

Ascend Learning Trust

Financial Responsibilities & Procedures AY23-24

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Date Ratified: 27/09/2023

Version Number: 3

Policy Type: Trust Policy

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Part One

Policy Statement for Ascend Learning Trust

The objective of this document is to set guidelines for the establishment of sound and effective financial procedures and compliance with the financial requirements specified in the Trust funding agreement with the Department for Education (DfE).

The Trust and all schools that fall within the Trust aim to operate in a transparent, ethical and accountable way which will promote effective management.

The Trust will ensure that there are adequate systems of financial control which conform to the requirements of both propriety and good financial management developed and maintained across the Trust.

The Trust must comply with the principles of financial control outlined in the Academy Trust Handbook published by the DfE, the Master and Supplemental Funding Agreements and HM Treasury's "Regularity, Propriety and Value for Money".

This policy document must be adhered to by all schools within the Trust and should be read by any staff involved in any financial transaction.

1. ORGANISATION

Ascend Learning Trust (ALT) is a Multi Academy Trust. The Trust is a company limited by guarantee with charitable status and all schools within ALT are governed by one Trust (the Members) and a board of Trustees.

There shall be a maximum of 5 and minimum of 3 Members of the Company.

The Members shall appoint up to 9 Trustees, of whom:

- one (1) shall be the ALT Chief Executive (ex-officio)
- eight (8) shall be appointed by the Members by majority in respect of their skills, knowledge and experience.

The Trustees can appoint up to 3 Trustees by majority in respect of their skills, knowledge and experience.

Two Parent Trustees must be elected or appointed if there are not 2 Parent Governors on each Local Governance Committee.

The Board to operate as specified in the Articles of Association.

The Trustees shall establish a Finance, Audit and Risk Committee (FAR) to provide oversight, monitoring and control of the financial situation, plans, policies and budgets of ALT and its constituent individual schools, and oversee the policy framework for staffing, H&S, staffing, premises and IT in all the schools.

2. **DELEGATED AUTHORITY RESERVED TO THE TRUST**

The delegated authority over different categories of financial transactions is set out below from the ESFA:

Liabilities and write-offs

Academy Trusts may write off debts and losses, including any uncollected fines up to the following delegated limits:

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

In relation to these limits, the amounts for write offs are before any successful claims from an insurer and total income is defined as grant income as disclosed in the Trust's last set of audited accounts.

Beyond these limits the Trust must seek and obtain explicit and prior approval of the Secretary of State (through the ESFA) to the transaction.

ALT reserves the ability to write off all debts and losses wherever incurred.

Severance Payments

If the Trust is considering making a staff severance payment above the contractual entitlement, it must consider the following issues:

whether such a payment is justified, based on a legal assessment of the chances of the Trust successfully defending the case at tribunal. If the legal assessment suggests a better than even chance of winning, there is no rationale for settling the case. But where the case will be lost, there is a justifiable rationale for the settlement
if the settlement is justified, the Trust would then need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g., an Employment Tribunal) is likely to award in the circumstances

Special severance payments should not be made where they could be seen as a reward for failure, such as dismissal for gross misconduct or poor performance. The only acceptable rationale in the former case would be where the claimant will win an Employment Tribunal claim because of employment law procedural errors. In the latter, an acceptable comparison would be the time and cost of taking someone through performance management and improvement procedures.

If the Trust is considering making a compensation payment it must consider whether the proposed payment is based on a careful appraisal of the facts, including legal advice and that value for money will be achieved. It is also good practice as a Trust of course to consider whether particular cases reveal concerns about the soundness of the control systems; and whether they have been respected as expected. It is also important to take any necessary steps to correct identified control and procedural failings.

Where the Trust is considering making a special staff severance payment or compensation payment of £50,000 or more above contractual entitlement, prior approval will need to be sought from HM Treasury, via the ESFA, before any such payment can be made. The Trust in this situation should speak to their ESFA contact at the earliest opportunity to discuss.

Any severance payments within the Trust would be approved by the Board based on a Business Case provided by the Director of HR and CFO and endorsed by the CEO.

Asset sales, leases and tenancy agreements

There are two types of lease, as defined under relevant financial reporting standards. There are finance leases (which are a form of borrowing) and there are operating leases (which do not involve borrowing).

Academy Trusts, via the CFO, must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following leasing transactions:

- taking up a finance lease on any class of asset for any duration from another party, as this would represent borrowing
- taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of more than five years
- granting a leasehold or tenancy agreement on land or buildings to another party for a lease term of more than five years

Academy Trusts may take out and grant other types of lease (i.e. other than finance leases, leaseholds and tenancy agreements as described above), without the Secretary of State's approval. For the avoidance of doubt this means that operating leases on assets that are not land and buildings do not require the Secretary of State's approval. Leases should be disclosed in Trusts' annual accounts in accordance with the Academies Accounts Direction.

If an academy Trust does wish to enter into a lease that requires the Secretary of State's consent, then the Trust CFO will need to contact the ESFA in the first instance. Trusts must ensure that any lease arrangement maintains the principles of regularity, propriety and value for money, whether or not the approval of the Secretary of State is required.

3. REGISTER OF INTERESTS

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all Members, Trustees, members of Local Governance Committees and staff who can influence financial decisions, or spending powers, are required to declare any financial interests they have in companies or individuals from whom the Trust may purchase goods or services.

The register is open to public inspections and should include all business interests such as Trusteeships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the Trust. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a Member, Trustee, Governor or a member of staff by that person. Relationships with connected parties will require high standards of accountability and transparency. Disclosure requirements extend to positions of control in other Trusts and charities.

All relevant business and pecuniary interests of Members, Trustees, Local Governance Boards of academies within ALT and senior employees must be published on the Trust's website and individual school and academy websites.

The existence of a register of business interests does not, of course, detract from the duties of members, Trustees, Members of local governance committees and staff to declare interests whenever they are relevant to Trustees being discussed by any committee. Where an interest has been declared, Members, Trustees, members of Local Governance Committees and staff should withdraw from that part of any committee or other meeting.

All Trustees and staff who can influence financial decisions or spending powers will be required to make a declaration of business interests on appointment and at the commencement of each academic year, or when such interest arises.

4. ROLES AND RESPONSIBILITIES

The main responsibilities of the Trust are prescribed in the Funding Agreements with the ESFA.

The key responsibilities include:

- ensuring that grants from the ESFA are used only for the purposes intended
- approval of the annual budget
- balancing its budget from year to year
- production of an Annual Report and Accounts
- appointment of auditors
- compliance with the Trust Financial Handbook, ESFA Academies Guidance issued from time to time and specific ESFA Academy reporting requirements;
- appointment of a Chief Executive (as Accounting Officer)
- appointment of the Chief Finance Officer in conjunction with the Chief Executive

ensure regularity, propriety and value-for-money in relation to the management of public funds. All Trustees shall complete a Declaration of Interest form on appointment and annually at the first board meeting of each academic year.

Subject to provisions of the Companies Act 2006, the Articles and to any directions given by special resolution, the business of the Company will be managed by the Trustees who may exercise all the powers of the Company.

The Academy Trust has defined the responsibilities of key committees and staff involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees, members of local governance committees, and staff. The Committees that have responsibilities relating to the Academy finances are as follows:

Trust Board

Finance, Audit and Risk and Committee (FAR)

The main responsibilities of these Committees are set out in written terms of reference. The following sections summarise the responsibilities of those individuals with key roles in the administration and accountability of the Trust finances.

