

# Finance Policy and Procedures

# Contents

Section	Page
<b>1.0</b> Policy statement	<b>4</b>
<b>2.0</b> Scope and purpose	<b>4</b>
<b>3.0</b> Procedures	<b>4</b>
<b>3.1</b> Legal framework	<b>4</b>
<b>3.2</b> Roles and responsibilities	<b>4</b>
<b>3.3</b> Accounting system	<b>6</b>
<b>3.4</b> Back-up procedures	<b>6</b>
<b>3.5</b> Transaction processing	<b>6</b>
<b>3.6</b> Reconciliations	<b>6</b>
<b>3.7</b> Budget setting	<b>6</b>
<b>3.8</b> Budget management and monitoring	<b>7</b>
<b>3.9</b> Register of interests	<b>7</b>
<b>3.10</b> Purchasing, procurement and returns	<b>7</b>
<b>3.11</b> Income and expenditure	<b>7</b>
<b>3.12</b> Cash management	<b>8</b>
<b>3.13</b> Payroll and staff payments	<b>8</b>
<b>3.14</b> Remissions and charging	<b>8</b>
<b>3.15</b> VAT procedures	<b>9</b>
<b>3.16</b> The audit process	<b>9</b>
<b>3.17</b> Record keeping	<b>10</b>
<b>3.18</b> Monitoring and review	<b>10</b>
<b>Appendix 1</b> - Levels of authorisation	<b>11</b>
<b>Appendix 2</b> - Dixons Academies Trust key financial controls	<b>11</b>
- Ordering of goods and services	<b>11</b>
- Goods received process	<b>11</b>
- Onboarding new suppliers	<b>11</b>
- Quotes	<b>12</b>
- Related party transactions	<b>12</b>
- Accounting and auditing standards	<b>12</b>
- Register of business interests	<b>12</b>
- Insurance claims	<b>12</b>
- Capital spend	<b>12</b>
- Tender process	<b>12</b>
- Staffing	<b>12</b>
<b>Appendix 3</b> - Onboarding new supplier risk assessment template	<b>13</b>



## Policy document provenance

<b>Approver</b>	Trust board
<b>Date of approval</b>	11 July 2024
<b>Policy owner</b>	Chief executive
<b>Policy authors</b>	Interim finance director, head of governance and financial controller
<b>Date of next review</b>	September 2025
<b>Version</b>	2.0
<b>Summary of changes in this review</b>	<ul style="list-style-type: none"><li>• New section added relating to onboarding new suppliers</li><li>• Item 3.16.2 has been extended to explain how the internal audit for finance is agreed</li></ul>
<b>Related policies and documents</b>	<ul style="list-style-type: none"><li>• Pay</li><li>• Charging and Remissions</li><li>• Reserves and Investment</li><li>• Debt Recovery</li><li>• Tendering and Procurement</li><li>• Credit Card</li><li>• Capital Expenditure</li><li>• Risk Management</li><li>• Gifts and Hospitality</li><li>• Staff Expenses</li></ul>

Unless there are legislative or regulatory changes in the interim, the policy will be reviewed as by the review cycle. Should no substantive change be required at this point, the policy will move to the next review cycle.



## 1.0 Policy statement

Dixons Academies Trust (the Trust) takes its responsibility of handling public funds with the utmost seriousness and strives to achieve best value by providing a high-quality education and a safe learning environment, whilst having a strong financial standing.

It is important for anyone associated with the Trust to demonstrate that they do not benefit personally from decisions they make in regards to the spending of public money.

## 2.0 Scope and purpose

In order to ensure that the financial standing of Dixons Academies Trust cannot be brought into disrepute, this policy will be implemented by all academies within the Trust, guaranteeing consistency in financial procedures across the academies.

This policy applies to all trustees, local governors, employees and volunteers, as well as to services and goods sourced from external agencies, such as contractors and caterers.

