



Finance Policy

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1. Statement of intent

- 1.1 The purpose of this document is to outline how Synergy Multi Academy Trust maintains and develops effective systems of financial control that conform with the requirements of statutory and regulatory authorities, as well as complying with established principles of good financial management and common sense. It is essential that these systems meet the requirements of the Funding Agreement between Synergy Multi Academy Trust and the Department for Education (DFE); meet the requirements as laid down in the Academies Trust Handbook (published by DFE), and are in accordance with Synergy Multi Academy Trust's Articles of Association.
- 1.2 Each Academy must comply with the principles of financial control outlined in the Academies Trust Handbook published by the DFE. This handbook converts this into practical detailed information on the Academy's accounting policies and procedures and should be read and absorbed by all staff interacting with the Trust's finances. It is split into two documents: the first being the Trust's policies which is visible on the Trust's website and relates to this document, the second document covers the more detailed operational procedures across the Trust.
- 1.3 It is incumbent on Members, Trustees, Directors, Staff and all parties engaged by or with the Trust to observe both the letter, but also the spirit of the Trust Finance Policy and the Trust Financial Operational Procedures Handbook. The Trust is responsible for public money and, as such, the duty of care is naturally set very high. Whenever in doubt and where this Handbook does not specifically set out an appropriate approach, the highest principles should be observed to ensure the Trust is able to fully stand behind the approach taken by the decision maker.

2. Organisation

- 2.1 Synergy Multi Academy Trust is a Company limited by Guarantee, registered in England and Wales and is a Multi-Academy Trust. The Company has charitable status.
- 2.2 The Trust has defined the responsibilities of each person involved in the administration of both Trust level and individual Academy finances. The financial reporting structure is illustrated in the following bullet points:
- 2.3 **The Trust Board, the Finance Committee (FC), the Audit and Risk Committee (ARC), the Pay and Remuneration Committee (PRC)**
 - 2.3.1 The Trust Board has overall responsibility for the management and administration of the Academy Trust's finances. The Synergy Multi Academy Trust Board is led by the "Chair". It is the Trust's statutory responsibility to safeguard the assets of the company and to meet all requirements of the Companies Act. The main DFE prescribed responsibilities are set out in the Master Funding Agreement issued to the Synergy Multi Academy Trust by the DFE include:
 - 2.3.1.1 appointment of Senior Executive Leader/Accounting Officer, Chief Financial Officer, Clerk to the Board of Trustees, Finance Committee, Statutory (external) Auditor,
 - 2.3.1.2 ensuring that educational grants are used for the purpose intended,

2.3.1.3 managing budgets to be balanced, and annual approval of those budgets,

2.3.1.4 approval and issuing of annual audited accounts to DFE,

2.3.1.5 instructing and reviewing internal scrutiny requirements and reports to ensure high internal rigour,

2.3.1.6 appointment of Academy Head Teachers/Heads of School.

2.3.2 The Senior Executive Leader (CEO) is also the Accounting Officer (AO). The AO has a personal responsibility to Parliament, and to DFE's accounting officer, for the financial resources under the Trust's control and is also required to submit to DFE an annual statement indicating the Trust has secured value for money.

2.3.3 The Chief Financial Officer (CFO) is the Trust's finance director, business manager or equivalent, to lead on financial matters, ensuring sound and appropriate financial governance and risk management arrangements are in place, preparing and monitoring of budgets, and ensuring the delivery of annual accounts. The CFO is not a member of the Trust Board.

2.3.4 Finance Committee (FC), Audit and Risk Committee (ARC), and Pay and Remuneration Committee (PRC) - Academy Trusts must establish a committee to provide assurance over the suitability of, and compliance with, its financial systems and operational controls. Members of the Committees are appointed by the Trust Board. Trusts which have a level of annual income below £50 million have flexibility to establish either a dedicated audit committee, or to include the functions of an audit committee within another committee. The Synergy Multi Academy Trust Board has established a Finance Committee (FC), an Audit and Risk Committee (ARC) and a Pay and Remuneration Committee (PRC) to oversee and advise the Trust Board on all matters of finance, audit, risk, pay and remuneration as appropriate (see Appendix 1 below for terms of reference, key duties and membership aspects of the FC and ARC).

2.3.5 The Trust Board will expect to be advised on all significant matters of finance and financial control by the FC and ARC, but DFE in any case imposes some specific limits of authority on Trusts whereby should there be any intention to exceed such limits special approval from DFE is required.

2.3.6 All Trustees' expenses will be co-signed by another Trustee.

2.4 The Local Governing Bodies

2.4.1 The Local Governing Bodies do not have any delegated responsibility for the administration of the academy's finances. Instead, the Trust Board delegates financial responsibility to the CEO and CFO who are advised by the FC and ARC.

2.4.2 Local Governing Bodies' responsibilities are documented in the Scheme of Delegation.

2.5 The Head Teacher/Head of School

2.5.1 Within the framework of the academy development plan as approved by the Local Governing Bodies, the Head Teacher/Head of School has overall

executive responsibility for the academy's activities, including some financial activities. With the support of the CEO and CFO, the Head Teacher/Head of School's main responsibilities include:

2.5.1.1 ensuring that income relating to the charitable objects of the Trust is used only for the purposes intended,

2.5.1.2 adopt financial prudence in managing the financial affairs of the Trust in so far as these relate to the Academy and are delegated to them,

2.5.1.3 understanding the annual budget and monitoring financial performance in conjunction with the Trust,

2.5.1.4 reviewing and approving data for submission to the Trust,

2.5.1.5 considering reports from the academy, FC, ARC or equivalent body.

2.6 The Chief Financial Officer

2.6.1 The Chief Financial Officer works in close collaboration with the academy Head Teachers/Head of School through whom he/she is responsible to the Chief Executive Officer and the Board. The Chief Financial Officer also has direct access to the Board via the FC and ARC.

2.7 The Central Finance Team

2.7.1 Employees of the central finance team reports to the Chief Financial Officer and works in close collaboration with Head Teachers/Heads of School/Senior Leadership Team (SLT) for the day to day management of financial issues of the academy.

2.8 Internal Scrutiny

2.8.1 Internal scrutiny is a continuous process which is supplemented by the commissioning of a programme of internal scrutiny by external service providers.

2.8.2 The ARC advises the Synergy Multi Academy Trust Board on the appointment, re-appointment, dismissal, remuneration, scope and programme of work and reports of the internal scrutiny service provided by external service providers. (See Appendix 1 for key duties and membership aspects of the ARC).

2.8.3 Once internal scrutiny reports are issued, any action points are implemented and reported to the relevant personnel that the appropriate changes have been made.

2.9 Other Trust/Academy Staff and Partners/Sub-contractors/Suppliers

2.9.1 Other staff/partners/sub-contractors/suppliers will have varying degrees of access to Trust/academy assets and all will have some financial responsibilities. All such parties are responsible for:

2.9.1.1 the security of academy property, for avoiding loss or damage,

2.9.1.2 for ensuring economy and efficiency in the use of resources, and

2.9.1.3 for conformity with the requirements of the Trust/academy's financial procedures.