Lloyds TSB are the appointed the principal bankers for The Trust.

All BAC's and cheque payments made by the Trust will be in accordance with the bank mandate, which is agreed by the Board, and will require 2 signatories for any transaction.

The opening and closing of bank accounts must be authorised by the Trust Board and undertaken in conjunction with the agreed Bank Mandate.

4.1 ROLE OF THE CHIEF EXECUTIVE

The Chief Executive has overall responsibility for the Trust's activities including all financial activity. As the Accounting Officer for the Trust, the Chief Executive is personally responsible for:

- propriety and regularity of the public finances for which they are answerable. This covers standards of conduct, behavior and corporate governance
- keeping of proper accounts
- prudent and economical administration
- avoidance of waste and extravagance
- ensuring value for money
- efficient and effective use of all available resources
- management of opportunities and risks

The essence of the role is a personal responsibility for:

Regularity - dealing with all items of income and expenditure in accordance with legislation, the terms of the Trust's funding agreement, this Handbook and

compliance with internal Trust procedures. This includes spending public money for the purposes intended by Parliament;

Propriety – the requirement that expenditure and receipts should be dealt with in accordance with Parliament’s intentions and the principles of Parliamentary control. This covers standards of conduct, behaviour and corporate governance;

Value for money – this is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the Trust’s charge, the avoidance of waste and extravagance, and prudent and economical administration. A key objective is to achieve value for money not only for the Trust but for taxpayers more generally.

The Trust is required to produce a statement each year within the annual financial statements explaining how the Trust has secured value for money.

In practice, the majority of the financial responsibility is delegated to the CFO but the CEO still retains overall responsibility as Accounting Officer for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the Trustees have agreed should be approved by them
- authorising orders and contracts and signing these in conjunction with other authorised signatories in accordance with the agreed Scheme of Delegated Authority (Appendix A)
- reviewing budget plans in conjunction with the CFO and Headteachers
- ensuring financial reports are submitted to the Board of Trustees in line with the Trust Financial Handbook
- ensuring any actions resulting from the annual and internal audit processes are implemented

4.2 ROLE OF THE CFO

The CFO works in close collaboration with the Chief Executive and has direct access to the Trustees.

The main financial responsibilities of the CFO are:

- oversight of the day-to-day management of financial issues including the establishment and operation of a suitable accounting system for the Multi Academy Trusts central finance area
- management of the Trust Central Finance Team and linked Enterprise Limited staff
- management of ALT and ALT Enterprise Ltd financial positions at a strategic and operational level within the framework for financial control determined by the members and Trustees
- preparation of budget plans in conjunction with the CEO, Director of HR and Headteachers

- the maintenance and implementation of effective systems of internal financial control
- liaising with internal and external auditors to ensure that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust
- the preparation of regular management accounts, including income and expenditure reports, cash flow forecasts and a balance sheet for all schools within the Trust
- ensuring forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance
- procurement across the Trust
- contract management and alignment to ensure Value for Money
- management of Capital, Fixed Assets and Asset Management Planning
- additional roles, some of which are not directly finance related, as outlined in CFO job description

4.3 THE ROLE OF THE TRUST CENTRAL FINANCE TEAM AND BUDGET HOLDERS

Other members of staff, primarily the Trust Central Finance Team, School Office/Resource Managers, and departmental budget holders, will have some financial responsibilities and these are detailed in following sections of this manual. All staff, irrespective of post held, are responsible for the security and condition of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources, and for conformity with the requirements of the Trust's financial procedures.

5. FINANCIAL PLANNING

The Trust prepares both medium term and short-term financial plans.

The medium-term financial plan is prepared as part of the strategic planning process. The Trust Strategic Aims and the individual Academy Improvement Plan, Estates Development Plan and IT Development Plan, indicate how the Trust's educational and other objectives are going to be achieved within the expected level of resources.

These plans provide the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Trust and the planned use of those resources for the following 3-5 years.

The strategic planning process and the budgetary process are described in more detail below.

5.1 THE TRUST STRATEGIC AIMS

Student Outcomes

Leadership & Management

- ~ Curriculum
- ~ Teaching & Learning
- ~ Community

Infrastructure

- ~ Estates
- ~ IT
- ~ Health & Safety

Workforce

- ~ Recruitment & Retention
- ~ Wellbeing & Mental Health
- ~ CPD

- ~ Governance
- ~ Alignment
- ~ Growth

Central Support Systems

- ~ Professional Services
- ~ Applications and/or Systems
- ~ Communication

The Trust financial strategy is concerned with the future aims and objectives of the Trust and how they are to be achieved; that includes matching the Trust's aims 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.

The form and content of the 3-5 year strategic plan are matters for the Board to decide but due regard should be given to the matters included within the guidance to Trusts and any annual guidance issued by the DfE and ESFA.

Each year the CEO will propose a planning cycle and timetable which allows for a review of past activities, aims and objectives.

5.2 ANNUAL BUDGETS

Annual budgets will reflect the best estimate of the resources available to the Trust and each constituent school for the forthcoming year and how those resources are to be utilised. There should be a clear link between the Academy Improvement Plan objectives, curriculum planning, Estates and IT development plans and the budgeted utilisation of resources.

The published budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of ESFA grant receivable
 - review of other income sources available to the Trust and constituent schools within the Trust to assess likely level of receipts
- review of past individual performance against budgets to promote an understanding of the Trust cost base
- identification of potential efficiency savings
- use of ICFP (integrated curriculum financial planning), matching educational needs of the pupils by assessing the affordability of the curriculum

- review of the main expenditure headings in light of the strategic aim objectives and the expected variations in cost, e.g., pay increases, inflation and other anticipated changes
- liaising with external agencies including major suppliers to ensure that the Trust's best financial interests are met

Individual academy plans and budgets will need to be revised until income and expenditure are in balance, and if this is not possible, a detailed summary and recovery plan will be required for the CFO and CEO. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding.

If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available.

If a potential surplus is identified at an individual academy within the Trust, this will be held as part of the shared Trust Reserve as a contingency or alternatively carried forward in the Trust to invest in the future. The Reserves Policy details the approach the Trust takes towards surpluses.

It will be the responsibility of the Finance, Risk and Audit Committee (FAR) to recommend for approval to the full board an annual budget for the Trust and constituent schools. Such approval should be clearly minuted in sufficient time to allow prompt submission of aggregated plans to the ESFA and should be accompanied by a statement of assumptions and explanations behind the plan so that if circumstances change, it is easier for all concerned to take remedial action.

The CFO, in conjunction with the CEO, is responsible for preparing and obtaining approval for the Trust annual budget, which aggregates the all the budgets within the Trust. The budget must be approved by the Board.

The approved aggregated budget must be submitted to the Education Funding Agency (ESFA) by 30 July each year or at a date specified by the ESFA, and the CFO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

Budgets should be seen as a working document which may need revising throughout the year as circumstances change to produce outturn forecasts. Formal budget and outturn forecasts reviews will be undertaken in February annually and will be based on the rolling monthly forecast provided within the management accounts.