## 3.0 Procedures

### 3.1 Legal framework

3.1.2 This policy has due regard to statutory legislation, including, but not limited to, the following:

- The Employment Relations Act 1999
- Companies Act 2006
- Companies Act 1985
- The Equality Act 2010
- The Education (School Teachers' Appraisal) (England) Regulations 2012 (as amended)

3.1.3 This policy also has due regard to the:

- DfE Academies Trust handbook
- DAT Scheme of Delegation

3.1.4 This policy should be used in conjunction with the following academy policies:

- Pay
- Charging and Remissions
- Reserves and Investment
- Debt Recovery
- Tendering and Procurement
- Credit Card
- Capital Expenditure
- Risk Management
- Gifts and Hospitality
- Staff Expenses

### 3.2 Roles and responsibilities

3.2.1 All individuals, both paid and voluntary, involved in the Trust, including the trust board and local academy boards will act in accordance with this policy at all times.

3.2.2 The trust board is responsible for:

- approval of a written scheme of delegation
- approving the annual budget
- reviewing of financial position at every meeting
- approving purchase orders as per the financial scheme of delegation
- approving the opening and closing of all bank accounts in the name of our trust
- receiving and acting upon the finance statements for the year end on recommendation from the audit and risk committee
- receiving and acting on reports of the audit and risk / finance committees
- appointing the trust finance and audit and risk committees and approving its terms of reference
- informing the DfE if it suspects any irregularities
- discretion to review and alter the scheme of delegation at least on an annual basis



- 3.2.3 The audit and risk committee and finance committee are committees of the trust board and meet once a cycle or more frequently if required. The board delegates many of its financial and audit responsibilities to be carried out by the trust committees. The responsibilities of the committees are detailed in written terms of reference written into the scheme of delegation, which have been authorised by the trust board.
- 3.2.4 The chief executive (or Deputy in the absence of the chief executive of the trust) is responsible for:
- fulfilling the role of Accounting Officer of the Trust
  - authorising budgeted transactions over £100k
  - approving all senior staff salary adjustments
- 3.2.5 The finance director is responsible for:
- acting as the principal finance officer for the Trust
  - ensuring that the trust's financial position is managed at a strategic level within the framework for financial control determined by the trust board
  - ensuring that all financial matters focus on the wider needs of our trust rather than on any one individual academy
  - working with internal auditors to provide assurance to the audit and risk committee and trust board
  - ensuring the annual accounts are properly presented and adequately supported by the underlying books and records of our trust
  - challenging finance staff in order to ensure that value for money is routinely obtained
  - ensuring effective financial policies are in place
  - acting as an authorised signatory of the trust bank account and the bank accounts of the academies within the trust
  - ensuring that forms and returns for the trust are sent to the DfE in line with the timetable in the DfE guidance
  - approving budgeted purchase orders, invoices and contracts between £25,001 and £99,999
  - ensuring appropriate arrangements are in place for insurance for the trust and all its academies
  - ensuring that key financial controls are kept up to date and monitored at all times
- 3.2.6 Each local academy board (LAB) is responsible for:
- ensuring that specific grants (eg pupil premium, catch-up premium, sports premium) are used for the purposes intended and can demonstrate a positive impact on learning
- 3.2.7 The principal of each individual academy within our trust is responsible for:
- ensuring budgetary control within approved budgets
  - authorising contracts and orders, up to the amount stated in the scheme of delegation
  - ensuring that all policies and procedures are adhered to at their academy and in particular that the key financial controls are communicated and managed effectively
- 3.2.8 The finance director is responsible for:
- managing day-to-day financial issues, including the establishment and operation of the accounting system
  - maintaining effective internal controls in line with the trust policies and procedures
  - managing the academy's financial position at a strategic and operational level within the framework for financial control determined by the trust board
  - drafting original and revised finance plans in cooperation with the principal
  - maintaining the accounting records
  - ensuring that purchase orders are raised prior to ordering goods / services, wherever possible, in order to aid effective budget monitoring and management
  - monitoring the budget on a monthly basis
  - ensuring that proper checks and controls are in place to cover day-to-day activities in accordance with the financial regulations manual
  - ensuring value-added tax (VAT) is correctly accounted for
  - liaising with the chief executive in respect of any queries and ensuring data is supplied for preparation of annual accounts within agreed timescales
- 3.3 Accounting system**
- 3.3.1 The key responsibilities of our trust are to:
- establish and maintain the accounting system
  - determine the financial control procedures
  - determine user access rights
  - complete control account and reconciliation procedures



