



# Financial Regulations Policy

**Reviewed:** September 2023  
**Next Review:** September 2024

Introduction.....	3
Organisation .....	3
The Members.....	3
The Trustees .....	3
The Finance Committee.....	4
The Audit Committee.....	4
The Vice Chief Executive Officer (VCEO).....	5
The Chief Financial Officer.....	5
The Head .....	6
Trust Operations Manager .....	<b>Error! Bookmark not defined.</b>
Finance Manager .....	6
Payroll Manager.....	7
Other Staff.....	7
Register of Interests .....	7
Financial systems .....	8
System Access.....	8
Back-up Procedures .....	8
Transaction processing .....	9
Transaction reports .....	9
Reconciliations.....	9
Financial Planning .....	9
The budget cycle.....	9
Budget.....	10
Revised Forecasts .....	11
Budget Forecast Return .....	11
Monitoring and review .....	11
Payroll.....	12
Staff appointments .....	12
Payroll Administration.....	12
Payments .....	12
Overtime / Other Payments.....	13
Severance payments .....	13
Ex-gratia payments .....	13
Remuneration Policy.....	13
Travel, subsistence and other allowances .....	14
Purchasing.....	14
Routine Purchasing.....	14
E-procurement .....	15
New Suppliers.....	15
Orders .....	15
Orders over £1,000 but less than £5,000.....	16
Orders over £5,000 but less than £10,000 .....	16
Orders over £10,000 .....	16
Official Journal of the European Union (OJEU).....	<b>Error! Bookmark not defined.</b>
Purchase Invoices.....	16
Staff reimbursement.....	17

Late Payment Rules.....	17
Payment Regulations.....	17
Income.....	17
Trips.....	17
Music Tuition.....	18
Lettings.....	18
Custody.....	18
Other grants.....	18
Other Government Funding.....	18
Other Grants and specific funding.....	19
Sundry income.....	19
Bad debts.....	19
Cash Management.....	19
Bank Accounts.....	19
Deposits.....	20
Payments and withdrawals.....	20
Lloyds Multi-pay cards.....	21
Administration.....	21
Amazon.....	21
Petty Cash.....	21
Administration.....	21
Cash Flow Forecasts.....	22
Investments.....	22
Fixed Assets.....	22
Asset register.....	22
Security of assets.....	23
Disposals.....	23
Loan of Assets.....	23
VAT procedures.....	24
Independent checking procedures.....	24
Review of regularity.....	25
Annual accounts.....	25
Value for money statement.....	25
Audit arrangements.....	25
Work undertaken during accounting period.....	26
Work undertaken for the year end.....	26
Accounts Return.....	26
Reserves.....	26
Capital Reserves.....	27
Insurance.....	27
Links to other policies.....	27

## Introduction

1. The purpose of this manual is to ensure that 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 our funding agreement with the Department for Education (DfE), through the Education Skills Funding Agency (ESFA).
2. The Trust must comply with the principles of financial control outlined in the current edition of the Academies Financial Handbook published by the DfE. This manual expands on that and provides detailed information on the Trust's accounting procedures. The manual should be read by all staff involved with financial systems.
3. This manual serves as an adjunct to the scheme of delegation providing information on the day-to-day operations and practicalities.
4. The financial memorandum between the funding bodies and the Trust sets out the terms and conditions on which the grant is made. The Trust is responsible for ensuring that conditions of grant are met. As part of this process, the Trust must adhere to the relevant funding body's audit code of practice, which requires it to have sound systems of financial and management control. The financial regulations of the Trust form part of this overall system of accountability.
5. This document translates into practical guidance the Trust's broad policies relating to financial control. It applies to the Trust and all its subsidiary undertakings.
6. These financial regulations are subordinate to the Trust's instruments and articles of association and to any restrictions contained within the Trust's financial memoranda with the funding bodies and the relevant funding body's audit code of practice.