The Trust has the freedom to amalgamate a proportion of General Annual Grant (GAG) funding for all its academies to form one central fund, known as GAG pooling, with the exception of Private Finance Initiative (PFI) funding (Trust Financial Handbook section 5.29). This fund can then be used to meet the normal running costs at any of the academies within the multi-academy Trust in accordance with the guidelines that govern the use of GAG funding. The Trust will need to formulate an appeals

mechanism, as per the Academy Trust Financial Handbook 5.31, if there is a decision to pool the Annual Grant. Currently this is not the case for ALT.

5.3 MONITORING AND REVIEW

Budget monitoring reports are produced in which variances are highlighted for discussion and appropriate action. Monthly reports will be prepared for the Trust and the constituent academies. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Headteachers and a copy will be provided to the Chief Executive, Chair and Chair of Finance, Audit and Risk Committee.

Reports will also be produced by the CFO at consolidated level for the Trustees of the Trust.

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. Any potential overspend against budget must be discussed with the Headteacher and CFO, who will then liaise with the CEO if required.

The ESFA previously set limits on the amount of GAG that could be carried forward from one year to the next. These limits have now been removed so that academy Trusts have the freedom to retain money for when it is needed most and to build up reserves, for example for long-term capital projects.

The DfE expects academy Trusts to use their allocated funding for the full benefit of their current pupils. Therefore, it is important that, if the Trust has a substantial surplus, it has a clear plan for how it will be used to benefit both current pupils and to provide financial security for future pupils.

The ESFA will also verify the sums of unspent funds when it checks the Trust's accounts and highlight and report, to the relevant DfE Boards, any cases where it has serious concerns about a long-term substantial surplus with no clear plans for use.

5.4 FINANCIAL DEVIANCE

The ALT protocol is for all constituent schools to have a reasonable level of autonomy in their operation. However, the ALT Executive Team and the Board recognises that financial and operational autonomy are areas of highest risk to the overall efficient and effective functioning of ALT as a whole.

Therefore, as these are the areas that need to be addressed immediately in terms of effective monitoring and evaluation, each constituent school will have a financial RAG rating (assessed formally 3 x per annum at the start of each new term and based on criteria agreed with the Trust Executive Team and Trustees) in order that accurate assessment of each school's position in relation to these two areas is made. Therefore, identification of any issues to be addressed is timely and accurate and plans for remedial action are structured and are likely to be more successful.

Different schools will be more or less successful in managing their budgets and in reacting to adversity caused by sudden changes and/or unexpected difficulties. It is the role of the CFO, CEO and the Finance, Audit and Risk Committee to identify what is happening, whether there are remediable issues or not, and what would be most effective remedial action.

Any reductions in operational or financial autonomy will be situation dependent and decided by the CEO and the Finance, Audit and Risk Committee with advice from the CFO.

6. PROCESS FOR INDEPENDENT CHECKING

Every academy Trust must have in place a consistent and agreed process for independent checking of financial controls, procedures, systems, transactions and risks.

The Financial Audit and Risk Committee for the Trust, along with the appointed internal auditor, undertake the process for independent checking of financial controls, procedures, systems, transactions and risks.

The committee will review the risks to internal financial control at the Trust and agree an annual programme of work that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors.

This programme will be managed through by employing an internal audit service.

6.1 INVESTIGATION OF FRAUD AND IRREGULARITY

The personal responsibilities of the Accounting Officer extend to the prevention of loss through fraud and irregularity. However, in addition to the Accounting Officer's responsibilities, the members of a Trust are also responsible for preventing such losses of public funds, and this means that members, Trustees and members of local governance committees must be aware of the risk of fraud and irregularity to occur within their organizations and they must, as far as possible, address this risk in their internal control and assurance arrangements by putting in place proportionate controls. The Trust is also responsible for ensuring appropriate action is taken where fraud and irregularity is suspected or identified. The Trust Anti-fraud Policy outlines the actions for dealing with risk of significant fraud or corruption.

All instances of fraud or theft committed against the Trust, whether by employees or members of local governance committees or third parties, above £5,000 must be reported by the Trust to the ESFA. Any unusual or systematic fraud, regardless of value, must also be reported.

The ESFA reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any academy either as the result of a formal notification from the Trust itself or as the result of other information received.

6.2 APPOINTMENT OF EXTERNAL AUDITORS

The Trust is required to prepare the annual financial statements and to submit them for an annual audit. This means that appropriately qualified external auditors need to be appointed. The appointment should be for a three-year period renewable at the discretion of the Trust.

The auditors are required to give an opinion on:

- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the ESFA
- proper accounting records have been kept by the Academy throughout the financial year
- Regularity - if anything has come to their attention which suggests that in all material respects the expenditure disbursed and income received during the period of account has not been applied for the purposes intended by Parliament
- grants made by ALT have been applied for the purposes intended

The Trust should arrange for on-going monitoring of the performance of the auditors to be undertaken by the Finance, Audit and Risk Committee.

Part Two

Financial Procedures Overview

7. ACCOUNTING SYSTEM

The Trust is registered annually under the 1988 Data Protection Act. The registration will require a single Data Controller to be named. The named Data Controller for the Trust is Caroline Harrison.

All the financial transactions of the Trust must be recorded on the Access Finance accounting system administered by the Trust Central Finance Team and Finance Administration staff across the Trust and overseen by the CFO. In addition, each academy will run an appropriate system to record 'other income' e.g. wrap around care, nursery fees, cashless catering.

Financial records are required to be kept for at least six years. This is a requirement laid down by Her Majesty's Revenue and Customs (HMRC).

7.1 SYSTEM ACCESS

The Access Finance accounting system, and the Access Budget system are protected by access permissions for authorised staff. Access permissions should be strictly controlled and individual log-ins and passwords must not be compromised or shared. Access to financial and budgeting systems should be restricted, and the CFO is responsible for determining the access levels for all members of staff using the systems.

All leavers with previous access to the Access Finance and Access Budget systems must have their permissions formally removed as soon as possible following the termination of a contract.

7.2 BACK-UP PROCEDURES

The CFO is responsible for ensuring that there are effective back up procedures for the system, but to note that Access is fully cloud based.

The CFO should also prepare a business recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by governors of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks.

7.3 TRANSACTION PROCESSING

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this document. The overview procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in following sections of the document. All journal entries must be documented in Access Finance, with any supporting documentation scanned into the system. Bank transactions will be input by the Trust Central Finance Team and the input should be checked, and signed to evidence this check, by the relevant finance manager, to ensure segregation of duties.

Detailed information on the operation of the Access Finance and Access Budget systems can be found in their respective user manuals.

Detailed role descriptions are available for the Trust Central Finance Team to evidence segregation of duties. Additional information on levels and limits for transactions is available in Appendix A.

7.4 TRANSACTIONS REPORTS

The CFO will obtain, and review with the Trust Central Finance Team, system reports to ensure that only regular transactions are posted to the accounting system. The reports obtained and reviewed will include:

- monthly payroll reports
- bank statement reconciliations
- monthly credit card statements
- petty cash checks
- VAT returns
- Debtor and Creditor listings
- Accruals and Prepayments schedule
- management accounts summarising expenditure and income against budget at budget holder level

7.5 RECONCILIATIONS

The CFO is responsible for ensuring the following reconciliations are performed at Trust level each month by the Trust Central Finance Team, and that any reconciling or balancing amounts are cleared:

- payroll
- bank balance per the nominal ledgers to the bank statements
- procurement cards (charge cards and Equals card)
- VAT
- trial balance
- intercompany/school transactions

These items will be performed as part of a monthly accounting checklist and must be reviewed and signed off by the CFO.