- 3.3.2 All the financial transactions of our trust must be recorded in PS Financials (PSF), the computerised financial management system. This system is operated by the central finance team and consists of:
- general ledger, including journal transactions
  - purchase ledger
  - sales ledger and cash book
  - fixed assets system access
- 3.3.3 Access to PSF is managed by the senior financial controller who has access to amend the system, set up and controls in PSF.
- 3.3.4 User access to PSF is controlled through secure user accounts and passwords. It is the responsibility of all PSF users to keep their password secure. It is the responsibility of the accounts payable manager to determine the appropriate levels of access for each user and to set this up accordingly.
- 3.3.5 System access must ensure that there is adequate separation of duties in the process and that users may not initiate and approve transactions.
- 3.4 Back-up procedures**
- 3.4.1 It is the contractual responsibility of IRIS to maintain adequate backup and disaster recovery procedures for PS accounting and PS purchasing. These responsibilities include:
- develop, maintain and periodically test disaster recovery plans to ensure that they are adequate and fit for purpose
  - ensure that all financial data managed on behalf of our trust is adequately protected to enable efficient and effective recovery
  - ensure financial data is backed-up on to appropriate media at regular intervals and media is securely stored
  - ensure test restores of data are carried out at regular intervals
  - in the event of a disaster, the IT support provider will recover the services to an acceptable state of operation within 2 working days
- 3.5 Transaction processing**
- 3.5.1 All journal entries must be documented on the appropriate journal form, and authorised in accordance with the authorisation limits prior to being input to PSF. All journals must be approved by a senior member of the Finance team.
- 3.5.2 Detailed information on the operation of PSF can be found in the user manuals held centrally.
- 3.6 Reconciliations**
- 3.6.1 The senior financial controller is responsible for ensuring all account reconciliations are performed each month and that any reconciling or balancing amounts are cleared including but not limited to:
- sales ledger control account
  - purchase ledger control account
  - bank accounts
  - payroll control account
  - all suspense accounts
- 3.6.2 All un-reconciled items are reported in an exception report as part of the monthly process. The senior financial controller will review all monthly reconciliations in a timely manner and sign them as evidence of that review.
- 3.7 Budget setting**
- 3.7.1 Draft budgets will be presented by the executive directors to the finance committee, together with a supporting report for approval.
- 3.7.2 The budget planning process follows an annual planning cycle and consists of the following four phases:
- planning
  - budget setting
  - monitoring
  - review (monthly)
- 3.7.3 The budget process incorporates the following elements:
- forecasts of likely student numbers to estimate the amount of DfE grant available
  - review of other income sources
  - review of past performance against budgets
  - identification of potential efficiency and budget containment actions
  - an annual review of expenditure headings to reflect known changes and expected variations in costs, such as pay increases, inflation or other anticipated changes
  - identification of risks and impact on budget; a plan of how these can be mitigated



- 3.7.4 Each academy within the trust will have an independent budget which will be reviewed by their executive director. The budget for the forthcoming financial year will be approved by the trust board and this approval will be minuted.
- 3.7.5 The annual budget will reflect the best estimate of the resources available to the trust, for the forthcoming year and will detail how those resources will be utilised and support the objectives identified in the academy improvement plans.
- 3.7.6 Both medium-term and short-term financial plans will be prepared for the trust and each of its the academies . As part of the improvement planning process, the medium-term financial plans are prepared. The improvement plan indicates how the academy’s educational aims and other objectives are going to be achieved within the expected level of resources over the next three years. The improvement plan provides the framework for the annual budget.
- 3.7.7 Once the budget is agreed, this will be communicated to all responsible budget holders to ensure they are aware of the overall budgetary constraints.

