

# ALETHEIA ANGLICAN ACADEMIES TRUST



# FINANCE POLICY

**Date Agreed:** Autumn 2019

**Review Date:** Summer 2022

## Aletheia Anglican Academies Trust (AAAT) Finance Policy

### Revision Record

Revision No.	Date Issued	Prepared By	Approved	Comments
1	December 2016	TS	07/12	New policy
2	October 2017	TS	16/10	Inclusion of Appendix D (Credit Card Protocol)
3	January 2018	TS	16/01	Amendment to Financial Handbook web link (pg2)
4	August 2019	TS	28/11	Amendment to Financial Handbook web link (pg2)
5	August 2019	TS	28/11	School Condition Allocation (SCA) (pg5)
6	November 2019	TS	28/11	Amendment to Pecuniary Interests (RPT) (pg19)
7	July 2021	TS	06/07	Amendment to Academy Trust Handbook link (Pg2)
8	July 2021	TS	06/07	Amendment to the Role of the Trust (pg3)
8	July 2021	TS	06/07	Amendment to School Condition Allocation (pg5)
9	July 2021	TS	06/07	Amendment to Special Payments (pg24)

# ALETHEIA ANGLICAN ACADEMIES TRUST



## Contents:

1. Responsibility for the Policy and Procedures
2. Budgets and Authority Levels
3. Purchasing
4. Cash Handling
5. Reconciliation of accounts, Financial Reporting and collation of information
6. Lettings
7. Debt Management Policy & writing off of Bad Debts
8. Asset register
9. Leasing
10. Charge/Credit card
11. Pecuniary Interests (Related Party Transactions)
12. Travel claims and other expenses
13. Mobile and Landline telephones
14. Payroll
15. Special Payments
16. Delegated Limits
17. Anti-fraud policy

The AAAT Board of Trustees in partnership with Local Governing Bodies, have a statutory responsibility for the oversight of the financial management of the funds allocated to each academy by the Trust. The objectives of this document are to set guidelines for the establishment of sound and effective financial procedures, by complying with current financial regulations and adopting good working practices.

The regulations setting out the financial management of Trust's academies are laid down in the Academies Financial Handbook, which can be found at <https://www.gov.uk/guidance/academies-financial-handbook/academy-trust-handbook-2021>

and the Trust's Funding Agreement. The Education & Skills Funding Agency (ESFA) exercises the rights, powers and remedies set out in the Handbook on behalf of the Secretary of State to:

- establish proper financial management arrangement and accounting procedures, in line with the DfE and ESFA policy and guidance
  - define the responsibilities within the academy
  - provide guidance on the application of regulations
  - maintain a reliable system of internal controls
  - set out guidelines to ensure effective use of resources, ensuring resources are properly allocated and the Headteacher/Head of School of best value is adopted
  - ensure that the requirements of accountability are fulfilled
  - ensure appropriate training is undertaken by budget holders

# ALETHEIA ANGLICAN ACADEMIES TRUST



## 1. Responsibility for the Policy and Procedures

### The role of the Trust

- approve a balanced budget
- monitor and review the budget
- prepare annual accounts
- receive and act on auditors' reports
- to retender the external audit contract at least every 5 years (next due for retender during 2025)
- management and oversight of assets
- select, plan, authorise and oversee capital projects and purchases
- provide Academies with a Scheme of Delegation

### The role of the Local Governing Body

- propose a budget and staffing structure composed alongside the Academy's Finance Officer/Manager and Trust Chief Finance Officer for approval by the Trust
- recommend capital projects to the Trust Board
- adopt the Trust's Scheme of Delegation
- ensure that the academy operates within the agreed levels of delegation
- to ensure that the academy complies with all financial standards
- to ensure good financial management and honesty are in place
- to achieve best value for money
- responsibility for ensuring that this policy and all policies are maintained and updated regularly
- set the terms of reference for the Resources (Human and Physical) and Finance Committee (or equivalents), in line with the Trust scheme of delegation

### The role of the Academy's Resources (Human and Physical) and Finance Committee

- develop and prepare the draft annual budget for each financial year in line with guidance set out by the Trust, for review by the AAAT officers, prior to the Local Governing Body and final approval by the Trust
- monitor the implementation of the budget on a monthly basis according to Trust requirements
- review and maintain finance policies, including lettings and charging & remissions as derived by the Trust
- review systems of internal financial control
- monitor the annual budget and make recommendations to the Local Governing Body
- set levels of authority for spending and virement within the limits set by the Trust
- advise the Local Governing Body on the affordability of the School Improvement Plan
- consider the impact of pupil numbers on the budget over short, medium and long terms
- receive and respond to any audit reports or 'spot checks' undertaken by the Trust

### The role of the Headteacher/Head of School/Head of School

- delegate approved financial responsibilities to the School Business Manager and/or Finance Manager/Officer
- establish sound financial systems

# ALETHEIA ANGLICAN ACADEMIES TRUST



- establish security systems to protect staff
- present monthly management accounts to the Trust
- present termly management accounts to the Local Governing Body
- work closely with the School Business/Finance Manager (or Chief Finance Officer) to monitor the budget
- provide costings on the School Improvement Plan which are linked to the budget
- ensure all academy personnel and parents/carers are aware of this policy
- monitor the effectiveness of the implementation of this policy
- annually report to the Local Governing Body on the effectiveness and implementation of this policy

## **The role of the School Business/Finance Manager/Officer**

- work closely with the Headteacher/Head of School and the Trust's Chief Finance Officer to provide an efficient and effective financial system
- be well trained in the operation and monitoring of the Trust's Financial Management Systems
- prepare monthly and termly financial reports for the Local Governing Body and Trust
- attend all relevant training organised by the Trust
- be in regular discussion with all budget holders
- assist the Chief Finance Officer with maintenance of a risk register
- maintain an asset register

## **2. Budgets and Authority Levels:**

When planning the budget the Trust will consider the academy's objectives as outlined in the School Improvement Plan, the academy's current financial position, changes in the pupil roll, curriculum provision and other main costs such as staffing, premises, supplies and services, service level agreements and transport.

The local governors shall plan the academy finances through:

- the implementation of an annual budget based on the aims, objectives and priorities of the academy, the financial position of the academy and the requirements of the Funding Agreement
- involvement in the preparation of a medium term Financial Plan of at least three years, updated annually
- keeping a record of budget virements to maintain effective use of resources
- virements over £10,000 between budget headings to be reported to the AAAT Chief Finance Officer.