2.10 Register of Pecuniary Interests

2.10.1 The Trust maintains a Register of Pecuniary interests. The Register is open to public inspection.

3. Accounting System

3.1 The Trust operates a recognised financial accounting system. Entry to the system is password restricted and passwords are changed on a regular basis. Where it is suspected that unauthorised access to the system has taken place, the FC shall be notified immediately.

3.2 The Trust IT Lead is responsible for ensuring that there are effective back-up procedures for financial data and that provision is made for restoring data in a disaster. A disaster recovery plan is in place in the event of a loss of a financial system.

4. Financial Planning

4.1 The academy prepares medium term (three years) and annual financial plans.

4.2 The medium-term financial plans are prepared as part of the strategic planning process. The Strategic Plan indicates how the Trust's educational and other objectives are going to be achieved within the expected level of resources over the next three-year period and also encompasses individual school improvement/development plans.

4.3 The Strategic Plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the academy and the planned use of those resources for the following year.

4.4 Strategic Plan

4.4.1 The Strategic Plan is concerned with the future aims and objectives of the Trust and how they are to be achieved; that includes matching the Trust's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "Big Picture" within which more detailed plans may be integrated. This should also be in co-ordination with the individual school improvement plans.

4.4.2 Each year the central finance team will propose a planning cycle and timetable to the Trust Board.

4.4.3 The completed Strategic Plan will include detailed objectives for the coming academic year and outline broad objectives for the following two years.

4.5 Annual Budget

4.5.1 The Chief Financial Officer in conjunction with the Trust Senior Leadership Team/Head Teacher/Head of School and/or the central finance team is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Accounting Officer, the FC and the Trust Board.

- 4.5.2 The approved budget must be submitted to the DFE by the specified deadline each year and the Chief Financial Officer is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met. A separate budget process and timetable is available for internal colleagues.
- 4.5.3 The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the Strategic Plan objectives and the budgeted utilisation of resources.

4.6 Monitoring and Review

- 4.6.1 Regular budget monitoring will be undertaken by the CFO and central finance team. Regular reports will be prepared for disclosure to the CEO and Senior Leadership Team/Head Teachers/Heads of School. The reports will detail actual income and expenditure against budget at a summary level for the Head Teacher/Head of School and the Trust's FC.
- 4.6.2 Any potential overspend against the academy budget must in the first instance be discussed with the Chief Financial Officer and Senior Leadership Team/Head Teacher/Head of School.
- 4.6.3 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate.

4.7 Virements and Overspends

- 4.7.1 Any change (virement) within the nominal codes up to the agreed value that can be managed within the existing budget parameters can be authorised by the central finance team as part of their role of managing their budget as long as the overall surplus or deficit as set at the initial budget stage does not change. This is still at the discretion of the CFO who can request changes within this. Anything in excess of the agreed value must be approved by the Deputy CEO (Secondary or Primary), as appropriate and the CFO. However, please also note that virements between cost sections of the agreed value must be approved by the Deputy CEO (Secondary or Primary as appropriate) and the CFO. E.g. A staffing saving that you want to utilise as a building maintenance spend. All virements over the agreed value must be noted on the management accounts reports on a monthly basis.
- 4.7.2 If there are any increase in educational costs or staffing required for the academy, this must be approved by the Head teacher/Head of School, the Deputy CEO and the CFO. Any additional non-educational costs that have not been included in the budget for the academy must be approved by the Head teacher/Head of School and CFO. This may be referred to the Trust Board if any of the approvers deem it necessary. Trust Board are also required to approve in advance if the amount exceeds the agreed value.
- 4.7.3 If there is any additional spend in relation to the central office budget, then this is to be agreed as follows:

- 4.7.3.1 Any increase in spend above the agreed value – Approval required from Trust Board prior to the spend taking place,
- 4.7.3.2 All virements/overspends up to the agreed value will be noted on the Financial monitoring report which is submitted to the Trust Board monthly for information purposes.
- 4.7.3.2 Settlement costs – Any and all to be approved by Pay and Remuneration Committee.
- 4.7.4 All approvals must be sought prior to the service/goods being ordered in accordance with the guidance in this document. If this procedure isn't followed, this may result in the Trust invoking disciplinary procedures in line with Synergy Multi Academy Trust policy.

5. Staff and Payroll

5.1 Payroll Administration

- 5.1.1 The Trust payroll is administered by an outsourced provider. The academy office/HR Representative/Head Teacher/Head of School are responsible for updating the payroll information and passing it to the central finance team in a timely manner on a monthly basis to be passed to the outsourced provider.
- 5.1.2 Changes to contracts, including details of any new appointments, terminations, contract changes or additional payments are prepared by administrative staff and must be authorised by Senior Leadership Team member/Head Teachers/Heads of School and Synergy Multi Academy Trust Central Finance before passing to the outsourced payroll provider for action.

5.2 Changes to Payroll

- 5.2.1 Changes to payroll documents (including payment of extra hours, change to pay scale, etc.) must be authorised appropriately by the Head teacher/Head of School. Any documents relating to changes to payroll must be passed to the central finance team and retained in the employee's personnel file.

5.3 Payroll Documentation

- 5.3.1 All employees should have their own files kept locked away with access restricted to named employees. Any data held for the academy in relation to payroll should also be locked away with restricted access to the data of the employees of the academy.

5.4 Staff Expenses

- 5.4.1 All hotel, subsistence and travel expenses will be claimed at cost and capped at a specific amount per day as detailed in the Trust Finance Operating Procedures Handbook and Travel and expenses policy.
- 5.4.2 All expenses are to be accompanied with receipts and authorised as appropriate.
- 5.4.3 Mileage expenses will be paid at the HMRC recommended rate and should be the lesser of the employee home to the academy/business location or Trust central office/employment location as per employee contract to the academy. All mileage claims must be supported by a valid VAT receipt.

6. Purchasing

6.1 Synergy Multi Academy Trust will attempt to achieve the best value for money from all purchases. This means getting what is needed in the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds and there is a need to maintain the integrity of these funds by following the general principles of:

- 6.1.1 Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy;
- 6.1.2 Accountability, the academy is publicly accountable for its expenditure and the conduct of its affairs;
- 6.1.3 Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis.

Synergy Multi Academy Trust will work closely with all the academies within the Trust to support the development of cross-Trust buying power. Please refer to Procurement Policy and Terms and Conditions for purchasing for more information.

6.2 Framework

- 6.2.1 Should orders be raised against Government Frameworks such as ESPO, then the normal practice of getting two written quotes for orders may be overlooked and only one price is required from the framework supplier. There may also be occasions where it is only possible to get quotes from one supplier. A statement to this effect will be written and signed off by the central finance team on a value for money form.
- 6.2.2 This is at the discretion of the person wishing to raise an order who may feel that, as per best practice and under the stipulations of point 6.5, two quotes should be obtained.
- 6.2.3 For the continuation of the use of frameworks it is advisable that at regular intervals prices, service levels and quality are double-checked against the market to ensure best value for money, and quality services.