### **3.8 Budget management and monitoring**

- 3.8.1 In order to implement a smooth-running planning process, the finance director will create a budget timetable which outlines important dates, such as when information will be collected, including salary information and estimated budget allocation.
- 3.8.2 A continuous review of the aims and priorities of the strategy will be undertaken based on the monitoring and analysis of performance. Finance business partners are responsible for monitoring income and expenditure in their academies throughout the year. A three-year budget forecast will be prepared when the budget for the current financial year is being set.
- 3.8.3 In the event of a potential deficit budget being set, this will be referred to the trust board to determine if there is any alternative. Any reserves will be taken into consideration.
- 3.8.4 The senior finance business partner will prepare monthly consolidated reports for the trust board which detail actual income and expenditure against the budget. Any potential overspend against the budget will be discussed with the finance director who will report accordingly to the f i n a n c e committee. The monitoring process will be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate.
- 3.8.5 The Trust will submit budget-monitoring returns to the DfE on an accruals basis in the required format and by the required deadlines, as notified by the DfE year-on-year.

### **3.9 Register of interests**

- 3.9.1 All academies in the trust will act in accordance with the Academy Trust Handbook.
- 3.9.2 All relevant interests and conflicts will be recorded in the register of interests.
- 3.9.3 The head of governance will check the register of interest forms against the companies house records to ensure it captures the business related and financial interest of members, trustees, governors and senior staff at least annually.

### **3.10 Purchasing, procurement and returns**

- 3.10.1 All academies within the trust will act in accordance with the trust’s tendering and procurement policy, which aligns with the scheme of delegation.

### **3.11 Income and expenditure**

- 3.11.1 The main source of income for the trust and its academies is through the grants received from the ESFA.
- 3.11.2 The finance team monitor the receipt of grants, ensuring that all grants due to the academies within the trust are appropriately collected.
- 3.11.3 The individual academy collects income from parents / carers via numerous methods including, but not limited to, the following:
- school meals
  - trips and residential visits
  - book bags and uniform
  - additional nursery places
  - breakfast and after school club lettings
  - reimbursements from various parties and activities
- 3.11.4 There are three main areas of expenditure:
- salaries – this forms the largest element of expenditure.
  - premises – a combination of maintenance surveys and historical costs will form the basis for planned maintenance.
  - Supplies and services – this includes educational costs, catering and other services.
- 3.11.5 No debts will be written off without the express approval of the finance director who will escalate in line with the scheme of delegation if required.
- 3.11.6 Any money collected in return for goods or services, such as a school trip, will be banked in their entirety in the trust central bank account by the academy office or business / operations manager.
- 3.11.7 The senior financial controller is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system on a monthly basis.



3.11.8 Reconciliations will be prepared promptly following the banking of money and will be reviewed and certified by the finance director

### **3.12 Cash management**

3.12.1 The senior financial controller is responsible for preparing cash flow forecasts to ensure that the trust has sufficient funds available to cover day-to-day operations. These should be done monthly and approved by the finance director

3.12.2 All transactions regarding cash flow are recorded by the senior financial controller.

3.12.3 When producing cash flow forecasts, if significant balances can be foreseen, steps will be taken to invest the surplus funds.

3.12.4 All cheques and other instruments authorising withdrawal from any of the trust's bank account will bear authorising signatures / electronic signatures in line with the scheme of delegation.

3.12.5 Credit cards linked to the trust bank account are issued to personnel under the scheme of delegation for the purpose of paying for goods and services when the normal ordering processes are not possible. Please see credit card policy for reference.

3.12.6 The procurement of goods and services through the use of credit cards will be kept to a minimum and monitored by the finance director.

3.12.7 Our trust is cashless, however any cash on academies premises must be stored securely and banked as soon as possible, notifying accounts payable.

3.12.8 Cash advance – In the event of staff requiring a cash advance due to, for example, a school trip, this can be made available. The balance of monies must be returned within 5 school term time days of the end of the trip along with supporting receipts for all expenditure. Cash balances returned will be banked in full by finance.

3.12.9 Investment will be made in accordance with written procedures approved by the trust under a separate investment policy.

### **3.13 Payroll and staff payments**

3.13.1 Payroll forms the largest element of the academy budget and it is, therefore, essential that financial procedures and internal controls in relation to payroll are properly implemented. All payroll transactions relating to the trust staff, permanent or casual, will be processed through the payroll system. Payments for employment will not be made through any other mechanism. Each academy within the trust will act in accordance with the pay policy.