## **The timetable for preparation, presentation and approval of the annual budget:**

There is in place a timetable or annual cycle to monitor the budget and to prepare for the next financial year.

All AAAT academies use the same budget management tool, to be utilised in preparing and monitoring of their budgets.

# ALETHEIA ANGLICAN ACADEMIES TRUST



February/March	ESFA announces draft funding allocations for the following academic year Provisional Pupil Premium funding announced
April-June	Academy develops draft budget (including premises and IT plans), staffing and capital plan with input from the Chief Finance Officer
July	Final budget developed and agreed with Trust Board and submitted to ESFA
September	New budget year starts
October/November	Annual Financial Accounts produced by the academy and Trust
In year	Monthly forecasting of outturn

## **School Condition Allocation (SCA) - Capital Project Applications: Property Strategy:**

This represents new funding for the Trust from 2019/20 onwards. Trustees will focus upon remedying the condition priorities across the Trust as identified by condition surveys. Trustees delegate the approval of projects up to the value of £50,000 to the CEO. Trustees will approve projects above £50,000.

Trustees will review the condition plan provided by the Operations Officer and the use of SCA going forward. This will form part of the annual budget cycle.

## **Authority to incur Expenditure:**

The authority to incur expenditure is subject to the Scheme of Delegation as approved by the Trust.

The Local Governing Body must gain prior approval for any expenditure over £15,000 which is not included within the 3 year budget plan with the Chief Finance Officer or Accounting Officer.

## **3. Purchasing**

The Local Governing Body will operate seeking best value for all purchases. All purchases will be made through the academy's ordering system. The School Business/Finance Officer/Manager will keep records of all purchases made including quotations received but not accepted, together with the reasons.

Purchasing procedures have been put in place to ensure that the academy follow the fundamental principles of probity, accountability and value for money.

Segregation of duties is used wherever possible, whilst recognising that some academies are small: orders are placed by the Senior Administrator/School Business or Finance Manager and authorised by the Headteacher/Head of School/Chief Finance Officer. Invoices are processed by either of the Senior Administrator/School Business Manager or Finance Officer and cheques are signed by the Headteacher/Head of School and one other.

# ALETHEIA ANGLICAN ACADEMIES TRUST



The Finance Officer undertakes Bank Reconciliation, checking of all credit card transactions and posting of income onto the finance system. It may not be possible to have complete segregation of duties due to the limitation of staffing arrangements in a small academy, but every effort should be made.

The academy is careful to apply the principles of best value for money by using known suppliers with proven capacity to provide quality, quantity and timely delivery at a competitive price.

Orders are raised at the point of committing expenditure wherever possible. E-purchasing and telephone orders should always be authorised by the Headteacher/Head of School/Chief Finance Officer prior to purchase and when not being paid via the credit card are supported by the issue of an official order.

Budget holders may seek value for money purchases through websites and may request use of the academy's credit card. In doing so, the budget holder must present an order with full details (quantities, prices, web address) to the Headteacher/Head of School/Chief Finance Officer PRIOR TO PURCHASE, who will process the order on line, or give permission to the Senior Administrator/School Business Manager/Finance Officer to do so.

Where appropriate Class Teachers/Subject Leaders are responsible for the management of their class/subject budget account within the limit of their budget allocation and in relation to the School Improvement Plan, an official order must be placed and authorised by the Headteacher/Head of School/Chief Finance Officer as outlined above, prior to purchase.

All purchases should follow the principles of best value for money with the expectation that budget holders will continually review, challenge and improve the use of resources in a way that leads to the raising of education standards and continuous improvement.

For goods and services up to a value of £10,000 budget holders should use suppliers recommended by the Finance Office and supplier catalogues. An official order must be raised. Orders above £1,001 should be authorised by the Headteacher/Head of School.

Goods and services with a value of £10,001 to £50,000 are subject to a minimum of three competitive quotations in writing. Any goods or services exceeding £10,000 are subject to LGB approval. Telephone quotations are acceptable if they are evidenced and a confirmation (email/fax) is received prior to a purchase decision being made.

Goods and services with a value of £50,001 and over are subject to full tender (see below) and will require Trust Board approval. This includes those where a rolling contract or contract over a period of time is involved e.g. an SLA for a fixed period. Recurring contracts should be reviewed for value for money approximately every three years or prior to renewal, e.g. catering, payroll, grounds maintenance, energy, etc.

## **Appointment of Consultants for the provision of major works and/or services**

Where the Academy plans to go out to tender for a major project and does not have the necessary expertise, in-house, the Local Governors, the Headteacher/Head of School and the AAAT Chief Finance Officer, together with any relevant officer within the Academy, will draw up a list of consultants with relevant experience and acceptable fees. After consultation

# ALETHEIA ANGLICAN ACADEMIES TRUST



they will recommend a firm of consultants to the relevant committee for approval for the particular work to be done. They must ensure that the consultants follow the required tendering procedures as detailed below;

Following approval by the governors the Headteacher/Head of School will confirm the appointment of the consultants in writing to them. The fee rates are also confirmed in writing.

## **Invitation to Tender**

The consultants will draw up the specification identifying the work to be performed in conjunction with the Headteacher/Head of School and any other person with a relevant interest depending on the work to be done, e.g. Senior Management Team, Premises Manager, ICT Co-ordinator etc.

## **Specification – this should include:**

- Technical details
- Health and Safety considerations
- Insurance requirements
- Contract
- Payment details
- Logistical details

## **Form of Tender:**

The form of tender should include:

- The total contract price including VAT implications
- A breakdown of the price to specific elements of the works
- Time Scale

## **Selection of Companies invited to tender:**

The Resources and Finance committee will draw up a list of the organisations invited to tender. The list will be reviewed and agreed by the Headteacher/Head of School, who will check Governors' interests in any of the organisations. The appointed consultants will send out invitations to tender.

## **Receipt of Tenders:**

Tender documents will be sent to the Academy. More than one person should open all tender documents on the same day. The name of the tenderer and the contract price should be recorded.

## **Tender Evaluation:**

The tenders will be evaluated on the following criteria:

- Compliance with technical and contractual requirements
- Price and VAT implication
- Arithmetical check
- Appropriate qualifications of the organisation
- Knowledge of quality of work and reliability
- Previous experience of similar work

# ALETHEIA ANGLICAN ACADEMIES TRUST



- Previous experience of working with the Academy
- Time scale involved

In all cases a formal report should be prepared summarising the above.