6.3 Contracts

- 6.3.1 If it is known that more than one order may need to be placed for goods which require quotes, it may be prudent to enter into a longer-term contract with the supplier who has been awarded the business.
- 6.3.2 Contract lengths:
 - 6.3.2.1 Minimum length – No minimum length is required, but dependent on time taken to seek quotes/tenders, negotiate terms, value of the order and subsequent requirements, it would be prudent to set this at no less than 6 months.
 - 6.3.2.2 Maximum length – 36 months (3 years), **12 months for school approved contracts.**

6.3.2.3 Rolling contracts – It is advisable to set a maximum time frame on the contract, but state when negotiating that the contract should run on a monthly rolling basis and that the Trust has the right to give 30 days' notice of cancellation of said contract at any time during the agreed period with no get out clauses or penalties. That the supplier has to give a minimum of 60 days' notice of termination and must complete any and all on going commitments or be liable for any and all costs arising for breach of commitment.

6.3.3 Due Diligence during Contracted Period

6.3.3.1 Prior to entering a contract with a supplier, a meeting should be arranged with said supplier to ascertain the following information:

- Financial stability – Profit and Loss accounts for the current and previous two full years should be checked by the Chief Financial Officer.
- Ability to fulfil the agreed commitment and any future requirements within the Trust as a whole.
- Quality of product through samples and site visits where appropriate.

6.3.3.2 During the contracted period and at a maximum of 12-month intervals, the supplier should be audited to ensure that there have been no changes to the initial agreement and circumstances of the supplier. The Trust should also endeavour to monitor service and price levels through KPIs, with a view to continuing or terminating the contract as appropriate.

6.3.4 Payments to Individuals for Services Provided

6.3.4.1 Payments to Individuals outside of payroll require careful classification to manage tax liabilities and compliance. When applicable, 'the Check Employment Status for Tax' tool should be used to establish the classification of the role performed by an individual. [Check employment status for tax - GOV.UK](https://www.gov.uk/check-employment-status-for-tax)

6.4 Charge Cards/Credit Cards

6.4.1 Where appropriate, the academy charge card/credit card can be used to make payments. This should only be used in the following circumstances:

- 6.4.1.1 if a cost saving and efficiency of ordering can be demonstrated,
- 6.4.1.2 the item is of low value (<£100),
- 6.4.1.3 for costs where an invoice is unavailable (e.g. course fees/travel costs/subscriptions online),
- 6.4.1.4 if a supplier does not offer credit,
- 6.4.1.5 in cases of emergency when no other forms of procurement/payment are available.

6.4.2 All items must be approved in accordance with the Scheme of Delegation.

- 6.4.3 All charge card/credit card holders must sign and complete an Acceptable User Policy declaration prior to cards being issued. Charge card/Credit Card purchases are limited as outlined in the Scheme of Delegation detailed in the Finance Operating Procedures Handbook.
- 6.4.4 Prepaid cards are available for use for trips and visits to ensure that the Trust remains cashless for which detailed information can be obtained from the central finance team with regard to their use and distribution.
- 6.4.5 Charge cards / credit cards should only be used by the named charge card/credit card holder. If found to be used by any user other than the person named, the employee may be subject to Synergy Multi Academy Trust disciplinary procedures, and the card may be removed.

6.5 Routine Purchasing

- 6.5.1 Budget holders will be informed of the budget available to them at the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent.
- 6.5.2 All requests for purchase orders should be completed using a Purchase Order requisition via the finance system and be in accordance with the Scheme of Delegation unless:
 - 6.5.2.1 It is in respect of utilities, rates, subscriptions or catering,
 - 6.5.2.2 It is a low-cost item of <£100,
 - 6.5.2.3 A formal contract has been entered into whereby other means of approval are valid,
 - 6.5.2.4 An alternative process has been agreed with the central finance team.

6.6 Tenders and Centralised Procurement

- 6.6.1 Please see the procurement policy for all information in relation to tenders and centralised procurement processes.

6.7 Novel, contentious or repercussive transactions

- 6.7.1 Novel, contentious or repercussive transactions **must** always be referred to DfE for approval, and the request **must** be made to, and approved by, DfE before the transaction is agreed and before the transaction occurs.
- 6.7.2 Novel transactions are those of which the academy trust has no experience, or are outside its range of normal business.
- 6.7.3 Contentious transactions are those that may cause criticism of the trust by Parliament, the public or the media.
- 6.7.4 Repercussive transactions are those likely to set a precedent and cause pressure on other trusts or the broader public sector to take a similar approach

and hence have wider financial implications, including where a trust's proposal could cause additional costs to arise for other parts of government.

7. Income

7.1 The main sources of income for the academy are the grants from the DFE. The receipt of these sums is monitored directly by the central finance team who is responsible for ensuring that all grants due to the academy are collected.

7.2 The academy also obtains income from:

7.2.1 students, mainly for trips and lunches,

7.2.2 fundraising and other grant income,

7.2.3 the public, mainly for sports lettings and use of accommodation.

7.3. Trips and School Lunches

7.3.1 A trip organiser must be appointed for each trip to take responsibility for liaising with the finance/school office representative regarding costs and organising the collection of sums due.

7.3.2 Payments for school lunch are recorded individually by administrative staff. A record of the lunches paid for is kept electronically via the cashless payment system.

7.4 Lettings

7.4.1 The academy office/Caretaker/Site Manager is responsible for maintaining records of bookings of sports facilities and other accommodation and for identifying the sums due from each organisation. The central finance team are then notified to raise the invoice and arrange payment for the use of facilities.

7.4.2 No debts should be written off without the express approval of the Senior Leadership Team member and Synergy Multi Academy Trust Finance Team or Accounting Officer or FC (the Trust and DFE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter or the value set in the Academies Trust Handbook).

7.4.3 Organisations using the facilities of the academy should be instructed to send all payments to the central offices.

8. Cash Management:

8.1 Bank Accounts

8.1.1 The opening of all Trust and academy accounts must be authorised by the Accounting Officer who must set out, in a formal memorandum, the arrangements covering the operation of accounts. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds is in line with the bank mandate and the scheme of delegation.

8.2 Deposits

- 8.2.1 Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book.

8.3 Payments and withdrawals

- 8.3.1 All cheques authorising withdrawal from Trust bank accounts must bear the signatures of two of the signatories from the bank mandate.
- 8.3.2 All BACS payments are approved by the central finance team. Payments are made via the bank account from two different signatories from the central finance team as per the Scheme of Delegation.
- 8.3.3 This provision applies to all accounts, public or private, operated by the Trust or on behalf of the Local Governing Bodies of the Academies. Wherever possible, there should be a different signatory to payments than that of the authoriser of the purchase.

8.4 Petty Cash Accounts

- 8.4.1 There is no petty cash accounts held within the Trust.

8.5 Cash Flow Forecasts

- 8.5.1 The central finance team are responsible for preparing cash flow forecasts to ensure that the Trust/academy has sufficient funds available to pay for day-to-day operations. Where cash flow forecasts predict a lack of available funds to service commitments, this should be notified to the Chief Executive Officer immediately.

8.6 Debt Recovery

- 8.6.1 As part of its management of public funds, the Trust will take all reasonable steps to ensure that all debts owed to it are collected. The purpose of this policy is to guide the Head Teacher/Head of School and Finance function in recovering debts and ensuring that outstanding debts do not become bad debts.
- 8.6.2 To ensure the collection of debts, the Trust will keep a record of all services supplied, their value, the date and the name of the debtor, and ensure that any invoices raised state the date by which payment is due. It is expected that all invoices will be paid on time and in full. If this is not possible, debtors should contact the Head Teacher/Head of School or central finance team to make alternative arrangements for payment.
- 8.6.3 Each academy within the Trust will actively pursue debtors for the collection of income owed to it. If a payment is overdue, the following actions will be taken:
- Initial reminder – An informal telephone reminder will be made when a payment is two weeks late.
 - First reminder letter – This formal letter will be sent when a payment is 30 days overdue.

