Schools".

Each school has two corporate cards with the approved users being the Headteacher and the Business Manager. The individual limits are as follows:

- Headteacher - £1,000 per transaction (£3,000 total spend per month);
- Business Manager - £500 per transaction (£3,000 total spend per month).

11 Related Party Transactions (RPT)

- All RPTs will be conducted at cost.
- No profit will be taken.
- All RPTs demonstrate value for money.
- Declarations will be made before contracts are entered into.
- All DfE reporting requirements will be followed.

K EMPLOYMENT OF STAFF

1 Contracts

All contracts of service are concluded in accordance with the Trust's approved human resources policies and procedures and all offers of employment with the Trust shall be made in writing by the Chief Executive Officer or nominated representative. Budget holders shall ensure that Human Resources are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

The Trust offers access to both the Teacher Pension Scheme (TPS) and Local Government Pension Scheme (LGPS). The Trust will not establish or participate in any other pension arrangement.

2 Establishment

The Trust's establishment is defined by the staffing posts contained within the annually approved budget. Any deviations from this establishment must be agreed by the Local Governing Body and the Chief Executive Officer. Any deviations leading to changes in the budgeted operating surplus must be reported to the Trust Board through the management accounting process.

3 Agency Teachers and Temporary Staff

The Trust's appoint all agency teachers and temporary staff in accordance with Trust's procedures and are considered by the Headteachers.

4 Expenses

All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Chief Financial Officer.

Claims by members of staff must be authorised by their budget holder, line manager or the Chief Executive Officer, as appropriate. The certification by the budget holder shall be taken to mean that;

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

Arrangements for travel by the Chief Executive Officer shall be approved by the Chair of the Trust Board. Arrangements for travel by members of the Governing Body shall be approved by the Clerk to the Trust Board.

5 Special Payments

Certain transactions by public bodies may fall outside their usual planned range of activity and may exceed statutory and contractual obligations, known as special payments, and include staff severance payments, compensation payments, ex-gratia payments.

The Trust will determine the suitability of these payments on a case-by-case basis and ensure that the payment is in the Trust's interests and is justified and proportionate.

The Trust must obtain prior DfE approval before making a staff severance payment in accordance with the Academy Trust Handbook.

L PAYROLL

1 Payroll service

The Trust's payroll is managed by the Finance team. The Finance team are also responsible for submission of all PAYE and other payroll-related returns.

2 Transactions

Payroll transactions are undertaken by the Finance team and approved by the Chief Financial Officer prior to payment.

Written authorisation of changes to payroll is required from the Chief Executive Officer.

3 Payment processing

It is the responsibility of East Kent Colleges Group's Head of Finance and nominated representatives within the Finance team to process payroll transactions and effect payroll changes.

Pay slips and other pay-related documentation are accessible by staff electronically via the payroll/HR system and are not distributed in hard copy or via e-mail.

M ASSETS

1 Capitalisation values

The purchase, lease or rent of land, buildings or fixed plant, with a financial commitment in excess of one year, can only be undertaken with authority from the Trust Board and with reference to funding body requirements where government-funded assets or government funds are involved.

The East Kent Colleges Group's Finance team is responsible for maintaining inventories, in a form prescribed by the Chief Financial Officer, for all plant, equipment, furniture and stores with a value in excess of £2,000. The inventory must include items donated or held on trust and must be checked at least annually.

2 Stocks

Budget holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their areas. The systems used for stores accounting must have the approval of the Chief Financial Officer.

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 health and safety checks.

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 Chief Financial Officer and that instructions to appropriate staff within their areas are issued in accordance with advice contained in the Trust's financial procedures. Stock-taking will normally be conducted on the last working day of each calendar month and may be subject to regular checks by members of East Kent Colleges Group's finance team.

3 Purchase of fixed assets

The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with authority from the Trust Board and with reference to funding body requirements

where government grant-funded assets or government grant funds are involved.

The Trust is responsible for the planning and overseeing of capital projects. The Trust will therefore ensure that proportionate and adequate financial and human resources are assigned to each project to deliver value for money and a successful project outcome.

The Trust must obtain prior approval from ESFA for the acquisition of freehold land or buildings.