The relevant Committee will decide or recommend (as appropriate) to the Local Governing Body the tender to be accepted. Where it is recommended that the lowest tender is not accepted, the rationale behind the decision should be documented. No work may commence until formal letters of approval are issued.

All goods, works and services must be procured in compliance with **Contract Standing Orders** (CSOs) and **Financial Regulations**. Competitive tendering encourages economy, efficiency and effectiveness in public expenditure and can promote competitiveness among suppliers, contractors and service providers.

No governor or member of staff with a relevant pecuniary interest may take part in any aspect of tendering and awarding contracts. How the Local Governing Body acts in overseeing the tendering process is crucial in protecting its integrity and that of the Headteacher/Head of School and other staff. It is vital that governing bodies are scrupulous in their attention to the details of tendering and contract processes, and that they record their activities properly. Their actions will be routinely audited and scrutinised and may be subject to requests under the Freedom of Information Act.

The **Staff Code of Conduct** comprises the rules and principles that all employees are expected to comply with in their work. Failure to comply could result in dismissal and criminal proceedings. The purchaser, and not the AAAT, would be legally liable if any allegations of wrongdoing arose.

Following these guidelines will ensure that suppliers are dealt with appropriately, protecting against any accusations of corruption, fraud, illegality or misuse of public funds.

<b>Activity</b>	<b>Detailed task</b>	<b>Responsibility</b>
Placing orders	Requisition orders	Budget holders
	Responsible for agreeing on requisition orders within limit of account budget	Headteacher/Head of School/Chief Finance Officer
	Responsible for agreeing orders above limit of account budget	Headteacher/Head of School
	Responsible for agreeing purchase above delegated limit	Committee
	Responsible for obtaining quotes	Budget holder / Administrator / Finance Officer

# ALETHEIA ANGLICAN ACADEMIES TRUST



	Responsible for seeking tenders	Headteacher/Head of School / Finance Officer
	Responsible for placing official orders	Senior Administrator /School Business Finance Officer/Manager
	Responsible for signing orders	Headteacher/Head of School / Chief Finance Officer
Deliveries	Responsible for checking delivery against order	Budget holder / Administrator
	Responsible for returning and/or exchanging goods	Budget holder / Administrator
Invoices and Payments	Responsible for processing and paying invoices Authorised signatures on Delegated Budget account (2 signatures required)	Administrator /Finance Officer Headteacher/Head of School / Chief Finance Officer / Deputy or Assistant Headteacher/Head of School / Senior Administrator

All Cheques and other instruments authorising withdrawal from Academy bank accounts must bear the signatures of two of the following authorised signatories:

- Headteacher/Head of School;
- Deputy Headteacher/Head of School;
- Assistant Headteacher/Head of School;
- Chief Finance Officer;
- Senior Administrator.

## 4. Cash Handling

### Cash Handling:

Cash handling should be kept to a minimum and whenever possible and practical, transactions should be done by cheques or online. Cash will be kept securely and promptly paid into the bank accounts. Loss of money cover is insured under the Insurance policy, paid by the Trust. Keys to the safe should be restricted to The Headteacher/Head of School, Chief Finance Officer, School Business Manager/Senior Administrator and Finance Officer and must be taken off site by the Chief Finance Officer, School Business Manager/Senior Administrator overnight.

Cash is primarily collected for the following purposes:

- Dinner Money
- School Trips
- Uniform & kit/equipment
- Music Tuition
- Fund Raising Projects

# ALETHEIA ANGLICAN ACADEMIES TRUST



Cash received should be promptly counted by office staff and locked away. It should not be left unattended or counted in a public area, at any time.

Audit recommendations on safe limits should be adhered to. Income should be paid into the bank as frequently as possible.

The Petty Cash float is set at £200 (Primary) and £500 (Secondary/All through). All expenditure should be supported by receipts identifying any VAT paid. Payment from the petty cash fund should be limited to minor items which have been approved in advance by the budget holder / Headteacher/Head of School. Petty cash expenditure on individual items should not exceed £25. Use of the credit card should always be considered.

The following guidelines should be followed when handling cash:

- avoid counting cash in public (use the back office area; cash should NOT be counted on the Reception desk)
- never leave cash unsecured in an unattended area or room
- safely store cash up to the agreed limits.
- receipts are given for cash received, upon request and always over £10
- official recording books/system should be used when handling cash

Activity	Detailed task	Responsibility
Collection of money	Dinner money Curriculum related money Collection of money for lettings / private calls / photocopying / donations	Administrator Administrator Finance Officer
Cash received	Counting and recording of money Preparing banking Transporting cash to bank	Administrator Administrator Finance Officer/ Administrator
Petty cash management	Access to petty cash fund  Payment from petty cash fund approved by 2 signatories Recording of petty cash fund expenditure and receipts	Headteacher/Head of School / Chief Finance Officer/ Finance Officer Headteacher/Head of School / Chief Finance Officer/ Finance Officer  Finance Officer to balance and check reporting to Headteacher/Head of School / Chief Finance Officer.

Acceptable use of school funds (cash)	Unacceptable use of school funds (cash)
<ul style="list-style-type: none"> <li>• School trips, tours, outdoor activity centres</li> <li>• Fetes, bazaars, sale of work</li> </ul>	<ul style="list-style-type: none"> <li>• Staff functions and activities</li> <li>• Gifts for staff</li> </ul>

# ALETHEIA ANGLICAN ACADEMIES TRUST



<ul style="list-style-type: none"> <li>· Pupil concerts, discos, rewards</li> <li>· Raffles, prize draws, charity collections, sponsored events</li> <li>· Donations</li> <li>· Purchase of equipment / materials for use by the pupils</li> </ul>	<ul style="list-style-type: none"> <li>· Hospitality for teachers, governors, visitors</li> <li>· Payments to staff, contractors, other employees for work undertaken</li> <li>· Loans</li> <li>· Reimbursement for theft or damage to property</li> </ul>
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## 5. Reconciliation of accounts, Financial Reporting and collation of information:

Each Academy needs to continually monitor its financial progress and report on it to various bodies, such as the Local Governors, AAAT Board of Trustees and Members, and the DfE/ESFA.

Each Academy also needs to complete various claims in relation to income and expenditure. Information gathering is an important factor in the effective management of the academy's finances.