3.13.2 The main elements of the payroll system include staff appointments, payroll administration and payments. Payroll is notified of any staff absence using the absence recording system. The Principal and finance director are responsible for ensuring that:

- payments are made only to bona-fide employees
- payments are in accordance with individuals' conditions of employment
- deductions, including income tax, national insurance and pensions are properly administered
- payments are made only in respect of services provided to the academy
- amendments to the payroll are properly processed

3.13.3 The Head of HR and academy OBM are responsible for keeping the staff personnel database up-to-date via the designated recording system. This will include the following information about staff members:

- salary
- bank account details
- taxation status
- personal details
- any deductions or allowances payable

3.13.4 During the budgeting process each year, the academy SLT (supported by the finance business partner) will review staffing requirements for the following academic year and propose any changes. These proposals will be reviewed and approved by the executive.

3.13.5 The senior financial controller will randomly check one employee each month for the calculation of gross to net pay in order to ensure that the payroll system is operating correctly. Payroll is continuously monitored and reviewed by the finance director in order to ensure any changes have been implemented correctly and the information is up-to-date.

3.13.6 Payslips will be produced on a monthly basis and made available to employees via the HR/payroll system iTrent, before the last day of each month.

### **3.14 Remissions and charging**

3.14.1 Each individual academy will act in accordance with the trust's charging and remissions policy at all times.

3.14.2 The finance committee will review the charging and remissions policy annually, seeking advice from the finance director where necessary.

### **3.15 VAT procedures**

3.15.1 The trust, and therefore the individual academies within it, is registered for VAT and is entitled to reclaim VAT on qualifying purchases through a quarterly VAT return. Under legislation, VAT claims can be made on expenditure which supports the Trust's core business purposes.





- 3.15.2 A report is run for each academy and is reviewed by the senior financial controller in order to provide the data necessary for the completion of the VAT reclaim form. VAT is reclaimed on a quarterly basis. Only one return for the trust is required by HMRC; however, individual academies are required to check their own transactions prior to the return.
- 3.15.3 The trust is eligible to reclaim the majority of VAT it pays on invoices from HMRC. Any invoices for which VAT cannot be reclaimed in full, as the purchases were not wholly for educational purposes, are to be identified and coded appropriately. The trust will not recoup the VAT element of journeys in the UK or abroad which are identified in invoices, unless the trust is making substantial and direct cash subsidies for each student. The senior financial controller will prepare the partial exemption calculations before submitting the VAT returns to HMRC highlighting any irrecoverable VAT.
- 3.15.4 Reclaimed VAT will not be debited to the individual academies, but to the VAT control account of the trust. Any irrecoverable VAT may be charged to the individual academies on an apportionment basis. On receipt of the reclaimed VAT from HMRC, the senior financial controller will review the remittance, confirm whether this equals the claim made and sign the remittance to confirm this agreement.

### **3.16 The audit process**

- 3.16.1 Within the trust, there will be an internal auditing process alongside the work of an external auditor. The audit and risk committee will appoint the internal auditors on behalf of the trust.
- 3.16.2 When undergoing an audit, the trust will provide the appointed auditor(s) with access to all books, records, information, explanations, assets and premises, and copies of any relevant documents may be taken. The audit of key financial controls will be determined annually by the audit and risk committee and, if necessary, will be based on the financial item on the risk register. The audit and risk committee will receive the internal audit and will determine whether they are happy that the appropriate controls are in place and how any risks will be managed.
- 3.16.3 In terms of the end of year audit, in accordance with the Companies Act 2006, the trust will:
- appoint an auditor to certify whether the accounts present a true view of the trust's financial performance and position
  - produce audited accounts
  - produce a letter of engagement, purchasing the external auditor's services in writing
  - ensure that the letter of engagement (appendix 1) provides for the removal of auditors, before the expiry of the term of office, in exceptional circumstances
- 3.16.4 The trust will produce a statement of regularity, propriety and compliance, and will obtain a regularity assurance report on this statement from the external auditor.
- 3.16.5 During July, the appointed auditors will start their preparative work on the annual accounts.
- 3.16.6 During November / December, the appointed auditors will present to a joint finance and audit and risk committee meeting with the annual accounts for them to review. These are then recommended to the trust board for approval.
- 3.16.7 The auditor's statement on regularity, propriety and compliance will be included in the trust's annual report. This formal declaration is to ensure that the trust has fulfilled the following responsibilities:
- efficient and effective use of resources in the trust's charge
  - public money is spent only for the purposes intended by Parliament
  - maintained appropriate standards of conduct, behaviour and corporate governance when applying the funds under their control
- 3.16.8 The Trust will submit the audited accounts and auditor's regularity assurance report to the DfE by 31 December each year.
- 3.16.9 The audited accounts will be published on the trust's website by 31 January the following year.
- 3.16.10 The Trust is required to submit financial returns to the DfE annually, as well as the audited financial statements.
- 3.16.11 The National Audit Office (NAO) holds the right to access the book of accounts and all relevant records, files and reports of the trust for inspection, or for the carrying out of value for money studies.
- 3.16.12 The auditor(s) involved has a responsibility to advise the trust board and ESFA of any instances of irregularity or impropriety, as well as any non-compliance with the terms of the Trust's funding agreement.