Any unusual or long outstanding reconciling items must be brought to the attention of the CFO.

8. PAYROLL

The main elements of the payroll system are:

- staff appointments
- payroll administration
- payments

8.1 STAFF APPOINTMENTS

The Headteacher at each school, working with the CFO, Director of HR and CEO must ensure that adequate budgetary provision exists for any necessary establishment staffing appointments and changes prior to offers of change being made. This includes internal staff changes as these will be linked to curriculum plans and ICFP metrics. Any proposed change that will increase costs compared to the agreed staffing budget, will require a business case, outlining benefits of the proposed change, to be submitted to the CEO and CFO prior to recruitment or offer. Both the CEO and CFO will need to agree the change.

The files for each school are maintained by individual schools for all members of staff in the school. All personnel changes must be notified to the HR Team who will inform the external/linked Access payroll service. The central HR team will notify the Trust Central Finance Team of any staffing changes so budget forecasts and the Access budget software can be updated accordingly.

The CEO and Director of HR are responsible for ensuring that the Trust's pay policy is implemented and adhered to and is responsible for ensuring that the statutory obligations around the safer recruitment policy and procedures are administered.

The Director of HR and the central HR team will be responsible for ensuring the maintenance of accurate records on the Access HR system. Schools are responsible for the upkeep of all staff employed at each via the school single central record. The Headteacher will also be responsible for monitoring that the single central record is accurate, fully up to date and complies with all legal requirements.

Personnel information whether on manual files or in a computer system is held under the guidance of the HR Director with access strictly limited to authorised officials only and separately on the Trust and schools MIS computer system (SIMS and Arbor), for which relevant registration under the 1998 Data Protection Act is held.

8.2 PAYROLL ADMINISTRATION

The Trust payroll is administered by the Access Group. Amendments to payroll data, e.g. appointments, resignations, pay changes and overtime, are processed via the central HR Team who then liaise with Access payroll. All casual working and overtime claims must be checked and confirmed by a budget holder when processed via the HR Access Portal. A published calendar is provided to all school Office/Resource Managers for awareness of payroll cut-off and processing dates.

The Trust Central Finance Team are responsible for checking the produced payroll variance report against staffing budget within the Access budget software. The Trust Central Finance Team will reconcile the payroll files via the Access budget software and will report on variances over 5% to budget, reporting to Headteachers, the Head of HR and CFO where significant variances are found so that these can be investigated.

The Trust has a responsibility for ensuring that all payments to individuals are subject to tax and national insurance deductions where appropriate. In order to achieve this, the following guidelines should be followed:

- an assessment must be made as to whether the individual is providing a contract of service (i.e. employed) or a contract for services (i.e. self-employed) under the IR35 Guidelines
- if considered to be a contract of service, the individual shall be set up as an employee of the school before receiving payment through the payroll
- where an individual seeks payment from the school for a contract for services, this must be in the form of an invoice and will be subject to IR35 checks

Careful attention should be paid to repetitive payments to individuals and the engagement of 'Consultants'.

8.3 PAYROLL PAYMENTS

All staff are paid monthly by bank credit transfer to their bank accounts on the 23rd of the month.

The Access payroll system automatically calculates the deductions due from payroll to comply with legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts paid are summarised on the payroll reports.

The school-based Office/Resource Managers must undertake a check of each individual payment processed on the monthly gross to net reports provided by Access. Any variations should be investigated and reported to the Director of HR and Central Trust payroll team prior to the payroll and payment values being agreed. The Director of HR is responsible for final payroll sign off, giving Access Payroll permission to run the payroll and to take relevant funds from the Trust main bank account.

8.4 STAFF EXPENSES

Staff are expected to claim for work related expenses via the Access Expenses portal. This covers mileage claims (payable at the prevailing HMRC rate) and also any fully receipted claims for allowable expenses (such as subsistence), as outlined in the Staff Expenses Policy. There is guidance on home to work mileage and inter-site travel. The Trust does not reimburse any fines and penalties incurred on Trust business. The Trust does not anticipate that staff will claim for materials or expenses that should have been purchased via the normal purchasing methods and may decline reimbursement if there is not sufficient reason or valid receipts for the ad hoc purchase.

8.5 TRUSTEE AND GOVERNOR EXPENSES

Trustees and Governors are able to use the same expenses claim form as staff and can claim 'reasonable expenses' for mileage and undertaking governance duties. All expenses are paid via BACS into a nominated bank account.

8.6 REVIEW OF STAFF PAY

The Pay Policy gives outline advice on pay awards, timings and process. There is an ALT Pay Review Committee which annually reviews the Pay Policy and pay award values. It also reviews the CEO and Deputy CEO pay.

9. PROCUREMENT

The Trust wants to achieve the best value for money from all our purchases. This means we want to get what we need in the correct quality, quantity and time at the best price possible. A large proportion of their purchases will be paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:

- **Probity:** it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust and constituent academies
- **Accountability:** the Trust is publicly accountable for its expenditure and the conduct of its affairs
- **Fairness:** that all those dealt with by the Trust are dealt with on a fair and equitable basis.

10. PROCUREMENT OF GOODS AND SERVICES

Budget holders will be informed of the budget available to them as soon as possible after the budget is formally ratified and approved by the Board. It is the responsibility of the budget holder to manage their element of the budget and to ensure that the funds available are not overspent. Budget holders are able to access their budget in real time via the Access Workspace screen. In addition a summary report detailing actual expenditure against budget will be supplied to each budget holder by workday 15 in each month. The Finance Managers will be available to School Leaders on a regular basis to review and help with monitoring income and expenditure against budget.

- three quotations should be obtained for all orders between £5,001 and £10,000 for contract values to identify the best source of the goods/services. Written details of quotations should be obtained by budget holders and forwarded to the finance team, using the @finance e-mail address for each school. The finance team will retain these for audit purposes. Telephone quotes are acceptable if these are evidenced, and scanned or email confirmation of quotes has been received before a purchase decision is made
- orders/contracts over £10,001 – will be subject to a Business Case that should be submitted to the CFO (with relevant quotes) for consideration (10 working day turn around required)
- orders/contracts over £50,001 will be subject to a formal Tender process and details of requirements should be discussed with the CFO at least 6 months

prior to the planned tender to allow for areas such as TUPE to be discussed with the HR Director and Board approval to be sought

Further detailed information is available in the Financial Scheme of Delegation in Appendix A.