- Second reminder letter – This will be sent two weeks after the first reminder letter if no payment is received. This letter should be sent by Recorded Delivery.
- Failure to respond after two reminders have been sent – If no payment is received a letter will be sent to the debtor advising them that the matter may be placed in the hands of the Trust's solicitors.
- Failure to respond after three reminders have been sent – If no payment is received the academy will consider placing the matter in the hands of its solicitors.

8.9.4 It is anticipated that debts will be settled promptly and in a single payment after the first reminder letter has been received. The debtor may be required to pay any additional costs incurred by the Trust as a result of collecting this debt. Interest may be charged from the due date at the Bank of England Base Rate + 2%.

8.9.5 The Senior Leadership Team member/Head Teacher/Head of School and Synergy Multi Academy Trust central finance team are responsible for ensuring that the total value of outstanding debt is known at all times.

8.10 **Bad Debts**

8.10.1 Bad debts are only written off when the academy has followed all possible procedures to ensure their recovery.

8.10.2 The Academies Trust Handbook provides the following guidance regarding the writing off of debts and losses, including any uncollected fines:

8.10.2.1 1% of the academy's total annual income or £45,000, whichever is smaller per single transaction, may be written off after the academy has taken all possible steps to recover the money (subject to a maximum of £250,000) in any financial year per category of transaction for trusts that have not submitted timely, unqualified accounts for the previous 2 financial years. Grant income is based on the figure in the last set of audited accounts. Academies that have not yet produced audited accounts need to contact the Department for Education (DFE).

8.10.2.2 Cumulatively:

- 5% of total annual income (subject to a maximum of £250,000) in any one financial year per category of transactions may be written off.

8.10.2.3 The academy must seek and obtain the explicit and prior approval of the Education Secretary, through the DFE, for transactions above these limits.

8.10.2.4 Records of debts that have been written off will be retained for six years plus the current year.

8.10.2.5 Any debtors that fail to settle a debt will be informed that in future they will be required to pay for any services in advance.

8.11 Cybercrime

8.11.1 Academy trusts **must** also be aware of the risk of cybercrime, put in place proportionate controls and take appropriate action where a cyber security incident has occurred. Trusts should take appropriate action to meet [DfE's cyber security standards](#), which were developed to help them improve their resilience against cyber-attacks.

8.11.2 Trusts **must not** pay any cyber ransom demands. DfE supports the [National Crime Agency](#)'s recommendation not to encourage, endorse, or condone the payment of ransom demands. Payment of ransoms has no guarantee of restoring access or services and is likely to result in repeat incidents.

9. Fixed Assets:

9.1 Asset Register

9.1.1 All items purchased with a value over the Trust's capitalisation limit must be entered in an asset register (This also includes group purchases totalling the academy's capitalisation limit and multiple items which may be below the limit, but in total exceed the limit on the invoice). **The capitalisation limit has been set at £1,000 for all items except for IT hardware which does not have a limit.**

9.1.2 Depreciation is calculated using the straight-line basis over its expected useful life.

9.2 Security of assets

9.2.1 Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

9.2.2 All the items in the register should be checked physically on a regular (at least annual) basis by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly. Where greater than £5,000, these should be reported to the Governing Body. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it, this should be noted.

9.3 Disposals

9.3.1 **Items which are to be disposed of by sale or destruction must be authorised for disposal by Senior Leadership Team member/Head Teacher/Head of School and the central finance team up to the value of £500. For disposals between £500 and £20,000 approval is required by the CEO, DCEO and CFO. For any disposals over £20,000, Trustees approval is required.**

9.3.2 Disposal of equipment to staff is not permitted, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment.

- 9.3.3 The academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other academy assets. If the sale proceeds are not reinvested, then the academy must repay to the DfE a proportion of the sale proceeds.
- 9.3.4 All disposals must achieve best value as also detailed in the Academies Trust Handbook.
- 9.3.5 All disposals of freehold land and buildings or heritage assets must be agreed in advance with the Trust, Secretary of State and the Local Authority. A heritage asset is defined as a tangible or intangible asset with historic, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

9.4 Loan of Assets

- 9.4.1 Items of academy property must not be removed from academy premises without the authority of the Head Teacher/Head of School. A record of property loan must be recorded in a property loan book and booked back in at the academy when it is returned. This does not apply to laptops which are used in the academy and taken home on a daily basis.
- 9.4.2 If assets are on loan for extended periods or to a single member of staff on a regular basis, the situation may give rise to a 'benefit-in-kind' for taxation purposes. Property loans should therefore be kept under review and any potential benefits discussed with the academy's auditors.

9.5 Internal Transfer of Assets

- 9.5.1 The CFO and Financial Controller must be advised of any assets that are internally transferred from one site to another. A 'Fixed Asst Transfer Form' must be completed and submitted to the central finance team ahead of the transfer of the asset.

10. Reserves, Investment and Cash Flow:

10.1 Cash Flow and Investment

- 10.1.1 Adequate cash balances must be maintained in the current account to cover day to day working requirements. Regular short term and longer-term cash flow reports are to be prepared and monitored to ensure there are adequate liquid funds to comply with bank current account requirements and to meet all short term and long-term future cash commitments. Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested.
- 10.1.2 Any such investment requires approval of and must be recorded in the minutes of the FC and the Synergy Multi Academy Trust Board. When considering any proposed investment, due regard will be given to minimising risk of loss in capital value and protection against inflation.

10.1.3 All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

10.1.4 Please also see the Treasury Management Policy for more detailed information.

10.2 Reserves

10.2.1 Please see the separate Reserves Policy for information.

11. Risk Management:

11.1 The CEO will present a risk register to the ARC for approval for any financial implications therein.

11.2 At a minimum the register will require significant risks faced by the Trust to be documented using a suitable risk map and matrix; in addition, the Trust Board will be required to consider all significant risks and mitigations at least once per academic year.

12. Insurance:

12.1 Insurance arrangements and levels of cover will be reviewed annually by the Synergy Multi Academy Trust central finance team for all Academies, and arrangements will be made to ensure the academy's assets and activities are properly insured in accordance with good practice and DFE requirements.

13. Gifts, Hospitality and Confidentiality:

13.1 Synergy Multi Academy Trust is committed to the highest levels of integrity, openness and fairness in all of its business transactions. All employees, Members, Trustees and Governors are expected to maintain the high standards of propriety and professionalism in all their dealings and to avoid any conflicts of interest.

13.1.1 All shall not use their authority or office for personal gain and shall seek to uphold and enhance the standing of the academy by maintaining an unimpeachable standard of honesty and integrity in all their business relationships.

13.1.2 Any personal interest that may impinge or might reasonably be deemed by others to impinge on an employee's impartiality or conflict with the duty owed to the academy in any matter relevant to an employee's duties (such as conflicting business interests) should be declared in writing.