### **3.17 Record keeping**

- 3.17.1 All financial transactions of the trust are recorded including, but not limited to, the following:
- purchases and tenders
  - returns
  - payroll
  - cash flow
  - income and expenditures
  - VAT returns



3.17.2 The senior financial controller is responsible for keeping up-to-date records of the trust's financial state.

Records will include the following information:

- income and expenditure;
- the income and expenditure for each activity, with the activity recorded as a budget heading
- a balance sheet which identifies total income, expenditure and the balance for each budget heading
- the total income and expenditure for the year
- the balance and carry forward from the previous year
- identified profit and loss; any causing concern to be investigated

3.17.3 Each academy has its own set of financial records for day-to-day operational purposes and budget management. A record will be kept of all the monies kept on the premises prior to banking. All financial records will be kept securely in each individual academy's admin office or centrally for invoices and payment information.

### **3.18 Monitoring and review**

3.18.1 This policy will be reviewed on an annual basis, or when new legislation / guidance regarding the subject is published.

3.18.2 The finance director will review and monitor all financial records continuously throughout the year.

3.18.3 The senior financial controller will review and monitor each individual academy's financial records, raising any concerns with the finance director.



## Appendix 1 - Levels of authorisation

See the financial scheme of delegation.

## Appendix 2 Key Financial Controls

This document is a summary of our scheme of delegation and the associated policies and procedures which support the compliance of the scheme.

The focus of this paper is to ensure that all staff are aware of their obligations to work within the parameters of these legal documents. These documents govern the internal processes of the trust to protect the trust from fraudulent and illegal behaviour.

Any employee / volunteer not adhering to these documents will be subject to an internal investigation.

### Ordering of goods and services

The recognised process for ordering any goods or services is through the PSF system. The controls built into the system reflect the scheme of delegation in terms of approval levels as well as budget holders who have been appointed by the senior leaders at our trust. No order can be raised and approved by the same individual i.e. a budget holder cannot raise an order and approve it, regardless of the value.

Orders outside the system should be minimal and on an exceptional basis. Credit cards have been issued to principals for these exceptional purposes and should only be used with their permission. All credit card transactions should be approved PRIOR to using the card and any credit card statements and reconciliations must be approved by the card holder.

If an invoice received is different to the PO amount, a tolerance level will be applied. If an invoice is the greater of 5% of the PO value, or more than £100 then it will need to be re approved by the budget holder. This will be reviewed from time to time to ensure the materiality is realistic.

Payments to suppliers are made twice during the month. Any exceptions to this will need to be approved by the finance director or the Senior Financial Controller.

### Goods received process (GRN)

Any order made through the PSF system must also be goods received. This is to confirm that payment of the invoice can be made. This MUST be done in a timely manner and is the responsibility of the budget holder. If this is not done, it will not only delay payment to the supplier, impact on the ordering and delivery of future goods, but may result in an inaccurate budget monitoring report. The accounts payable function can GRN purchase orders where an invoice has been received but the purchase order has not been GRN'd by the approver on purchase orders of £250.00 and under. Regular spot checks will be carried out by the Accounts Payable Manager to prevent any fraudulent activity.

### Onboarding new suppliers

All suppliers must go through a checking process to ensure they are both financially and reputationally sound. This check will be carried out by the finance team. The following steps need to be undertaken before onboarding new suppliers. These steps should be followed in conjunction with the onboarding process note.