The list of reports, claims and returns, and their submission deadlines, is usually defined by the DfE/ESFA, HMRC and other relevant bodies.

Activity	Detailed task	Responsibility
Reconciliation of bank statements	Monthly reconciliation of bank statements. Investigation of discrepancies.  Agreed by	Finance Officer  Headteacher/Head of School
Management Accounts and commentary	Monthly preparation of Monitoring Statement  Agreed by	School Business/Finance Manager/Officer in liaison with Chief Finance Officer  Headteacher/Head of School
Reconciliation of salary data	Monthly reconciliation of academy's data with information sent by payroll provider	School Business/Finance Manager/Officer
Absence insurance claims	Monthly preparation of absence claims for staff sickness etc.  Agreed by	School Business/Finance Manager/Officer  Headteacher/Head of School
Overtime and travel claims	Monthly submission of overtime, casual hours and supply teacher claims. Checking travel claims prepared by claimant  Authorised by	School Business/Finance Manager/Officer  Headteacher/Head of School

# ALETHEIA ANGLICAN ACADEMIES TRUST



VAT Return	Monthly  Agreed by	School Business/Finance Manager/Officer  Chief Finance Officer
Census Information	Bi-annual pupil census preparation Workforce Census  Authorised by	Senior Administrator  HR / Administrator  Headteacher/Head of School
Statutory Accounts Annual Accounts Return	Preparation of annual year-end accounts and returns. Including liaison of Audit  Agreed by	Chief Finance Officer   AAAT Members

## 6. Lettings

Income generated by lettings currently represents a very small proportion of the total income.

Each academy should have a lettings policy, derived from the Trust policy (Appendix B), that establishes the general conditions for letting the academy premises.

The relevant Committee review the charging and remissions policy annually, derived from the Trust policy (Appendix C), with significant recommendations for change authorised by the Academy's Finance Manager and then proposed to the Full Local Governing Body.

Records are kept of bookings and invoices by the Senior Administrator/School Business Manager/Finance Officer.

## 7. Debt Management Policy

The AAAT has a responsibility to ensure that appropriate procedures are in place to enable the school to receive all income to which it is entitled. The Trust therefore takes all reasonable measures to collect any monies owing to it as part of the management of public funds. Collecting money from parents/carers is a sensitive area; we deal with issues of debt collection with sensitivity and confidentiality at all times.

The AAAT will take into regard the following aims:

- To make sure there are sound and proper financial procedures in place for dealing with school's finances
- To ensure that proper controls are in place
- To provide a clear framework for managing school finances
- To protect the academy governors, Headteacher/Head of Schools and school staff

### Procedures:

# ALETHEIA ANGLICAN ACADEMIES TRUST



The following procedures will be employed and performed by the Trust's Finance/Admin staff for all outstanding debts of 28 days or longer:

- An initial reminder – telephone or email
- A formal letter by email or post
- A second formal letter by recorded post
- A third letter informing the debtor that the debt has been passed to a Debt Recovery Company

When all practical and cost effective procedures have been exhausted the debt may be considered to be irrecoverable and will be written off. Writing off a debt will lead to a charge to the school budget.

All debts to be written off must be referred to the Trust Board for consideration as per the Schedule of Limits.

Advice on write offs provided by

<https://www.gov.uk/late-commercial-payments-interest-debt-recovery>

The day to day implementation of the procedures is carried out by the Finance Officer/Manager, who will present a report to the Resources Committee of any outstanding debts and explain the procedures followed to date.

## **Debt Collection Procedures**

- The Finance Officer/Manager is responsible for managing all activities and communications relating to debt collection and will receive support from the Academy Headteacher/Head of School.
- The Trust's debt collection procedures are outlined in this section and will be applied when the outstanding amounts exceed both the minimum age and value thresholds.
- Outstanding amounts that do not exceed both the minimum age and value thresholds will be allowed to accumulate until they exceed the stated thresholds.
- Every debt will be recorded in the agreed financial system within the agreed timeframe – minimum details to include all the following:
  1. Amount
  2. Reason Incurred
  3. Date Incurred
  4. Date Due
  5. Debtor Details
- All payment requests made by Trust or Academy will specify the date by which payment is required to reach the school and provide all information necessary to remit payment to the Academy by bank transfer or cheque.
- Debt collection activities stated in the table below will occur in the stated sequence only. The next step in the process can only be performed:

# ALETHEIA ANGLICAN ACADEMIES TRUST



- after the Finance Officer/Manager has confirmed the outstanding amount has not been received and
- after the deadline stated in the previous step has expired.

	Debt Collection Activity	Minimum Days Overdue	Stated Deadline	Minimum Value
1	Email Reminder	7	7	£10
2	Telephone (text and calls) Reminder	14	7	£10
3	Formal Letter by Post	28	14	£10
4	Final Letter by Registered Post	45	14	£50
5	Referral to Debt Recovery Agency	60	-	£100

- All written communications will be sent in English only and will utilise the agreed templates.
- The Finance Officer/Manager will retain copies of all communications sent and received in relation to debt collection – and will maintain a complete chronological record of all activities performed for each debtor account.
  1. All documentation and information is sensitive and will be held securely with the Finance Team to prevent inappropriate and/or unnecessary disclosure.
  2. It is necessary to retain all communication and a chronological record as evidence that the school's debt collection policy is being adhered to and to evidence that amounts are not inappropriately written-off.
- When a debtor disputes the accuracy and/or legitimacy of a debt – the Trust will investigate and resolve all such disputes that are believed to have been submitted in good faith.
  - The outcome of all such disputes will be communicated in writing to the debtor.
  - Further collection activities will be suspended until such time the dispute is resolved; unless otherwise agreed at Director level.
- The Finance Officer/Manager and Chief Finance Officer will meet to discuss and review all debts that are being considered for referral to a Debt Recovery Agency. This review will ensure that:
  - The amount is confirmed as unpaid, and
  - all reasonable steps and activities have been performed properly, and
  - any reported disputes have been suitably investigated and resolved, and
  - any reported financial hardship is taken into consideration
- It is not appropriate to refer minor debts to a debt collection agency.

## Financial Hardship:

- When the situation arises that a debtor is unable, rather than unwilling, to pay what is owed then consideration should be given to common causes of financial hardship

# ALETHEIA ANGLICAN ACADEMIES TRUST



such as, but not limited to: illness, loss of employment, family breakdown, death in the family, income reduction.