## Organisation

7. The Trust has defined the responsibilities of each person involved in the administration of the Trust finances to avoid duplication or omission of functions and to provide a framework of accountability for Trustees and staff. The financial reporting structure is illustrated below:

### The Members

8. The Members have overall responsibility for the administration of the Trust's finances. The main responsibilities are:
  - To receive the Annual Report from Trustees and the CEO on the Trusts Performance and Standards
  - To approve any contracts between the Trust and Trustees
  - To appoint the external auditors;

### The Trustees

9. The board of Trustees have strategic responsibility for the administration of the Trust's finances. The main responsibilities are:
  - To approve the financial regulations
  - To ensure that funds are received according to the Trust's Funding Agreement, and are only used for the purposes intended;

- To approve the Trust consolidated budget;
- To approve the Trust 3-year financial plan;
- To appoint the internal auditor;
- To regularly monitor actual income and expenditure against budgets using management accounts for the Trust taking into consideration recommendations from the Finance Committee;
- To approve the mandates for the operation of Trust bank accounts and credit multi-pay cards;
- To appoint the finance committee and audit committee and approved its terms of reference;
- To approve the scheme of delegation;
- To approve purchase orders / invoices / contracts over £50,000;
- To ensure high value tenders are procured in line with government guidance for Public Sector Procurement limits (previous OJEU);
- To approve property lettings over one year and / or £25,000;
- To approve contractual severance and compensation payments up to £49,999;
- To appoint the Trust Chief Executive Officer;
- To appoint the Head of each school in line with the scheme of delegation.

### **The Finance Committee**

10. The Finance Committee is a committee of the Board of Trustees. The Finance Committee meets at least four times a year but more frequent meetings are arranged where appropriate.
11. The main responsibilities of the Finance Committee are detailed in written terms of reference which have been authorised by the Trust Board. The main responsibilities are:
  - To review the Trust consolidated budget and make recommendations to the Trust board;
  - To review the Trust 3-year financial plan and make recommendations to the Trust board;
  - To approve the annual budget for each individual school;
  - To regularly monitor actual expenditure and income against budget and make recommendations to the Trust board;
  - To review the mandates for the operation of Trust bank accounts and credit cards and make recommendations to the Trust board;
  - To ensure appropriate insurance arrangements are in place for the Trust;
  - To ensure an appropriate framework of internal financial controls is established;
  - To ensure appropriate accounting policies have been set and review the Financial Regulations Manual;
  - To ensure the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfES guidance issued to academies;
  - To review any financial decision of sign off that falls within the remit of the board first (if required by Trustees) to provide the challenge and scrutiny, followed by a recommendation to the board;
  - To authorise the disposal of assets over £5,000;
  - To approve writing off bad debts, over delegated limits;
  - To authorise changes to the personnel establishment of each school;
  - To approve the investment strategy.

### **The Audit Committee**

12. The Audit Committee is a committee of the Board of Trustees. The Audit Committee meets at least termly but more frequent meetings are arranged where appropriate.
13. The main responsibilities of the Audit Committee are detailed in written terms of reference which have been authorised by the Trust Board. The main responsibilities are:

- To review the reports of the internal auditor on the effectiveness of the financial procedures and controls and make recommendations to the Trust board;
- To ensure an appropriate framework of internal financial controls is established and remains relevant to the needs of the Trust.
- To review the risk register periodically and make recommendations to the Trust board.

### **The Chief Executive Officer (CEO)**

14. Within the framework of the Trust the CEO is the Trusts Accounting Officer.

### **The Vice Chief Executive Officer (VCEO)**

15. Within the framework of the Trust the VCEO has overall executive responsibility for the Trust's activities including financial activities. Although much of the financial responsibility is delegated to the Chief Financial Officer, the VCEO's responsibilities are:

- To jointly authorise purchase orders and contracts between £25,000 and £50,000 with the CFO.
- To jointly authorise purchases over £50,000, which have been board approved, within the finance software, with the CFO

### **The Chief Financial Officer**

16. The Vice-CEO works in close collaboration with the CFO through whom she is responsible to the Trust board. The CFO also has direct access to the Trust Board via the Finance Committee.

17. The main responsibilities of the CFO are:

- To manage financial issues on a day to day basis including the establishment and operation of a suitable accounting system;
- To ensure that the Trust financial position is managed at a strategic level within the framework for the financial control determined by the Trust Board;
- To manage effective systems of internal control for the Trust as a whole;
- To ensure all financial matters focus on the wider needs of the Trust rather than on any one individual school;
- To ensure financial policies are in place and work with internal audit to provide assurance to the Finance Committee and the Trust Board;
- To prepare regular consolidated management accounts for the Trust; and for the central fund;
- To authorise orders for the Trust central fund within the approved budget;
- To authorise any order within the trust between £5,000 and £25,000
- To approve payment runs to be processed by the bank;
- To provide support to the individual schools as required;
- To ensure that all reconciliations and returns are completed on a regular basis;
- To monitor the actual results by reviewing the results from the Trust's financial system for errors, miscoding, large or unusual items, underspending or overspendings against budget and act promptly, where appropriate;
- To act as super-user on the financial system and budgeting system;
- To ensure VAT is correctly accounted for and submit VAT returns promptly;
- To ensure that the annual accounts are properly presented, reflecting a true and fair view of the Trust's activities within the financial year;
- To challenge finance staff to ensure that value for money is routinely obtained;