13.1.3 Employees, Members, Trustees and Governors should take extreme care to ensure that they are not open to accusations of bribery and corruption. Synergy Multi Academy Trust is committed to complying with the Bribery Act 2010 which makes it a criminal act to:

13.1.3.1 Offer, promise or give a bribe,

13.1.3.2 Request, agree to or accept a bribe,

- 13.1.3.3 Fail to prevent bribery by those associated with an organisation who are trying to gain an advantage for that organisation.

13.1.4 Non-compliance with this Policy is a disciplinary offence and could lead to dismissal without notice.

13.1.5 If there is any doubt about how to apply this Policy, guidance should be sought from the Chief Financial Officer or Chief Executive Officer.

13.2 **Scope**

13.2.1 This Policy applies to all individuals working in Synergy Multi Academy Trust academies and to individuals working in Synergy Multi Academy Trust offices, as well as Synergy Multi Academy Trust Members, Trustees and Governors. The Policy applies to the receipt and offer of gifts, awards, hospitality and benefits.

13.2.2 The underlying principles of the Policy are as follows:

13.2.2.1 Employees, Members, Trustees and Governors should exercise extreme caution when accepting or giving gifts and hospitality whilst conducting Synergy Multi Academy Trust business. They should not use their position for the personal gain of themselves or others.

13.2.2.2 Under no circumstance should gifts, awards, hospitality and benefits be accepted where there is a risk that it might be seen as an attempt to influence a business decision, or where personal integrity may be compromised.

13.2.2.3 Gifts and hospitality of low value up to £50 can be accepted, subject to certain conditions. Higher value gifts above £50 may be permitted subject to approvals, but must be recorded. Further details are outlined below.

13.3 **Gifts**

13.3.1 Gifts include items, services, prizes or other benefits which are received free of charge or are offered to the individual on terms which are not available to the general public. Examples of gifts that should not be accepted are gifts of cash and gifts from a supplier immediately before or during a competitive tender exercise.

13.3.2 Gifts that are accepted on behalf of the academy/Synergy Multi Academy Trust remain the property of the academy/Synergy Multi Academy Trust. Gifts or items that are sent free of charge as part of a special offer when purchasing goods on behalf of the academy/Synergy Multi Academy Trust belong to the academy/Synergy Multi Academy Trust and must be used accordingly.

13.3.3 Employees are permitted to accept gifts, rewards or benefits from members or the public or organisations which the academy has official contacts only where they are isolated gifts of a trivial character, or inexpensive seasonal gifts (such as diaries or calendars). Gifts should not therefore be accepted if they appear to be disproportionately generous or could be construed as an inducement to affect

a business decision. Staff must not accept gifts where there is any possibility that their professional integrity may be compromised.

- 13.3.4 It is common for students and their parents or carers to give gifts as a small token of appreciation or as a thank you to members of staff at certain times throughout the academic year. Staff may accept gifts from students and their parents or carers provided that they meet this definition.
- 13.3.5 All acceptances of gifts and acts of hospitality other than a nominal value (up to £50) must be noted in the academy's register of hospitality and gifts. Any member of staff receiving a gift with a value of greater than £50.00 should inform the Chief Financial Officer who will then decide whether the gift can be accepted. If approved, it should then be recorded in the Gifts and Hospitality Register.
- 13.3.6 Staff should make the Senior Leadership Member/Chief Financial Officer/Chief Executive Officer aware of any student who is giving them gifts on a regular basis, or any student or parent or carer who expects something in return for a gift, as this would not be acceptable.
- 13.3.7 If not accepting a gift could be seen as causing offence, for example for cultural reasons, the item should be accepted. The matter should then be brought to the attention of the Synergy Multi Academy Trust Chief Financial Officer as soon as possible who may decide to return the gift, or may donate it to a charitable cause.
- 13.3.8 If there is any doubt as to the appropriateness of accepting a gift, the matter should be referred to the Chief Executive Officer or Chief Financial Officer for further guidance.
- 13.3.9 It is not Synergy Multi Academy Trust's standard practice to give gifts to individuals or organisations. If gifts are given, staff must ensure that the reasons for the decision are clearly recorded in the Gift and Hospitality Register.
- 13.3.10 This does not apply to the award of gifts and prizes related to the achievement of pupils.

13.4 Hospitality

- 13.4.1 Hospitality includes food, drink, accommodation, entertainment or the opportunity to attend sporting or cultural events provided free of charge or on terms not available to the general public.
- 13.4.2 Conventional hospitality (lunches, outings, tickets for events, etc.) may be accepted, provided that it is normal and reasonable in the circumstances. Such invitations should not therefore be accepted where there is no reasonable business justification for doing so, where an invitation is disproportionately generous, or where the invitation could be seen as an inducement to affect a business decision. Hospitality should not be accepted from a supplier immediately before or during a competitive tender exercise.
- 13.4.3 Where purchased items include a "free gift", such gifts should be either used for academy business or handed to the academy to be used at charity raffles etc.
- 13.4.4 It is acceptable to provide and receive hospitality such as teas and coffees for staff and visitors. Modest working lunches for meetings for external business

colleagues only is also acceptable. Lunches should not be provided for visiting staff for meetings, unless prior approval has been given by the central finance team. These do not need to be recorded in the Gifts and Hospitality Register.

13.4.5 Acceptable examples of hospitality and entertainment include:

13.4.5.1 Hospitality or entertainment up to £50,

13.4.5.2 Hospitality or entertainment above £50 which has been specifically authorised by Chief Executive Officer/Chief Financial Officer and recorded in the Gifts and Hospitality Register,

13.4.5.3 Lunches and refreshments in the course of the Trust's business,

13.4.5.4 Invitations to attend charity or fund-raising events as a guest if considered to be for a good cause and of reciprocal benefit to the Trust.

13.4.6 Hospitality above these levels will require prior authorisation by the Senior Leadership Team members/Chief Executive Officer/Chief Financial Officer and must be recorded in the Register.

13.5 Gifts and Hospitality Register

13.5.1 A Gifts and Hospitality Register must be maintained in each academy and Central Synergy Multi Academy Trust offices.

13.5.2 All acceptances of gifts and acts of hospitality other than a nominal value (up to £50) must be noted in the academy's register of hospitality and gifts. The Register must include for each gift or item of hospitality both received and declined, the date received or declined, a description, estimated monetary value, name of the donor and recipient, name of approver and date of approval, along with any supporting comments. Alongside the Register, a record should also be kept of the authorisation given and reasons why (for example, a copy of the email confirmation).

13.5.3 The Register must be available for inspection at any time by the central finance team, CFO or CEO.

14. Confidential Reporting:

14.1 The Trust will maintain a confidential reporting policy, approved by the Trust Board, which will provide a basis on which employees can raise any concerns that they may have, and receive feedback on action taken and gives protection from reprisals or victimisation for 'confidential reporting' in good faith.

14.2 GDPR compliance by a separate GDPR Policy.

15. Appendix 1 – Finance Committee (FC) Terms of Reference:

15.1 In accordance with the Articles of Association, the Master Funding Agreement and the Academies Trust Handbook issued to the Synergy Multi Academy Trust by the DfE, the Synergy Multi Academy Trust Board has established a Finance Committee (FC) - the members of which are appointed by the Synergy Multi Academy Trust Board.