- When a debtor communicates that they do not have the financial means to pay a debt then consideration must be given as to whether further collection activity will cause unnecessary financial hardship.
- It is necessary to request an explanation why the debtor is unable to pay and whether they will be able to pay the outstanding debt in the future.
- All financial hardship claims must be discussed with the Finance Officer/Manager to determine the appropriate way forward.

## **Debtor Requests Additional Time to Pay**

- When a debtor requests additional time to pay – it is necessary to obtain the following information before entering into an agreement:
  - Proposed payment date(s)
  - Proposed payment amount(s)
- If a debt is to be paid in instalments and over time then the payment plan must take into consideration, and if necessary incorporate, the value of any future debts that will be incurred over the duration of the payment plan.
- Longer payment schedules carry a greater the risk of default and full payment should be obtained in the shortest reasonable timeframe.
- Any agreements should be formally communicated in writing – clearly stating what has been agreed, along with the amounts, dates and payment method.

## **Consequences**

- The consequences of non-payment must be proportionate to the debt and must be reasonable given the known facts.
- It is not appropriate to refer minor debts to a debt collection agency.
- Children of parents/carers should not be permitted to book or participate in extra-curricular activities and/or Clubs until debts from previous terms are paid in full.

## **Writing off of Bad Debts:**

Governors may write off bad debts up to the value of £750 after informing the Chief Finance Officer of their intention to do so and allowing sufficient time to respond. Every effort will be made to recover funds from parents with the Senior Administrator or Finance Officer/Manager initially writing to parents, if necessary followed up by the

# ALETHEIA ANGLICAN ACADEMIES TRUST



Headteacher/Head of School writing to and meeting with parents. This will be actioned each half-term. Non-essential services (including school meals, music tuition, after school clubs, use of extended services) will be withdrawn from children and parents until at least part payment towards the debt is made and an agreed instalment plan to repay the debt has been established. This includes a charge to parents of up to £5 per book, towards the replacement of child's lost library books and any damage that parents or children cause to the academy building or property.

## 8. Asset Register

The Local Governing Body is responsible for the safe custody and physical control of stores and equipment and is required to monitor the inventory of significant moveable, non-capital items.

The Headteacher/Head of School is responsible for ensuring that assets of over £250 (and significant pieces of ICT equipment) under his/her control are correctly recorded by the Business/Finance Manager. The Business/Finance Manager is asked to update this at least annually (usually during the summer break). A record of this and any subsequent updates/changes will be provided to the Chief Finance Officer. Other assets under £250 are held at the discretion of the Headteacher/Head of School.

Activity	Detailed task	Responsibility
Updating asset register	Physical check of equipment against relevant records	Budget holder / Senior Administrator/SBM
	Recording of new asset	Senior Administrator /SBM/ Finance Officer
Monitoring	Annual monitoring of asset register	Headteacher/Head of School / Chief Finance Officer
Disposal of assets	Disposal of assets with nil or value below £2,000	Headteacher/Head of School. (Obsolete/broken equipment needs to be condemned by 2 independent officers).
	Disposal of assets with market value, >£2,000	Local Governing Body / AAAT as applicable, disposal to be countersigned by the Chief Finance Officer
Disposal land, buildings and heritage assets	Disposal of assets or write off	Apply to the ESFA for permission, the academy may not retain some or all of proceeds

All condemned equipment should be defaced or made otherwise unusable.

# ALETHEIA ANGLICAN ACADEMIES TRUST



## **Borrowing of assets by members of staff**

Members of staff wishing to borrow Video /Sound equipment, computers or any other asset listed in the Academy's fixed asset register have to make a request to the Headteacher/Head of School who authorises the loan and obtains the signature of the member of staff in the loans register/log. The equipment is checked to verify that it is in good working order and condition, prior to the loan and on its return. The member of staff is also responsible for ensuring that the return of the equipment is recorded. During the loan period, the member of staff is responsible for the safekeeping of the equipment and for any loss of or damage to the equipment whilst in their possession. In the case of laptops, members of staff are also responsible for ensuring that the laptops are used for proper purposes connected with their work at the Academy and that the ICT Acceptable Use policy is applied at all times.

## **9. Leasing**

Operating leases are permitted as they do not represent borrowing. It is recommended that all proposed operating leases are forwarded to the Chief Finance Officer in order for the lease to be checked by the Trust's accountants. The Financial Handbook states that the Trust must ensure that any lease arrangement maintains the principles of value for money, regularity and propriety whether or not ESFA's prior approval is required.

Finance leases are a form of borrowing and must have ESFA approval (may be granted in exceptional circumstances only).

## **10. Charge Card**

With the increasing use of internet purchasing, also the need to maintain a low level of cash holding in academy a charge card is appropriate for use by authorised personnel only.

The overall control of the card usage is to be monitored and maintained by the School Business/Finance Manager, but final approval of costs are to be authorised by the Headteacher/Head of School/Head of School.

The AAAT reserves the right to withdraw this facility at any time.

Cards can be made available with authority from the Local Governing Board. The Local Governing Body has the final decision in cardholder eligibility and no cards will be issued unless approved by the Local Governing Body. No changes to arrangements listed below will take place without further consultation with the Local Governing Body.

Limits of credit for each card can be set individually according to need.

### **Procedures: Card Issue**

The card will be issued by Lloyds Bank and coordinated by the AAAT Chief Finance Officer. Each card issued will be in the name of the individual on behalf of the individual AAAT academy and each card will have a different code number for ease of identification.

# ALETHEIA ANGLICAN ACADEMIES TRUST



Each member of staff who has a card issued to them is to be made aware of the limit of their individual card. They must sign an agreement which states they understand the conditions of issue.

Any staff member who has been issued with a card and subsequently terminates their employment with AAAT academy must return their card which will be destroyed on receipt.

Any staff member who is found to be misusing the card in any way will have the card removed from them and appropriate action taken, i.e. a report will be made to the Local Governing Body for them to act upon e.g. disciplinary procedures may be applied.

Use of the card is at the discretion of the holder, however receipts for any purchases must be submitted (VAT receipts where applicable) to the Academy Finance Office for reconciliation. Use of the credit card, should not be seen as a way to obviate the procurement/tendering processes, a requisition should be completed and value for money should be sought for all purchases. Purchases made by the Headteacher/Head of School must be signed off by the Chair of Governors.