10.1 PURCHASE ORDERS

The procurement of goods and services is the process potentially most open to abuse or mis-management and it is therefore essential to have strong financial controls to safeguard the school's interests and to ensure staff are fully protected. It is essential that all of the following controls are adhered to:

- orders for goods and services must not be entered into verbally, and unless a Business Charge card or Equals Card has been used, purchase orders should always be used
- all orders for goods and services must be confirmed in writing/email, using an official Purchase Order form, generated from the Access finance system. It is the responsibility of the budget holder to be satisfied that the work, goods, materials or services are appropriate and necessary, that there are adequate funds in the budget for that purpose and that sufficient quotes have been obtained
- requisitions can be made directly via the Access finance system. Uniquely numbered purchase orders will be produced from the Access finance system and will be dispatched to suppliers via email
- the use of Purchase Orders, through the local school system, will enable the Access finance system to automatically update the financial records and enables committed expenditure to be included in management information for users within the whole Trust
- in exceptional circumstances (e.g. emergency repairs) orders may be placed by telephone. In such circumstances a confirmation order should be generated. Orders may be scanned to suppliers, in order to reduce timelines. In such circumstances care should be taken to scan both sides of the official order form, so the supplier receives the school's terms and conditions
- orders may only be used for goods and services provided to the school, private individuals and other organisations may not use Purchase Orders to obtain work, goods, materials or services net of VAT
- orders under £5,001 can be approved by Trust Central Finance Managers, who will be responsible for ensuring that reasonable steps have been taken to achieve Best Value. Best Value could be achieved by:
 - supplier chosen from the list of approved suppliers maintained by the Trust Central Finance Team
 - bulk purchasing of common consumables
 - negotiating discounts
 - taking advantage of sale seasons
 - reviewing evidence of quotations (as supplied via budget holders)

Full information is available in the Appendix A - the Financial Scheme of Delegation.

10.2 BUSINESS CHARGE CARDS

Business Charge cards are held by named cardholders within the Central Finance team, and also by staff in the Wellington Boarding House. The balance on each card will be cleared monthly and does not incur interest. Each cardholder is personally responsible for the safe custody of their card. The card should be held securely at all times and any loss of cards should be reported immediately. Both the cardholder and the Trust Central Finance Team are jointly liable for the integrity of all transactions and proper and controlled use of the procurement card. All receipts must be produced and reconciled monthly to the monthly statement by the Trust Central Finance Team and reviewed and signed off by the CFO.

Monthly statements can be downloaded from the Lloyds portal by Finance Managers. The Trust Central Finance Team will match the statements to receipts and ensure the statements reconcile.

The Finance Managers will check each constituent academy's monthly reconciliation to ensure that the business charge card system is operating correctly. Where the CEO holds a procurement card it must be reconciled and passed to the Chair of the Trustees for signature. The card held by the CFO will be authorised by the CEO.

10.3 INVOICE PROCESSING

When invoices are received, it is essential to check that all the elements of the invoice are correct before passing for payment. An invoice certification sticker will provide evidence that the following checks have been carried out:

- all invoices from suppliers should be sent to the Finance@ mailbox for the relevant school so that the finance team responsible for that school can check the invoice against the Access finance generated order (or equivalent in exceptional circumstances) and the delivery note to evidence the following:
 - a) invoice arithmetically correct
 - b) goods/services received
 - c) goods/services as ordered
 - d) prices correct
 - e) that the invoice has not previously been paid
- invoices will be authorised for payment if they match directly to the already authorised Purchase Order. Any which have discrepancies of more than £5 or 10% whichever is the greater, will be returned to the relevant cost centre budget holder for re-authorisation, and then passed to the academy's finance office for recording and payment through the Access Finance system
- where delivery notes are not produced, then the receipt of goods and services should be recorded on the order form. All discrepancies should be discussed with the supplier of the goods and services without delay
- if any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the school finance team should be notified.

- valuable items that are portable and desirable should be security marked and added to the inventory or asset register immediately, and stored appropriately

10.4 CREATING NEW SUPPLIERS

Any requests for new suppliers will be checked by the Central Finance Team to ensure they are a bona fida supplier, this includes checking with Companies House and HMRC for IR35 purposes. The finance team will send the supplier a form requesting bank details, VAT details (if appropriate) and email address for remittances. Consistency in the setting up of new suppliers is required.

10.5 CHECKING OF SUPPLIER STATEMENTS

All supplier statements should be retained and checked upon receipt against vendor line items. If an invoice number and amount cannot be matched then the supplier should be contacted to provide a copy invoice.

The Trust Central Finance Team will undertake an additional monthly review against the aged creditors list and notify individual academies of any issues identified with the prompt payment to suppliers.

11. RECEIVING INCOME

The main sources of income for the Trust are the grants from the ESFA and Local Authority. The receipt of these sums is monitored directly by the Trust Central Finance Team and is overseen by the CFO who is responsible for ensuring that all grants due to each School are collected.

Schools also obtain income from:

- student teachers from universities and other institutions
- hiring of premises and facilities
- school meal sales
- uniform sales
- students, mainly for trips
- external peer review and support services

Charges can also be made to students to defray the costs of certain activities. Certain curriculum departments generate some income through entrepreneurial activities. Such charges should be made in accordance with the Trust's charging policy.

Premises hire charges are determined by the Headteacher, apart from ALT Enterprise Limited, which will be determined by benchmarking/research to ascertain market rates via the Commercial Manager and will be agreed by the CFO at the start of each academic/financial year.

Bookings and safeguarding processes for school-based lettings are managed by the Office/Resource Manager who will notify the finance team so they can raise appropriate Sales Invoices via the Access Finance system. Office/Resource Managers should ensure that relevant certificates of Insurance Liability are received, along with a booking form.

Nursery income and bookings will be managed via the Nursery Manager and the Assistant Finance Manger linked to the Wellington schools. The nursery income funding transactions and **sales invoices will be recorded on the Connect nursery software**. Agreed and reconciled balances will be moved into the Access finance system on a monthly basis.

Boarding charges will be determined between the Director of Boarding, The Wellington Academy Headteacher and the CFO, taking into account the DfE guidance on managing and charging in state boarding schools, noting that 'It is a requirement for academies and free schools to charge for boarding provision on a full cost recovery basis and must apply a Rate of Return (RoR) of 8% on boarding charges'.

All monies received must be banked, in their entirety, in the appropriate bank account. Any school that collects cash payments needs to demonstrate, to the relevant Finance Manager, the local system of cash recording and verification where cash is collected locally via reception/office/teachers, prior to this being placed in the safe and passed to the Central Finance Team for banking. The collection of cash is seen as a risk and schools should work with the Central Finance Team to put in place on-line payment systems where possible.

The Trust Central Finance Team is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank, sums received via any on-line booking process (including ParentPay) and the sums posted to the accounting system. The reconciliations must be prepared promptly after each month end and must be reviewed and certified by Finance Managers.

All outstanding invoices should be reviewed each month by the Trust Central Finance Team, with debts over 60 days being brought to the attention of the CFO as part of the month end processes. Outstanding balances should be pursued to ensure that the Trust receives all monies due.

12. RECONCILIATION PROCEDURES

It is essential that thorough procedures are in place to ensure that all costs incurred, and income received by the Trust are valid and verify that such amounts are properly receivable/payable. The CFO is responsible for ensuring that controls are in place for these checks to be carried out, and will delegate this role to the Trust Central Finance Team.

The CFO, liaising with the Trust Central Finance Team, is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- **Payroll** – each school will receive monthly payroll reports from the payroll provider to check that transactions for supply staff, casual staff and overtime have been made correctly against authorised claim forms submitted. The Central Finance Team will undertake a monthly reconciliation between the current month's actual expenditure and the budgeted payroll costs. Any variations over 3% should be investigated and reported to the Headteacher,

Director of HR and CFO. The reconciliation should be signed by the CFO to verify the accuracy of the payments made.