15.2 Constitution, Remit and Responsibilities

The FC is a committee established by the Board of Trustees of the Synergy Multi Academy Trust (the Board) to:

- Undertake the 'overview, accountability and assurance' responsibilities linked to all Finance matters.
- Undertake the key Trust Board responsibilities as detailed in the DfE Academy Trust Handbook (see Schedule 1).
- Approve decisions as detailed in the Trust' Scheme of Delegation.
- Advise on any strategic priorities for the Trust linked to financial matters.
- Ensure that the Trust behaves with regularity and propriety.
- Ensure that the Trust secures values for money through economic, efficient, and effective use of the resources in its charge.

15.3 Membership

There are two categories of membership of the committee, both of which are suitably authorised and appointed by the Synergy Multi Academy Trust Board.

Full Members - non-employees who are also Trustee Directors of the Trust Board, (Minimum 3) and who may vote on all matters discussed or brought before the committee.

Full Members– non-employees who are members of a Local Governing Body of one of the Trust's academies (Maximum 1).

Associate Members - who may not vote on financial audit matters (nor on any other matters if so decided by a majority of the Full Members present, and may also be asked to withdraw from the meeting in such circumstances) but are nevertheless permanent members of the committee who may attend as and when other commitments allow. They include the Synergy Multi Academy Trust CEO, the Synergy Multi Academy Trust CFO and the Synergy Multi Academy Trust Deputy CEO (Secondary and Primary).

In addition to the above, the committee may from time to time invite other attendees, employees and non-employees, to any meeting to provide information and participate in discussions for all or part of the meeting.

The committee shall have as many members as is determined from time to time and suitably authorised by the Synergy Multi Academy Trust Board.

Attendance at a meeting of at least three Full Members constitutes a quorum.

The Chair of any FC meeting shall be appointed by a majority vote of the Full Members of the committee.

In the absence of the Committee Chair, another full member of that committee may be invited to Chair for that meeting.

Appointments to the committee shall be for a period of up to four years, which may be extended for further periods of up to four years, provided that criteria for membership is still met.

Meetings shall be attended by the Clerk to the Board of Trustees, who shall take minutes of the discussions.

15.4 Resignation and removal

A person serving on the Committee shall cease to hold office if:

He/she resigns their office by giving notice in writing to the Clerk or Chairman.

The Trustees terminate the appointment of the Committee member, whose presence or conduct is deemed by the Trustees, at their sole discretion, not to be in the best interests of the Trust.

15.5 Quorum

The quorum necessary for the transaction of business shall be three full members or where greater, any one third (rounded up to a whole number) of full members.

15.6 Frequency of Meetings

Meetings shall be held at least three times per year and on the basis of a pre-determined timetable agreed by the committee in meeting. Additional meetings may be held in order to meet urgent business requirements, upon notification to the Clerk to the Board of Trustees or to the committee Chair of any Full or Associate Member supported by at least 2 other Full or Associate Members.

15.7 Agendas and Notices of Meetings

Agendas shall be prepared by the Clerk to the Board of Trustees and approved by the committee Chair prior to issue. Agendas will always contain items such as apologies, determination of quoracy, declarations of interest, approval of the previous minutes and matters arising from the previous minutes. Inclusion of any other item may be requested by any Full or Associate Member, such inclusion being at the discretion of the committee Chair.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each Full and Associate Member of the committee and to the Chair of the Synergy Multi Academy Trust Board, no later than five working days before the meeting.

15.8 Proceedings of Committee meetings

Full Member present in person shall be entitled to one vote.

Resolutions are passed by a majority vote of the Full Members

Where there is an equal division of votes the Chair shall have a further casting vote.

A register of attendance shall be kept for each Committee meeting and published annually.

15.9 Authority

The Committee is authorised by the Trust Board to:

Carry on any activity authorised by these terms of reference; and

Seek any appropriate information that it requires from any officer of the Trust and all officers shall be directed to co-operate with any request made.

15.10 Minutes of meetings

The Clerk to the Board of Trustees shall minute the proceedings and decisions of all meetings of the committee, including recording the names of those present and in attendance, and prepare minutes for distribution.

Minutes shall be approved and signed by the committee Chair prior to distribution, and the committee Chair will determine the distribution, which will always be to all Full Members and to the Chair of the Synergy Multi Academy Trust Board (whether present at the meeting or not), will normally be to all Associate Members and may be to others present (in full or in part), depending on interests in matters discussed and requirements to ensure appropriate confidentiality.

The minutes of meetings of the committee shall be considered at the next Synergy Multi Academy Trust Board meeting following distribution.

15.11 Reporting Responsibilities

The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

15.12 Other matters

The committee shall have access to sufficient resources in order to carry out its duties.

The committee shall give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of charitable trusts not limited to the provisions of the Code and Charity Law.

The committee shall arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

Schedule 1

Finance Committee (FC)

(See Trust's Scheme of Delegation)

The Financial duties delegated to the committee, for ultimate approval by the Trust Board, include the following.

1. Monitoring and review of Synergy Multi Academy Trust 's overall financial strategies,
2. Approval of Budget,
3. Monitoring and review of historic, current, and projected levels of revenue and capital income and expenditure across Synergy Multi Academy Trust and performance against budgets and review of the monthly management accounts,
4. Monitoring and review of the current and projected cash position,
5. Approval of income and expenditure contracts in accordance with the Academies Trust Handbook,
6. Ensuring that procurement procedures are being followed correctly,
7. Approval of all banking, funding, and investment arrangements,
8. Advising on the financial implications of the acquisition and disposal of all assets including land and property, and proposals for the development of Synergy Multi Academy Trust's estate,
9. Monitoring the adequacy and effectiveness of the academy's systems of internal financial control for ensuring operational economy, efficiency, effectiveness,
10. Recommendation of approval of the annual financial statements,
11. Monitoring and advising on any alleged fraud and irregularity in the academy's financial and other control systems and ensuring that all allegations of fraud and irregularity are properly followed up,
12. Advising on changes in financial regulations.

Audit and Risk Committee (ARC) Terms of Reference

Constitution, Remit and Responsibilities

The Audit and Risk Committee is a committee established by the Board of Trustees of the Synergy Multi Academy Trust (the Board) to:

- To maintain an oversight of the Trust's financial and non-financial, governance, risk management, internal scrutiny, and control systems.
- Undertake the 'overview, accountability and assurance' responsibilities linked to all Audit related matters.
- Undertake the key Trust Board responsibilities detailed in the DfE Academy Trusts Handbook including Financial Risk (see SOD).
- Act as the general Audit and Risk Committee (see SOD).
- Determine the potential risks facing the Trust; related finance matters are determined and assessed in relation to the Board's risk appetite.

- Risk control measures are in place and are impactful in reducing levels of perceived risk.
- Ensure Health and Safety related risks are effectively managed across the Trust.
- To report its findings termly and annually to the Trust Board and the Accounting Officer (AO) as a critical element of the Trust's annual reporting requirements.
- The Audit and Risk Committee has no executive powers or operational responsibilities/duties.

Membership

There are two categories of membership of the committee, both of which are suitably authorised and appointed by the Synergy Multi Academy Trust Board;

Full Members - non-employees who are also Trustee Directors of the Synergy Multi Academy Trust Board, (Minimum 3) and who may vote on all matters discussed or brought before the committee.