Any items purchased on credit card that is considered an asset needs to be included on the inventory of assets, upon purchase.

No cash withdrawals are allowed from the charge card.  
No personal purchases are to be made on the card.

A PIN number will be issued to the individual card holder for their exclusive use for "chip and pin" transactions.

Lost or stolen cards must be reported immediately to the AAAT's Chief Finance Officer.

## **Procedures: Card Repayments (see Appendix D for further protocol)**

All credit cards are linked to the Lloyds Bank current account and will be paid off in full monthly by a direct debit charge to the current account.

Statements will be issued by the bank which must be reconciled with receipts and signed off by the Headteacher/Head of School and/or Chair of Governors.

Any discrepancy in the account will be investigated by the Academy Finance Office in the first instance and then referred to the AAAT Chief Finance Officer, if necessary.

Should a non-receipted purchase appear on the statement, the academy reserve the right to reclaim this expense from the cardholder.

When purchasing via the internet strict controls will apply (see below). All transactions must be undertaken on school computer systems.

Copies of signed statements should be retained with financial records for 6 fiscal years.

## **Limitations of Credit:**

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Current limits:

Maximum credit limit for each academy is: £5,000.00

## **Control for Use of Charge for Internet purchases:**

### **(a) Take care of card details online**

Secure sites will start with https: not http. Secure sites have an added encryption layer. Other security systems include Secure Socket Layer (SSL), Secure Electronic Transaction (SET), and Hypertext Protocol Secure (HTTPS). Use this whenever possible.

### **(b) Check for a secure connection before entering your card details**

Your browser is a piece of software that enables your computer to access the World Wide Web. A secure browser such as Microsoft Internet Explorer version 4.0 or later will show you whether or not the web site is visiting you are secure. Internet explorer uses the padlock symbol to identify this.

### **(c) Get to know a company before you buy**

If you are not familiar with a supplier contact them first and ask for some background information before you buy. Check if the company's registered details are displayed on the home page or if there is some form of accreditation, which can be verified. If unsecure do not buy from them.

### **(d) Keep passwords secret**

If you register with a particular site you will asked to enter a name and password. Keep passwords completely secret – as you would with cash machine PINs

### **(e) Do not save card details**

When you have been asked for your card details, ensure that these are not saved on the site.

### **(f) Read delivery and returns policy before buying**

Read delivery and returns policy on the homepage before completing on-line transactions. Check you can return any unsatisfactory items and if you can get a refund. Websites should ideally cover delivery methods, delivery costs, currency applied, taxes applied, returns and refund policy and a contact telephone number or email address.

### **(g) Save and print a record of your transaction**

Electronically save and then print your receipt for reconciliation against the bank statement and signed off by the budget holder or Chair of Governors, if the Headteacher/Head of School/Head of School. Receipts (which should be proper VAT receipts where applicable) must be immediately forwarded to the Finance Officer to be entered into the Academy's accounting system to be checked against the monthly statement.

## **11. Pecuniary interests (Related Party Transactions)**

# ALETHEIA ANGLICAN ACADEMIES TRUST



The Register is a public document and must be held at the academy. The senior leadership team and Local Governing Body should be aware of its contents. This will help academies show that decisions are made in the best interests of the academy.

The following people must complete the Register of Pecuniary Interest and update it annually: All local governors, committee members, partnership board members, and any staff with a significant influence on spending decisions or who might benefit from financial decisions the Local Governing Body makes. A nil return is required where no interests exist.

Headteacher/Head of Schools/Heads of School and other staff should declare as a pecuniary interest:

- all consultancy work they do, including work as a School Improvement Partner
- other out-of-school income
- directorships of companies that have links to education
- business interests of close relatives.

This applies even if such income is paid into the academy budget before the Headteacher/Head of School/Head of School receives any additional payment.

Declaration of interests should appear as a standard item on all agendas. Any potential conflict of interest should be declared at the start of a meeting of the Local Governing Body or one of its committees.

An Academy must report **all** contracts and other agreements with related parties to the CFO in advance of the contract or agreement commencing, using the ESFA's related party on-line form.

The CFO will obtain the ESFA's prior approval, using the ESFA's related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party where any of the following limits arise:

- a contract or other agreement exceeding £20,000
- a contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £20,000 in the same financial year ending 31 August.

## **12. Travel claims and other expenses**

The Headteacher/Head of School authorises travel claims. If the person designated to authorise a claim is absent, the next most senior person with delegated responsibility for authorising travel claims may do so i.e. the Deputy Headteacher. No member of staff may authorise their own travel claim, including the Headteacher/Head of School.

The Chair of Governors or the chair of finance/resources must authorise Headteacher/Head of Schools' travel claims. Before the chair of governors or other authorised governor signs the Headteacher/Head of School's claim, the Headteacher/Head of School may delegate the checking of the claim to the academy's finance officer.

# ALETHEIA ANGLICAN ACADEMIES TRUST



Claims may only be made for trips approved in advance by the appropriate member of staff and where a drivers form has been completed, indicating business use, if an own car is used. It is acceptable to give approval for categories of trips rather than each individual event. Travel claims for unauthorised trips may be approved, but only:

- after the reasons for the trip have been made clear, and
- if the person authorising the trip is satisfied that it is for legitimate academy business.

The mileage for each trip must be accurately recorded and verified. Claims should only be made for mileage that exceeds the normal journey from home to academy. For example, if someone makes a journey from home directly to a course venue, they should claim those miles, less the miles for the normal home-to-academy journey.

VAT receipts for fuel and receipts for parking, tolls and public transport fares must be submitted with the claim and retained for six years.

The payment of car allowances must be agreed in advance by the Local Governing Body and must comply with the AAAT procedures.

## **Driving on AAAT business:**

Managers employing staff who are required to drive on the business of the AAAT have a responsibility to ensure that those employees are legally entitled to drive and have taken steps to manage their safety on the road. These include ensuring that:

- all individuals have an appropriate full driving license for the type of vehicle to be driven. The details must be recorded.
- where individuals use their own vehicles on AAAT business, they are only covered for one-off non-regular journeys, otherwise they must have a current insurance policy, including cover for business use, and a valid MOT certificate where this applies.

## **Approval for attending seminars and conferences:**

Headteachers/Head of School who wish to attend seminars or conferences should seek prior approval from the Local Governing Body if:

- the cost of accommodation and attendance fees will be more than £1,000, or
- the event means being out of academy for more than three days.