- **Bank balance per the nominal ledger to the bank statement** - the CFO must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. The Reconciliation procedures will ensure that the bank accounts are reconciled to the cash book, reconciliations are prepared by the Trust Central Finance Team and are subject to an independent monthly review carried out by the CFO and all adjustments arising are dealt with promptly.
- **Charge cards/Equals cards** - monthly statements can be downloaded from the Lloyds bank portal and the Equals portal. All receipts must be produced and reconciled monthly to the monthly statement by the Trust Central Finance Team and reviewed and signed off by the CFO.
- **VAT** – the quarterly VAT return will be created and checked by the Trust Central Finance Team. It is their responsibility to reconcile the VAT and check the transactions included against Vatable transactions in the Sales, Purchase and Nominal Ledgers prior to creating and the VAT return, now collected via the HMRC 'Making Tax Digital' collection method.
- **Month end process** – a detailed month end process has been issued to Trust Central Finance Team to ensure monthly management and monitoring reports can be produced on time. In addition, the following reports need to be run and checked, and saved as PDFs for upload to the finance shared area (in the folder for the month) for the CFO to review:
 1. Aged Creditor
 2. Aged Debtor
 3. Trial Balance
 4. Balance Sheet
 5. BvAvC report or Governors report
 6. Income & Expenditure report

At Trust level consolidated reporting will review:

1. Trial Balance
2. Income & Expenditure
3. Balance Sheet
4. Aged Debtors and Creditors
5. Cashflow
6. Reserves
7. Management accounts; individual schools and consolidated Trust level

13. BANK ACCOUNT

The Trust has one main bank account, and 2 sub accounts linked to activities at the Wellington Schools. These relate to an income account for the Boarding provision, ALT Boarding, to include income and deposits, ALT Nursery for all nursery income and expenditure.

There is a separate bank account for ALT Enterprise Limited and the Wellington Endowment Fund.

The following controls apply:

- there is an on-line facility to view the Trust bank accounts and credit card transactions (Lloyds Commercial Banking Online, CBO). The main Administrator on the account is the CFO, who can add/delete staff and permissions. The second Administrator is the and the Finance Manager (Projects).
- a mandate will operate whereby all BACS payments, cheques and Direct Debits must have two authorised signatories, from Pool A and Pool B (see Appendix A)
- no member of staff is permitted to make payments to themselves or to someone closely connected to themselves or any organisation in whom/which they have a pecuniary interest

Arrangements must be made with the bank must include:

- a bank and credit card statement to be provided at least once a month
- to disallow any overdraft

Direct debit payments may be entered into for the payment of utility bills and other suppliers with whom the Trust has a regular contract. The value of each Direct Debit should be reviewed and compared with invoices received from the supplier. Suppliers paid by Direct Debit must be reviewed regularly to ensure they continue to provide Best Value.

On receipt of the bank statements, the Trust Central Finance Team will reconcile the bank balances to the balance held in the Access Finance system.

13.1 INVESTMENTS

The opening and transferring of funds to investment accounts can only be undertaken by the CFO and within the written procedures and monitoring arrangements approved by the Trust Board following consideration of Charity Commission guidance.

The Trust Investment policy should be followed in all circumstances

14. PETTY CASH ACCOUNTS

The Trust will move towards the removal of Petty Cash from schools as alternative methods of payment and reimbursement of small-scale expenses has been introduced (Charge Card, Equals Card etc.)

15. FIXED ASSET INVENTORIES

An asset register is being formed on Every to record an adequate description of all land, buildings, moveable plant and machinery, vehicles, furniture, fittings and equipment belonging to the schools, where the current valuation (for property) or the acquisition cost (for other assets) is greater than the de-minimis level of £10,000. The CFO is responsible for ensuring the integrity of asset registers working with school staff as necessary.

The asset register should include the following information where available:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DfE grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

Non-Current Assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.

The depreciation will be calculated on an annual basis for preparation of the year end accounts.

Groups of assets will use the same method of depreciation. There may very occasionally be an asset that does not completely fit into one of the categories below and the CFO will discuss these items on an individual basis.

The Trust has determined appropriate depreciation rates, based on the assessment of the useful economic life and expected residual value when the assets are acquired. Depreciation will be charged annually using the following straight-line percentages:

- | | |
|----------------------------------|-----------------|
| ● Leasehold land: | 0% |
| ● Leasehold buildings | 2% (50 years) |
| ● Property Improvements | 5% (20 years) |
| ● Office Equipment | 10% (10 years) |
| ● Plant and Machinery | 10% (10 years) |
| ● Fixtures and Fittings | 10% (10 years) |
| ● Motor vehicles | 25% (4 years) |
| ● Computer equipment & software: | 33.3% (3 years) |

The intention from AY23-24 is that all the items new in the asset register should be permanently and visibly marked as the Trust's property and there should be a regular (at least annual) count 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 and, where significant, reported to the CFO. Inventories of Trust property should be kept up to date and reviewed regularly. Where items are used by the Trust or constituent academy, but do not belong to it, this should be noted.

The immediate responsibility for the safeguarding of equipment lies with the end user departments. In support of this, the Trust and schools provide security measures, including caretaker cover, burglar alarm systems, inventories, security marking, maintenance and support agreements where appropriate, and insurance cover.

16. ACQUISITIONS AND DISPOSAL OF ASSETS

The Trust must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following transactions:

- acquiring a freehold on land or buildings
- disposing of a freehold on land or buildings
- disposing of heritage assets beyond any limits set out in the Trust's funding agreement in respect of the disposal of assets generally.

Schools may dispose of any other fixed asset (i.e. other than land, buildings and heritage assets as described above) without the approval of the Secretary of State. Any disposal must maintain the principles of regularity, propriety and value for money. This may involve public sale where the assets have a residual value.

Some property transactions may be novel or contentious and so require the consent of the Secretary of State on that basis. Novel payments or other transactions are those in which the school or the Trust has no experience or are outside the range of normal business activity for the Trust. Contentious transactions are those which might give rise to criticism of the Trust by the public or the media. It is difficult to be specific about what might constitute novel or contentious payments; it is for Trusts to use their judgement about when they should seek the prior advice of the ESFA. Public money must always be spent prudently and in ways that command broad public support.

Items which are to be disposed of by sale or destruction must be authorised for disposal by the CFO and, where significant, should be sold following due process:

- taking reasonable steps to advertise the disposal
- inviting bids for the asset (sealed bids are preferable)
- negotiating with potential purchasers

The Trust must seek the approval of the DfE in writing if it proposes to dispose of an asset for which a capital grant in excess of £20,000 was paid.

17. INSURANCE ARRANGEMENTS

The Trust will take out such insurance as it sees fit and/or as it is advised, and to comply with statutory requirements. ALT has chosen to be part of the RPA scheme. The Trust will obtain the following insurance cover as a minimum:

- Buildings and contents
- Business continuity
- Employers and Public Liability

Additional cover is currently obtained by each school to cover leased vehicles (such as minibuses), occasional business use (OBU) and some plant and equipment.

All risks will be reviewed annually to ensure that the cover is adequate.

All contractors must have public liability insurance before they are allowed to undertake work on any of the Trust's premises and this should be verified as part of the Supplier set up process.