- Budget holder completes the new supplier request form and submits via SharePoint.
- Finance to email new supplier request form to the supplier to complete attaching Dixons T&C and policies.
- Finance Assistant to carry out due diligence on the supplier once completed forms are received. This includes checking company house to ensure supplier is solvent and not dissolved. Check the company information is correct as stated on the supplier form. Log on to credit safe and check that the credit score is 50 or over. If the credit score is under 50 then the financial controller should carry out a detailed risk assessment of the company.

### Onboarding new suppliers risk appetite

Risk appetite	Risk attitude	Notes
Credit score of 50 and above	Acceptable	All details checked by the financial accountant before adding the supplier on to PSF.
Credit score between 30 and 50	Risk assessment	Financial Controller to complete the risk assessment template appendix 3. Assess the risk of failure to deliver the goods/services by the supplier and the impact on our trust. What mitigation/control measure we have in place mitigate the risk?
Credit score less than 30	Risk assessment and guarantor from budget holder	As above and seek guarantee from budget holder before setting the supplier on the system. Decline if the risk is significantly high and seek an alternative where necessary.
Sole trader, partnership and charities with no credit score	Acceptable	Complete the assessment of the risk section on the credit checklist of new suppliers before setting the supplier up on the system.



## Quotes

The key objective is to demonstrate value for money in any transaction. Any goods or services over the value of £5k and under £50k must have at least three quotes. It is best practice to do this for amounts less than £5k, but is not a requirement. These quotes must be presented to the budget holder / approver at the time of the purchase order being created so that any approver in the workflow has visibility of this. Quotes must be attached to the PO when the PO is raised in PSF. Purchases over £50k must be tendered for in accordance with our tendering and procurement policy.

## Related party transactions

Everyone associated with our trust will strive to avoid any conflict of interest between the interests of the organisation on the one hand, and personal, professional, and business interests on the other, in line with our Code of Conduct and our staff disciplinary policy. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest.

A related party transaction can be with anyone who works / volunteers for the trust. The premise behind the control is to ensure that no supplier has an unfair advantage of receiving work based on their former / current relationships. This is not to say it cannot take place, but that it is declared and transparent and that they have been through a fair process to get the work. We act in accordance with the Academy Trust Handbook.

## Register of business interests

This is a formal governance requirement and is updated annually. However, as part of the external audit review, this must be updated if the situation has changed through the year. It is the responsibility of the individual to declare any interest either in a meeting, as part of a tender process or in the recruitment of staff.

## Insurance claims

Any insurance claims must be in accordance with RPA guidelines. Details of all claims must be notified to the finance director.

## Capital spend

A process for purchasing capital items is in place and must be followed. No purchase of a capital item can be made without approval by the senior financial controller and allocation of a capex reference. An order can then be placed on PSF with the capex reference. Capital spend authorisation must be in line with the scheme of delegation.

## Tender process

We are governed by our scheme of delegation and statutory regulations under this area. All tenders must follow a set process to ensure they have been fair, transparent and represent value for money as well as at arm's length (no advantage must be given to any supplier). All tender processes must go through the procurement manager who will support and ensure the process is compliant.

## Staffing

Any recruitment of staff will be driven based on budget. If there is a need for an additional staff member over and above what has been budgeted, these must be initially approved by the executive team.

All staff must be processed through the iTrent HR and payroll system.



### Appendix 3:

#### Onboarding new suppliers risk assessment template

Supplier Name	
Nature of service	
Company registration number	
Address	

Budget holder	
---------------	--

Credit score	
--------------	--

Risk rating	Risk likelihood	Review undertaken
High risk – credit score under 30  For example, <ul style="list-style-type: none"><li>Complete failure to deliver the goods/services.</li></ul>		
Medium risk – credit score between 30 and 50  For example, <ul style="list-style-type: none"><li>Unable to finish the delivery of all the goods/services on time.</li></ul>		
Low risk – credit score of 50 and above <ul style="list-style-type: none"><li>Acceptable risk</li></ul>		No review required

Existing control measures taken:
----------------------------------

Prepared by
-------------

Date
------

I certify that all controls are in place which reduce risk as low as is reasonably practicable.