The benefits to the academy of attending and the approval for attendance should be formally minuted, together with the estimated costs.

## **Travelling abroad:**

Any educational visit a member of academy staff wishes to take abroad as part of their professional development must be agreed in advance by the Local Governing Body, and the governors' decision recorded in minutes. Agreement for visits during term time should normally be given only if the Local Governing Body is satisfied that the academy will gain significant benefit and the visit will benefit the staff member's professional development. The Local Governing Body may wish to seek advice on this from the AAAT.

# ALETHEIA ANGLICAN ACADEMIES TRUST



If an educational visit abroad is partly funded by an external body, the Local Governing Body must satisfy itself that the balance of cost represents value for money for the academy.

If a Headteacher/Head of School chooses to extend the time abroad on an educational visit to enable them to take a holiday (outside of term time only), they should pay an appropriate proportion of any costs themselves. The academy budget must not pay any personal and private foreign travel costs.

### **Claims for other expenses:**

Parking, public transport fares and meals can only be claimed in accordance with AAAT rules and on production of receipts.

Purchases for academy use must be made against an order, resulting in an invoice for processing in the normal way. Low value purchases, i.e. under £25 for academy business use may be reimbursed from petty cash on production of a VAT receipt.

### **Hospitality:**

Academy funds should be used to entertain visitors on or off the academy site only if this is likely to substantially benefit the education of the pupils. If such spending is likely to be more than £100, it should be approved by the Local Governing Body, unless in the case of training, such as Development Days.

### **Gifts (other than via staff/parent collections for leaving gifts etc.):**

Headteacher/Head of Schools and all other staff must declare and officially record any gifts exceeding £25 in value that they receive for their personal use. You should courteously, but firmly decline gifts by explaining that staff working in public services generally cannot accept them. Offers of gifts should be reported to the Headteacher/Head of School and the Local Governing Body.

### **Staff team-building activities:**

The academy may think it appropriate for staff to do some training in the form of a team-building activity. Although these can be valuable and ultimately benefit pupils, to the public they may look like a holiday in disguise at public expense. It is therefore recommend that:

- the estimated costs and benefits to the academy of the activity are identified before the event
- Local Governing Body approval is obtained before making any commitment to the event.

## **13. Mobile and Landline telephones**

In making use of academy landline and mobile telephones all users are expected to act responsibly and keep costs to a minimum. Premium directory enquiry services such as 118 118 should be avoided.

# ALETHEIA ANGLICAN ACADEMIES TRUST



Information must never be given out over the phone unless it is absolutely clear who it is being given to and that they are entitled to the information and are ready and able to accept it.

Care must be taken to ensure that conversations involving confidential and/ or personal information cannot be overheard.

Voicemail messages containing personal information should only be left after due consideration has been given to any security and confidentiality risks involved.

The academy's telephones are provided primarily for business use in order to assist staff in carrying out official business. Academy landline and mobile phones must not be used for any secondary business purpose unless approved as part of a formal academy scheme.

It is accepted that there are occasions when making personal calls at work cannot be avoided. However, it should be remembered that calls and abuse of a telephone system or mobile telephone may result in disciplinary action.

## **Acceptable personal use:**

- Emergency calls to deal with domestic situations. For example making alternative arrangements for childcare or checking on an unwell family member.
- Advising others of late working.
- Returning important calls from a family member.
- Calls to, for example, a bank or building society, or to arrange doctors or dentists appointments where the call cannot be made outside of the employee's normal working hours. Where possible personal calls should be made during recognised break times thus minimising disruption to others. Where this is not possible call duration must be kept to an absolute minimum.
- National rate personal calls and personal calls to any mobile network should only be made in exceptional circumstances and the duration of the call must again be kept to a minimum.

Where there is evidence of a high level of personal usage which is not compliant with this policy, the individual responsible will be liable to pay any excess call charges and may be subject to disciplinary procedures.

## **Explicitly forbidden uses of landline and mobile telephones include:**

- Providing the academy telephone number as a contact point in personal advertisements in the press, on the internet etc.
- Premium rate phone numbers such as those associated with competition lines, racing lines, chat rooms etc.
- Transmission of any offensive material in either voice, text or image format from academy supplied mobile phones.

## **14. Payroll**

# ALETHEIA ANGLICAN ACADEMIES TRUST



The Headteacher/Head of School must ensure that there are robust arrangements for checking monthly that the payroll is accurate, in terms of the staff shown and the amounts they are paid. It is recommended that a nominee of the Local Governing Body or Responsible Officer (not a parent or staff governor) should check the payroll at least once every year.

The Headteacher/Head of School must also ensure that there are robust arrangements for authorising any changes, for example in staff or pay. This includes permanent changes to staffing and changes in an individual's banking details. This task may be delegated to the Finance Officer. Such changes must be signed as authorised by the Headteacher/Head of School.

It is a key requirement that payroll claims (overtime, casual, supply etc.) are supported by fully completed and appropriately authorised claim forms.

A Headteacher/Head of School must not authorise their own pay rise. This should be done by a designated member of the Local Governing Body, following approval by the Trust Board.

## 15. Special Payments

Special payments are transactions which fall outside the Trusts' planned range of activities. They are non-statutory and non-contractual and so are subject to greater control. They include:

- staff severance payments } (ESFA approval required for any non-statutory /
- compensation payments } non-contractual payment of £100,000 or more or the  
employee earns over £150,000)
- ex gratia payments (ESFA approval must be obtained in all cases)

## 16. Delegated Limits:

Delegated responsibility	Value	Delegated authority
Orders and payments for goods, services and DFC/SCA	Capitation allocation	Budget holders <i>N/B: All capital requests over £5,000 must be notified to the Chief Finance Officer)</i>
	Up to £1,000	School Business/Finance Manager or other budget holders as delegated by LGB
	£1,001 to £10,000	Headteacher/Head of School Chief Finance Officer
	£10,001-£50,000	LGB Sub-Committee or Local Governing Body
	Over £50,000	Trust Board