People hiring the school's premises and using facilities must produce a valid public liability insurance with indemnity up to £5,000,000. This should be verified at school level by the Office/Resource/Commercial Manager.

18. AUDIT

Schools in the Trust will be subject to regular internal audits as per the ESFA Trust Financial Handbook. Also, the Trust will receive an 'end of year audit' in preparation for creating and submitting the end of year Financial Accounts to Companies House and the ESFA. The audits are undertaken by two different organisations.

19. OTHER MATTERS

Services provided by sponsors and sponsor-related bodies

The Trust must ensure that any contracts for services provided to the Trust and /or constituent academies are properly procured and present value for money. The Trust must ensure that sponsor fees and consultancy rates included within contracts are reasonable, represent value for money and are good use of public funds.

Irregular or improper transactions

Situations may arise where it may appear to the Trust to make sense to enter into a transaction which is irregular, improper or does not provide value for money. In these circumstances the Trust must seek prior, written permission from the ESFA. Such transactions may additionally require HM Treasury approval dependent on the nature of the transaction involved.

20. FINANCIAL REPORTS TO TRUSTEES

The CFO, in conjunction with the Trust Central Finance Team, is responsible for providing the Trust Board with a report on the budgetary position of the school at regular intervals. As per the ESFA Academy Trust Financial Handbook guidelines, the report should be produced monthly for the Chair of Trustees, CEO and Chair of the Finance, Audit and Risk Committee.

Financial reports will be reliable and relevant to users and will be:

- **Produced promptly.** Financial reporting should be carried out in line with the ESFA Academy Trust Financial Handbook
- **Accurate.** Actual expenditure appearing on the report should agree to what has been processed in the Access Finance system. There should be a monthly reconciliation of the bank account to Access Finance and any local system

recording items such as catering or trips etc. Where amounts have been charged to the school and are still in dispute, these should still be included in the actual expenditure until queries have been resolved

- **Complete.** To a “true and fair” view of the Trust’s and each school’s financial position the reports must include committed expenditure. For information to be complete expenditure that the school has been committed to, including details of orders and invoices outstanding, must be included
- **Understandable.** Reports need to be understandable to the intended recipient
- **Concise.** Reports will be summarised and not contain an unnecessary amount of detail. Expenditure and budget totals will be summarised to the headings contained in the annual ESFA funding statement and in the annual accounts
- **Include a profiled budget.** To ascertain whether the level of income or expenditure to a given date is reasonable, the expected figures up to the same date will be provided by the inclusion of a profiled budget. Based on knowledge of the individual’s school’s income and spending patterns, the profile looks at the total budget for the year and indicates what percentage of that budget it would be reasonable to have spent by the specified date
- **Include explanatory notes.** Where there are significant variances on budget headings an explanation will be provided with the report. Proposed actions to address variances will also be reported.
- **Include a projected out-turn on a rolling monthly basis,** which is an estimate of the final budget position of the Trust and constituent academies at the end of the financial year

21. LINKED TRUST FINANCIAL POLICIES

- Procurement Policy
- Charging and Remissions Policy
- Anti-Fraud Policy
- Gifts and Hospitality Policy
- Investments Policy
- Pay Policy
- Capital (SCA) Policy and Application Pack
- Related Party Transactions
- Conflict of Interest Policy
- Reserves Policy
- Credit Control and Debt Management Policy
- Staff and Trustee Expenses
- Budget Guidance (annual document)

APPENDIX A - Financial Scheme of Delegation

Expenditure Authorisation Limits per transactional order, excluding staffing	Revenue	Capital <i>Capitalisation limit is £10k or over</i>		Charge card Per Month
		DFC	SCA	
Trust Board	Over £100,001	Over £100,001	Over £100,001	£Nil
Finance, Audit and Risk Committee	£50,001 to £100,000	Over £50,001	£50,001 to £100,000 <i>With prior Board approval</i>	£Nil
CFO or CEO/Dep CEO	£10,001 to £50,000	£5,001 to £50,000	Up to £50,000 <i>With prior Board approval</i>	Up to £5,000
Headteacher <i>Within agreed school budget</i>	£5,001 to £10,000	Dependent on agreed Development Plan	£Nil	£Nil
Trust Central Finance Manager <i>Within agreed school/MAT budget</i>	£1,001 to £5,000	Dependent on agreed Development Plan	£Nil	Up to £5,000
Non-teaching Budget Holder (Premises, Nursery etc.) <i>Within agreed school budget</i>	Up to £1,000	£Nil	£Nil	Up to £1,000

Signing of Contracts	Procurement level	Process required
Definition an Agreement/License for less than 1 year and less than £10,001 (ex. VAT) that has no defined Terms and Conditions, Notice <u>Period</u> or penalties	Headteacher	To notify the Central Finance team so that the Agreement/License can be recorded in appropriate budgets and the central contract register held on <u>the Every</u> central system.
Definition an Agreement/License for greater than 1 year duration, irrespective of value (ex. VAT), that has defined Terms and Conditions, Notice <u>Period</u> or penalties	CFO/CEO	The Trust is the contractual body, therefore any contract shall be signed by the CFO or CEO and recorded in appropriate budgets and the central contract register held on <u>the Every</u> central system.

Procurement Value of spend (ex. VAT)	Procurement level	Process required
£0 - £5,000	Low Value transactions	Receipts, Best Value approach
£5,001 - £10,000	Medium Value transactions	Compare prices & options on at least 3 suppliers Written quotes/emails
From £10,001 to £50,000	High Value transactions	Business Case to be completed (template is available) (Scope of requirements/works, benefits to organisation, VFM, preferred supplier/reason for choice, outcome of evaluation process)
From £50,001 to £100,000 Over the life of the contract	Very High Value transactions	Formal Tender process, using PCR guidelines Business Case for spend (template is available) Market testing
Over PCR Threshold (inc. VAT) The Public Contracts Regulations 2015 (legislation.gov.uk)	Over PCR Threshold (inc. VAT)	The Trust Procurement Policy outlines the process that the Trust and its schools will use. This will generally relate to large contracts such as catering, cleaning, and IT
Unable to obtain 3 quotes for educational services such as Alternative Provision £0 - £10,000	Low or Medium value transactions	Waiver Form to be completed and signed by the Headteacher and forwarded to the Finance Manager

BAC's/Cheque Authorisation Limits	Pool A	Pool B
2 signatories from Pool A	Chair of the Finance, Audit and Risk Committee	
Or	CEO	
1 signatory from Pool A and	CFO	
1 signatory from Pool B	Project Accountant (NL)	MAT Central Finance Managers x3 (EB, JW, KT)
<i>Pool B signatories cannot complete authorisations on their own</i>		

Investment Authorisation Limits	Pool A	Pool B
1 signatory from Pool A and	Chair of the Finance, Audit and Risk Committee	CFO
1 signatory from Pool B	1 Trustee from the Finance, Audit and Risk Committee	CEO
<i>Pool B signatories cannot complete authorisations on their own</i>		