Full Members– non-employees who are members of a Local Governing Body of one of the Trust’s academies (Maximum 1).

Associate Members - who may not vote on Financial Audit matters (nor on any other matters if so decided by a majority of the Full Members present, and may also be asked to withdraw from the meeting in such circumstances) but are nevertheless permanent members of the committee who may attend as and when other commitments allow. They include the Synergy Multi Academy Trust CEO, the Synergy Multi Academy Trust CFO and the Synergy Multi Academy Trust Deputy CEO (Secondary and Primary).

The membership of the Audit and Risk Committee will comprise a minimum of 3 Trustees.

The Chair of the Academy Trust Board and the Chair of the Finance Committee shall not serve as Chair of the Audit and Risk Committee.

In the absence of the Committee Chair, any committee Member shall chair such meeting.

At least one member of the Audit and Risk Committee should have recent or relevant accountancy, or audit assurance, experience.

Staff employed by the Trust may be invited to attend the Audit and Risk Committee to provide information and participate in discussions but should not be members of the committee, will be separate to the Finance Committee and not have overlapping membership.

Any Trustee may attend a meeting of the Audit and Risk Committee, including those who are not members of the Audit and Risk Committee.

The Chief Executive Officer/Accounting Officer and Chief Financial Officer should also attend meetings.

Resignation and removal

A person serving on the Audit and Risk Committee shall cease to hold office if:

He/she resigns their office by giving notice in writing to the Clerk or Chairman

The Trustees terminate the appointment of the Committee member, whose presence or conduct is deemed by the Trustees, at their sole discretion, not to be in the best interests of the Trust.

Quorum

The quorum necessary for the transaction of business shall be three full members or where greater, any one third (rounded up to a whole number) of full members.

Frequency of meetings

Meetings shall be held at least three times per year and on the basis of a pre-determined timetable agreed by the committee in meeting. Additional meetings may be held in order to meet urgent business requirements, upon notification to the Clerk to the Board of Trustees or to the committee Chair of any Full or Associate Member supported by at least 2 other Full or Associate Members.

Agendas and Notices of Meetings

Agendas shall be prepared by the Clerk to the Board of Trustees and approved by the committee Chair prior to issue. Agendas will always contain items such as apologies, determination of quoracy, declarations of interest, approval of the previous minutes and matters arising from the previous minutes. Inclusion of any other item may be requested by any Full or Associate Member, such inclusion being at the discretion of the committee Chair.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each Full and Associate Member of the committee and to the Chair of the Synergy Multi Academy Trust Board, no later than five working days before the meeting.

Proceedings of Committee meetings

Full Member present in person or via TEAMS shall be entitled to one vote.

Resolutions are passed by a majority vote of the Full Members

Where there is an equal division of votes the Chair shall have a further casting vote.

A register of attendance shall be kept for each Committee meeting and published annually.

Authority

The Committee is authorised by the Trust Board to:

Carry on any activity authorised by these terms of reference; and

Seek any appropriate information that it requires from any officer of the Trust and all officers shall be directed to co-operate with any request made.

Minutes of meetings

The Clerk to the Board of Trustees shall minute the proceedings and decisions of all meetings of the committee, including recording the names of those present and in attendance, and prepare minutes for distribution.

Minutes shall be approved and signed by the committee Chair prior to distribution, and the committee Chair will determine the distribution, which will always be to all Full Members and to the Chair of the Synergy Multi Academy Trust Board (whether present at the meeting or not), will normally be to all Associate Members and may be to others present (in full or in part), depending on interests in matters discussed and requirements to ensure appropriate confidentiality.

The minutes of meetings of the committee shall be considered at the next Synergy Multi Academy Trust Board meeting following distribution.

Reporting Responsibilities

The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The Audit and Risk Committee will:

- Oversee the Trust's risk register and, on the advice of the CEO/accounting officer and CFO, conduct a regular review of risks.
- Take delegated responsibility on behalf of the Board of Trustees for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the Trust is complying with the overall requirements for internal scrutiny, as specified in the Academies Trust Handbook.
- Agree an annual programme of internal scrutiny with the Trust's internal auditors for checking financial systems, controls, transactions, and risks.
- Ensure that the programme of internal scrutiny delivers objective and independent assurance.
- Provide assurance to the Trust Board that risks are being adequately identified and managed.

- Advise the Trustees on the adequacy and effectiveness of the Academy Trust's systems of internal control and governance processes, securing economy, efficiency, and effectiveness (value for money).
- Consider the appropriateness of executive action following internal audit/internal scrutiny reviews and to advise senior management on any additional or alternative steps to be taken.
- Advise the Trust Board on the appointment, reappointment, dismissal, and remuneration of auditors (both external auditors and internal scrutiny providers).
- Monitor the effectiveness of auditors.
- Review the findings of the external auditors and agree any action plan arising from it.
- Ensure there is co-ordination between internal scrutiny and external audit and any other review bodies that are relevant.
- Ensure that additional services undertaken by the auditors are compatible with the audit independence and objectivity.
- Consider the reports of the auditors/scrutineers and, when appropriate, advise the Trust Board of material control issues.
- Encourage a culture within the Trust whereby each individual feels that he or she has a part to play in guarding the probity of the Trust and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the Board of Trustees.
- Will ensure information submitted to DFE that affects funding, including pupil number returns and funding claims (for both revenue and capital grants) completed by the Trust is accurate and in compliance with funding criteria.

Other matters

The committee shall have access to sufficient resources in order to carry out its duties.

The committee shall give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of Directors of charitable Trusts not limited to the provisions of the Code and Charity Law.

The committee shall arrange for periodic reviews of its own performance and, at least annually, review its constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

Schedule 2

The general **audit, risk and internal control** duties for ultimate approval by the Trust Board, include the following:

1. Ensuring that there a programme of work annually to deliver internal scrutiny that provides coverage across the year
2. Ensuring that there is a programme of work driven and agreed by the audit and risk committee, and informed by risk (the risk register)
3. Ensuring that the recommendations of internal scrutiny and other assurance activities (including DFE, financial management and governance reviews, funding audits and investigations) are being addressed
4. Ensuring that an internal scrutineer independent and suitably qualified and experienced (*not* the accounting officer, chief financial officer, or other members of the finance team), is appointed internally or outsourced.

16. Appendix 2 – VAT Policy

1 Background

1.1 The purpose of this policy and associated procedures is to ensure that the Synergy Multi-Academy Trust ("the Trust") maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of the Trust's Funding Agreement with the Department for Education (DfE).

1.2 The policy covers all aspects of tax and VAT in relation to the Trust, including the ways these are impacted by its charitable status. This also includes the way costs are classified or apportioned as business / non-business use.

1.3 This policy relates to the Trust and all of its academies. Adherence to the principles and procedures contained in this policy is mandatory for all staff.

1.4 This policy is designed to be consistent with:

- Academies Trust Handbook
- Trust Articles of Association / Constitution
- Master and Supplemental Funding Agreements
- HM Treasury's "Regularity, Propriety and Value for Money".

1.5 This policy is an appendix to the main Trust Finance Policy.

1.6 The requirement for VAT registration is determined by reference to the nature of and total value of goods and services provided by the Trust's business and non-business activities.