# ALETHEIA ANGLICAN ACADEMIES TRUST



Delegated responsibility	Value	Delegated authority
Individual payment transactions – 2 signatories		Headteacher/Head of School/Deputy Headteacher/Head of School along with SBM and/or Chief Finance Manager
BACS/Bank payments – 2 electronic signatories	Up to £30,000 (B approvers)  Over £30,000 (A approvers)	Headteacher/Head of School/Deputy Headteacher/Head of School along with SBM/Finance Manager Chief Finance Officer/ CEO and/or Board Members
Delegated responsibility	Value	Delegated authority
Payroll		Headteacher/Head of School/Deputy Headteacher/Head of School along with SBM/Finance Officer and/or Chief Finance Officer
Delegated responsibility	Value	Delegated authority
Write off of bad debts	Up to £750	Governors & Finance Officer/Manager. <b>MUST</b> be notified to Chief Finance Officer.
	Over £750	<b>ALL MUST</b> be notified to Trust & Chief Finance Officer
Delegated responsibility	Value	Delegated authority
Disposal of Assets (excluding freehold on land or buildings)	Up to £2,000	<b>Must</b> be notified Chief Finance Officer
	over £2,000	<b>Must</b> be approved by Trust Board & Chief Finance Officer (ESFA notification)
Delegated responsibility	Value	Delegated authority
Virement	Up to £10,000	Local Governing Body with Chief Finance Officer
	Over £10,000	Chief Finance Officer and Trust Board / Committee
Delegated responsibility	Value	Delegated authority
Acquisition & disposal of Assets (land and buildings)	All	<b>Must</b> be approved by Trust Board (ESFA notification)

# ALETHEIA ANGLICAN ACADEMIES TRUST



## 17. Anti-Fraud Policy:

The purpose of this policy is to confirm the AAAT's commitment against fraud. The fulfilment of this anti-fraud, corruption and bribery policy will assist in the delivery of more effective risk management.

The AAAT is determined to demonstrate that it will not tolerate fraud, corruption or abuse of position for personal gain, wherever it may be found, in any area of academy activity.

The Trust considers that all instances of fraud, corruption and other dishonesty endangers the achievement of the Trust's policies and objectives as they divert its limited resources from the provision of education. There is a clear recognition that the abuse of Trust resources, assets and services undermine the Trust's reputation and also threatens its sound financial standing.

The purpose of this Policy statement

- defines fraud
- identified the scope of the applicability of the policy
- sets out the Trusts intended culture and stance against fraud, corruption and bribery
- identified how to raise concerns and to report malpractice
- sets out responsibilities for countering fraud

### Definitions:

**Fraud** – is a range of abuse and malpractice that is covered by the Fraud Act 2006.

Fraud can be defined as an abuse of knowledge or financial position that is done deliberately to create a financial gain for the perpetrator or for a related person or entity and/or a loss to another. It can take place in many ways; withholding information, deliberately misleading, mispresenting a situation to others or by abuse of position.

Irrespective of the definition applied, fraud is always deceitful, immoral and intentional and creates a financial gain for one party and/or a loss for another.

Gains and losses do not have to be direct. A gain to a related party or company through intentional abuse of position, albeit not directly to the officer involved, is still fraudulent. In the same way, using the Trust/Academy name to procure personal goods and services is also fraudulent; where this is a deliberate abuse of position to make a gain in the form of goods or services at a discount price to get the Trust/Academy to pay for them.

**Corruption** – will normally involve the above with some bribe, threat or reward being involved.

**Bribery** – The Bribery Act 2010, has four key offences under the Act

- Bribery of another person (section 1)
- Accepting a bribe (section 2)
- Bribing a foreign official (section 6)
- Failing to prevent a bribe (section 7)

Bribery is not tolerated. It is not acceptable to:

# ALETHEIA ANGLICAN ACADEMIES TRUST



- Give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given
- Give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure.
- Accept payment from a third party if you know or suspect that it is offered or provided with an expectation that it will obtain a business advantage for them
- Accept payment from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return
- Retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy.

Facilitation payment – are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

Gifts and Hospitality - This policy is not meant to change the requirements of the Trust’s approach to gifts and hospitality, as set out in the finance policy.

## **Scope of Policy:**

The policy statement applies to all members, trustees, members of the Local Governing Body and all employees (full time, part time, temporary and casual), who work for the Trust.

The Trust expects that individuals and organisations (e.g. partners, suppliers, contractors and services providers) with which it deals will act with integrity and without thought or actions involving fraud and corruption. Where relevant, the Trust will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption. Evidence of such acts is most likely to lead to a termination of the particular contract and will normally lead to prosecution.

The Trust recognises the importance of the seven principles of public life defined by the Nolan Committee 1995, and expects all trustees, governors, employees and those acting as its agents to conduct themselves according to them. The seven principles are worthy of being read by all:

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

**-Integrity** – Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties

**-Selflessness** – holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

**-Objectivity** – in carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

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

# ALETHEIA ANGLICAN ACADEMIES TRUST



**-Accountability** – Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

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

Through observance of these principles the Trust requires the trustees, governors, employees and its agents to be alert to the possibility of fraud, corruption and dishonesty in all their dealings.

The Trust also requires that those employees responsible for its systems and procedures should design and operate systems and procedures which endeavour to minimise losses due to fraud, corruption and other dishonest action and abuse.

## **Culture & stance against fraud and corruption:**

AAAT is determined that the culture and tone of the organisation will be one of honesty and opposite to fraud and corruption of any kind.

The Trust expects that the Board, its Local Governing Bodies and employees at all levels will lead by example in ensuring adherence to legal requirements, financial rules, codes of conduct and prescribed procedures and practices.

The Trust implements and maintains systems of accountability and control to ensure that its resources are properly applied in the way it intended. These systems include, as far as is practical, adequate internal controls to detect not only significant errors but also importantly, fraud and corruption.

The Trust Board is responsible for overseeing internal contract and financial management.

## **Raising Concerns:**

Trustees, governors and employees are an important element in the Trust's defences against fraud and corruption, they are expected to raise concerns that they may have on these issues where they are associated with the Trust's activities.

The AAAT Board, academy's senior management and governors, will be robust in dealing with financial malpractice of any kind. Governors and employees of the Trust should follow the guidance listed in the Trust's Whistleblowing Procedure and associated procedures e.g. disciplinary.

All concerns reported, by whatever method, will be treated in confidence and will be reviewed and investigated by a member of staff deemed to be appropriate and best placed to do so. This may mean that, depending on the level, type and details of the concerns raised, that your concerns are investigated by Senior Trust or Academy Managers, Trustees, Governors or in the case of very serious concerns, the Police.

Policy Approved on 06<sup>th</sup> July 2021

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Chair of Trustees