✓ = Approve R = recommendation/information from I = input from	ESFA	Board	Finance, Audit & Risk Committee	CEO	CFO	HR Director	Head Teachers	Finance Managers	Budget Holders
Create the annual revenue and capital budgets (in the context of the 3-5 year forecast)				✓	✓		I	I	
Approve the annual revenue and capital budget plan proposed by the Finance, Audit and Risk Committee		✓	R						
To consider at least three times a year revenue and capital budget monitoring reports including variances between actual and approved budget year to date, projected outturn and approved budget, including narrative explaining the reasons for variances (management accounts)			✓		R			I	
To approve additional spending plans which were not in the annual approved budget. Report to the Trust Board via the Finance , Audit and Risk Committee		✓	R	I	I				
To approve any spending from Reserves which were not in the annual Board approved budget. Report to the Trust Board via the Finance, Audit and Risk Committee		✓	R	I	I				
Any policy and arrangements for Pooling of Funds		✓		R	I				
Reserves Policy and taking actions necessary to support the achievement of the policy		✓	R	I	I				
Authorise Contracts/Licenses for greater less than 1 year duration and below £10,001							✓		
Authorise Contracts/Licenses for greater than 1 year duration (Finance, Audit and Risk approval greater than £50,000 and Board approval for contracts greater than £100,000)		✓		✓	✓				

✓ = Approve R = recommendation/information from I = input from	ESFA	Board	Finance, Audit & Risk Committee	CEO	CFO	HR Director	Head Teachers	Finance Managers	Budget Holders
Authorise requisitions for processing as orders (generated through Access Finance) to suppliers for up to and including £1,000 for goods and services within budget								✓	✓
Authorise requisitions for processing as orders (generated through Access Finance) to suppliers for up to and including £5,000 for goods and services within budget								✓	
Authorise requisitions for processing as orders (generated through Access Finance) to suppliers for between £5,001 and £10,000 following receipt of three written quotes							✓	R	
Authorise orders (generated through Access Finance) to suppliers for requisitions between £10,001 and £50,000 following receipt of a Business Case				✓	✓		R		
Authorise orders (generated through Access Finance) to suppliers for requisitions between £50,001 and £100,000 Following outline Board approval and a formal tendering process undertaken in accordance with the Trust's Financial Regulations			✓	R	I				
Authorise orders (generated through Access Finance) to suppliers for requisitions over £100,001 following formal tendering process undertaken in accordance with the Trust's Financial Regulations and PCR guidelines and authorised by the Trust Board on the advice of the Finance, Audit and Risk Committee		✓	R	I	I				
Staff Severance where non-statutory/non-contractual payment is £50,000 or more (approval required in advance).	✓	R	R			I			
Staff Severance where non-statutory/non-contractual payment is less than £50,000 (approval required in advance)				✓	I				

✓ = Approve R = recommendation/information from I = input from	ESFA	Board	Finance, Audit & Risk Committee	CEO	CFO	HR Director	Head Teachers	Finance Managers	Budget Holders
Compensation where non-statutory/non-contractual payment is £50,000 or more (approval required in advance)	✓	R	R			I			
Compensation where non-statutory/non-contractual payment is less than £50,000 (approval required in advance)				✓	I	I			
Ex-gratia payments	✓	R		R		I			
Open/close bank accounts		✓	R	R	I				
Any Two Signatures for cheques (being phased out) <i>See table on page 2</i>		✓		✓	✓			✓	
Any two authorised to process BACs payments up to defined limits (based on payroll runs, any capital schemes) <i>See table on page 2</i>		✓		✓	✓			✓	
Bank loan, overdraft	✓								
Charge cards (for business use, not personal use and paid in full each month). To be approved/operate in accordance with the Trust Financial Responsibilities Procedures				✓	✓			✓	
To manage the Investment of Trust surplus funds					✓				
To approve the Investments Policy to manage, control and track financial exposure, and ensure value for money; to review the trust's investments and investment policy on a regular basis.			✓						
Authorise Equals card balances up to £00 (replaces majority of petty cash transactions)					✓			✓	
Re-imburse staff expenses via Payroll				✓	✓	✓	✓	I	✓

✓ = Approve R = recommendation/information from I = input from	ESFA	Board	Finance, Audit & Risk Committee	CEO	CFO	HR Director	Head Teachers	Finance Managers	Budget Holders
Enter into insurance arrangements for land, buildings employee liability and other major risks		✓		✓	✓				
Enter into insurance arrangements for trips, minibus and other minor risks where a Trust agreement has not been negotiated								✓	
Granting a lease on land and buildings	✓								
Take up a finance lease	✓								
Take up a leasehold on land and buildings with lease term 7 years or more)	✓								
Take up a leasehold on land and buildings with lease term less than 7 years		✓		R					
Take up an operating lease 5 years or less					✓				
Writing off debts and losses which exceed 1% of the Trust annual income or £45,000 per single transaction, or 5%, of total annual income cumulatively (to a max of £250k)	✓	R			I				
Write off unrecoverable bad debts of an individual debtor between £0 and £500					I			✓	
Write off unrecoverable cumulative bad debt across debtors in a twelve-month period over £501 and below £20,000			I		✓				
Write off unrecoverable bad debts' cumulative debt across debtors in a twelve month period less than or equal to £20,001			✓		R				

✓ = Approve R = recommendation/information from I = input from	ESFA	Board	Finance, Audit & Risk Committee	CEO	CFO	HR Director	Head Teachers	Finance Managers	Budget Holders
Acquiring a freehold on land and buildings	✓	R							
Disposing of a freehold on land and buildings	✓	R							
Disposing of heritage assets	✓	R							
Disposing of assets (not land, buildings or heritage) above fair value of £5,000		✓		R					
Disposing of assets (not land, buildings or heritage) below fair value of £5,000.					✓				

APPENDIX B – Academy Trust Financial Handbook MUSTS

Schedule of Musts 2023			Fully compliant
These are the requirements in the Academy Trust Handbook brought together into one list: the 'musts'. It abbreviates these requirements and so cannot be used as a substitute for the full handbook. References to the relevant sections are included, which must be read in full. This tool is an entirely optional resource, and there is no requirement to submit it to ESFA.			
Paragraph	Requirement	In Place: - Fully compliant - Working towards - Not in place	Comments Action to take
Top 10 'musts' for chairs and other trustees			
1.11 and 1.12	Apply highest standards of conduct and ensure robust governance, comply with charitable objects, with duties as company directors, with charity law and the funding agreement.	Fully compliant	
2.3	Ensure the board of trustees meets at least three times a year.	Fully compliant	
2.4	Approve a written scheme of delegation of financial powers.	Fully compliant	
2.10	Ensure the board approves a balanced budget for the financial year and minutes their approval	Fully compliant	Budget is balanced by Reserves
2.19 and 2.20	Share management accounts with the chair of trustees monthly and consider when the board meets, taking action to maintain financial viability	Fully compliant	X
2.27 and 2.28	Ensure decisions about executive pay follow a robust evidence-based process reflecting the individual's role and responsibilities, and that the approach to pay is transparent, proportionate and justifiable.	Fully compliant	
3.6 to 3.13	Appoint an audit and risk committee (either dedicated or combined with another committee) to advise on the adequacy of the trust's controls and risks.	Fully compliant	
4.4	Submit audited accounts to ESFA by 31 December	Fully compliant	
4.14	Ensure an appropriate, reasonable and timely response to findings by auditors, taking opportunities to strengthen financial management and control	Fully compliant	
5.39 - 5.59	Manage conflicts of interest, be even-handed with related parties, and ensure goods or services provided by them are at no more than cost, beyond the limits in this handbook	Fully compliant	