4 Disposal of fixed assets

Disposal of equipment and furniture must be in accordance with procedures agreed by the Trust Board and contained in the Trust's financial procedures.

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

The Trust must obtain prior approval from ESFA for disposing of a freehold of land or buildings or disposing of heritage assets, as defined in financial reporting standards, beyond any limits in the funding agreement for the disposal of assets generally.

5 Fixed asset register

The Chief Financial Officer is responsible for maintaining the Trust's register of land, buildings, fixed plant and machinery. Budget holders will provide the Chief Financial Officer with any information he or she may need to maintain the register.

N BUDGET VARIATIONS

1 Overview

Changes proposed to the approved budget will be considered by the Local Governing Body, unless they fall outside of the delegated approval arrangements:

- Chief Executive Officer £50,000

2 Grant income and expenditure

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 Trust Board.

The Chief Financial Officer will establish protocols for the inclusion of capital projects in the capital programme for approval by the Trust Board. 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. More detailed guidance is included in the financial procedures.

The Chief Financial Officer will also establish procedures for the approval of variations, including the notification of large variations to the funding body, as laid down in the funding body guidelines.

Post-project evaluations may need to be sent to the funding body, as laid down in any relevant funding body guidelines or agreements.

O LAND, BUILDING & EQUIPMENT TRANSACTIONS

1 Land and Buildings

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost unless the open market value for existing use is readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account on an annual basis.

Freehold land is not depreciated.

Freehold buildings are depreciated over their expected useful economic life to the Trust for a period of 60 years. The Trust has a policy of depreciating major adaptations to buildings over a period of 60 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

A review for impairment of a fixed asset is carried out for assets depreciated over a period in excess of fifty years or if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs. They are not depreciated until they are brought into use.

2 Equipment

Equipment costing less than £2,000 per individual item is written off to the Income and Expenditure Account in the period of acquisition. All other equipment is capitalised at cost and depreciated in line with the below Depreciation Policy.

3 Depreciation Policy

Capitalised assets will be depreciated over a period as per the below table, commencing in the year of acquisition.

The following table sets out the parameters for depreciating assets:

New Buildings	60 years on a straight-line basis
Building improvements	10 years on a straight-line basis
Plant & Machinery	10 years on a straight-line basis
Furniture & Equipment	5 years on a straight-line basis
Computer Equipment	5 years on a straight-line basis
Motor Vehicles	5 years on a straight-line basis
Software	5 years on a straight-line basis

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the Income and Expenditure Account over the expected useful economic life of the related equipment.

4 Leased Assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

APPENDICES

APPENDIX 1: Primary Budget Holders

EKC Schools Trust Primary Budget Holders are as follows:

- Chief Executive Officer
- Chief Financial Officer
- School Headteachers
- School Deputy Headteachers
- School Business Managers
- Class Teachers

APPENDIX 2: Scheme of Delegation – Financial Authorisation Limits

EKC Schools Trust authorisation limits are as follows:

School

Value	Authorisation Level
£0 - £500	School Business Managers & Budget Holders
£0 - £10,000	Headteachers
£10,000 - £50,000	Local Governing Body
Over £50,000	Trustees

For any items over £20,000, the Local Governing Body must inform the Chief Financial Officer.

Trust

Value	Authorisation Level
£0 - £20,000	Chief Financial Officer
£0 - £50,000	Chief Executive Officer
£50,000 - £100,000	Finance Committee
Over £100,000	Trustees

For urgent issues of a financial nature the Chair of the Trust Board is authorised to commit up to £150,000 expenditure by written mandate that will then be reported at the earliest opportunity to the Trust Board.

In the absence of the required budget holder, orders should be forwarded onto the relevant member of the leadership team to authorise.

In the absence of the relevant member of the leadership team, another member of the leadership team may sign on behalf of the absent person but should clearly identify that they are doing so.

APPENDIX 3: Required Signatories

EKC Schools Trust authorised signatories are:

- Executive Team

Chief Executive Officer

Chief Financial Officer

- Finance Team

Group Head of Financial Planning & Analysis – East Kent Colleges Group

Group Head of Finance – East Kent Colleges Group

APPENDIX 4: Associated Policies & Procedures

The following policies and procedures are referred to in the Financial Regulations:

- Staff Disciplinary Policy