1.7 The Trust acknowledges that VAT legislation is a complex area requiring careful consideration and that errors can potentially lead to charges of interest and penalties. Detailed information regarding the rules for charging and reclaiming VAT can be obtained from the HMRC website www.hmrc.gov.uk/vat/index.htm or via the HMRC VAT helpline 0300 200 3700.

1.8 The Trust's auditors and/or finance service providers may also be contacted for guidance and answers to general and specific queries.

Date Policy approved:		Chair of Trust Governing Body:	Chair of Trust Finance Committee:
Date of next review:		<i>Signed:</i>	<i>Signed:</i>
		<i>Print name:</i>	<i>Print name:</i>

16. Appendix 2 – VAT Policy cont'd

2 VAT Registration

2.1 Registration for VAT purposes is required if the turnover of taxable supplies (i.e. business activities; standard, reduced and zero rated) exceeds a limit determined by HMRC within any twelve-month rolling period (£90,000 current limit).

2.2 The Trust is not currently registered for VAT.

2.3 The Trust will carry out a monthly check of the total taxable supplies to ensure that turnover limits are not exceeded.

2.4 Where turnover limits are exceeded, the Trust will register for VAT and account for VAT from the date of the requirement to register, in accordance with VAT legislation, even if the Trust has not received a registration number and certificate from HMRC. In such circumstances, the Trust will then review its responsibilities upon receipt of its registration number.

2.5 The Trust has the option to register voluntarily for VAT if taxable supplies are below the set turnover limit. The Trust will then account for VAT from the date of application, in accordance with VAT legislation.

3 Charging VAT

3.1 The Trust is not VAT registered and, therefore, VAT must not be added to invoices raised relating to services provided by the Trust or any of the academies within it.

3.2 The Trust has the following types of non-business and business income:

Non-Business Income: Outside of scope

- free education
- donations
- grants
- supplies closely related to education at or below cost e.g. School trips considered to be for educational purposes, supplies of materials necessary for the provision of education
- catering / meals for pupils.

Business Income: Taxable

- consultancy services provided to other schools
- school uniform sales
- discos
- school performances and productions not qualifying for cultural exemption
- sports centre / facilities income not directly related to or included in charges for the sports being undertaken
- hire of equipment

16. Appendix 2 – VAT Policy cont'd

- staff and guest meals and other catering
- photocopying and private telephone calls
- school trips not considered to be for educational purposes
- minibus hire.

Business Income: Exempt

- lettings (criteria must be met)
- charges for educational secondment
- charges for vocational training, e.g. teacher training provided
- sports centre income directly related to sports service
- school performances and productions qualifying for cultural exemption.

4 School Trips

The Trust will consider each proposed school trip to determine whether the trip is for educational purposes, designed to supplement the curriculum. Where the Trust determines that a school trip is not for educational purposes the trip will be deemed a taxable business supply falling under the Tour Operators Margin Scheme (TOMS).

5 Paying and reclaiming VAT

5.1 When charged VAT, it will be paid in full by the Trust.

5.2 The Trust is able to recover VAT in relation to costs (inputs) attributable to non-business activities, even though it is not VAT registered.

5.3 VAT cannot be recovered for business activities. Business activities are those activities designed to generate income that are not part of, or closely related to, the free provision of education by the school. Supplies associated with business activities will either be taxable or exempt.

5.4 The Trust will record within its Financial Management System the types of income and costs being incurred and whether these are non-business, taxable business or exempt business supplies.

5.5 Non-Business related VAT will be reclaimed monthly from HMRC using form VAT126 backed up by a detailed breakdown of the claim, in one single claim for all schools and other entities within the Trust.

A VAT126 claim will be submitted to HMRC on a monthly basis in accordance with the following:

- claims will not include invoices dated earlier than the date of conversion
- VAT returns will not include invoices dated after the period covered by the return

16. Appendix 2 – VAT Policy cont'd

- the Trust has determined that both non-business and business activities are being undertaken. The input tax (costs) relating to these activities will not be fully recoverable. As such, the Trust will need to calculate how much input tax can be reclaimed using a fair and reasonable apportionment method.

6 Apportionment

6.1 Where costs are incurred for both business and non-business activities, the VAT will be apportioned on a fair and reasonable basis.

6.2 The Trust is free to choose a suitable approach to apportionment, which is simple to understand and operate and is consistently applied.

6.3 HMRC will be advised of the apportionments used in each claim (detailed workings are not required).

6.4 Revenue and capital expenditure attributable to both business and non-business activities have been identified and the input VAT apportioned as follows:

All Expenditure	% of 'Business Income' to 'Total Revenue Income' (2025/26 Business Income represents 0.32% of Total Revenue Income)	To ensure that the VAT apportionment for business activities is reflected in the monthly VAT 126 submission, the monthly claim is reduced by 0.5%
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7 Charitable status

7.1 As a charity, the Trust qualifies for certain zero rating reliefs as described in the VAT guidance for charities and not-for-profit organisations issued by HMRC. Where conditions are met, the Trust will provide suppliers with a certificate of eligibility in order to qualify for the relief.

Examples of the types of supply that may qualify for relief are:

- the construction of new buildings intended solely for use for a relevant charitable purpose
- aids and facilities for the disabled
- approved alteration to listed buildings used for charitable purposes.

7.2 Income from fundraising events may be classed as exempt supplies where certain conditions apply and the number of events does not exceed 15 in any year. The Trust will regularly monitor the number of events taking place within each year to ensure that exemption remains appropriate.

16. Appendix 2 – VAT Policy cont'd

7.3 The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 (strengthened in Finance Act 2025) and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

8 School Staff Acting as Agents when Making Purchases

8.1 If a purchase is made by a member of staff acting as an agent on behalf of the Trust, prior approval must be obtained before the purchase is made. Any purchases made by staff for which reimbursement is required must go through the appropriate authorisation channels before any reimbursement payment is made to staff. All supporting documentation will be filed with the relevant invoice.

9 Accounting for VAT

9.1 The following documentation should be held as evidence to support a VAT claim:

- VAT Submittal Form
- hard copy of original VAT 126 report before any adjustments are made
- valid VAT invoices
- petty cash claim forms and associated receipts and paperwork
- details of income received including sales invoices and listing of direct receipts for which sales invoices have not been raised (the date of receipt will be the tax point)
- details of any apportionment calculations
- copy of any adjustments made
- hard copy of signed submitted VAT126 report after adjustments have been made.

17. Academies Trust Handbook

Any employee as part of their roles and responsibilities that are referring to this document must also have an understanding and knowledge of the Academies Trust Handbook. If the Academies Trust Handbook differs substantially from these procedures, please bring it to the attention of the central finance team. The link to the Academies Trust Handbook is below.

<https://www.gov.uk/government/publications/academy-trust-handbook/academy-trust-handbook-2025-effective-from-1-september-2025>

18. Amendments to the Document:

A document of changes to this policy has been prepared and submitted with the revised version of this document for approval by the Trust Board.

The Synergy Multi Academy Trust Finance Policy

This Policy has been approved by the Trust Board

Signed.....

Name... J Macadam.....

Date:.....

Chair of the Trust Board

Signed

Name.....A Ogle.....

Date:.....

Chief Executive Officer