- To approve purchase orders / invoices / contracts within delegated limits;
- To authorise acceptance of quotations / tenders within delegated limits;
- To organise the audit of the EOYC (End of Year Certificate) for Teachers' Pension Scheme for all the schools in a timely manner;
- To undertake the responsibilities in respect of schools converting to Trust status and joining the Trust;
- To be an authorised signatory of the Trust bank account and those of the schools in the Trust;
- To ensure forms and returns for the Trust are sent to the DfE in line with the timetable in the DfE guidance.

## **The Head**

18. The Head of each individual school in the Trust has the following financial responsibilities:
- To ensure draft budget papers are prepared for consideration of the Trust Finance Committee;
  - To ensure the Action Plan priorities are properly costed and linked to the school budget plan;
  - To ensure that the Trusts financial policy and procedures are correctly followed at a school level
  - To authorise purchase orders / invoices / contracts for the individual school within delegated limits;
  - To authorise quotations within delegated limits;
  - To authorise tenders within delegated limits
  - To authorise payments from their school bank account in conjunction with another authorised signatory;
  - To act as an authorised signatory for the purposes of certifying appointments / claims etc;
  - To make recommendations to the Pay Committee in respect of appointments pay and contractual terms and conditions for staff other than members of the senior leadership team.
  - To ensure that surpluses are protected or that deficits are minimised, as part of the wider Trust's requirement to remain solvent, internally invest and manage its risk profile.

## **Trust Operations Manager**

19. The main responsibilities of the Trust Operations Manager are:
- To approve quotations within delegated limits;
  - To manage the tendering process within delegated limits;
  - To manage the catering department
  - To manage the Schools Conditions fund Allocation (SCA) in conjunction with the Estates team.

## **Finance Manager**

20. The main responsibilities of the Finance Manager are:
- To draft original and revised financial plans using the budgeting software in cooperation with the Head
  - To produce monthly management accounts;
  - To provide any information required to consolidate the Trust position in a period;
  - To ensure the monthly gross pay is validated and accurate, confirming to payroll using the validation report;
  - To update the budget and forecast on a monthly basis
  - To maintain the accounting records;
  - To ensure that purchase orders are raised prior to ordering goods / services wherever possible, to aid effective budget monitoring and management;

- To approve school orders up to £5,000
- To assist with the monthly bank reconciliation;
- To check transactions are posted correctly on the accounting system;
- To issue sales invoices in a timely manner and chase outstanding debts promptly;
- To monitor cash flow during the month and liaise with the CFO as required;
- To ensure that proper checks and controls are in place to cover day-to-day activities;
- Liaise with the internal and external auditors as required

## **Purchasing Manager**

- To oversee the daily management of the central purchasing team;
- To ensure payments are made to suppliers within agreed payment terms (usually 30 days);
- To resolve payment issues;
- To reconcile the Trust's central bank account in a timely manner
- To assist the CFO with the information for the cashflow statement;
- To issue sales invoices in a timely manner and chase outstanding debts promptly;

## **Payroll Manager**

21. The main responsibilities of the Payroll Manager are:
- To ensure the payroll reports received from the Finance Managers are processed promptly;
  - To generate the pay reports and issue to the Finance Managers for review;
  - To generate the BACS report and issue to the CFO in a timely manner to meet pay dates;
  - To provide recharges schedule to the Finance Managers and the CFO for payroll deductions;
  - To provide schedule of payroll deductions to the CFO to enable prompt payment;
  - To finalise the Local Government Pension Scheme (LGPS) return and Teachers' Pension Scheme, check, balance and submit for all schools – monthly and annually;
  - To finalise the End of Year Certificate (EOYC) for the Teachers' Pension Scheme, check, balance and organise for all schools and report information to the external auditors.
  - To manage the payroll software ensuring it is fit for purposes.

## **Other Staff**

22. Other members of staff in each of the schools in the Trust and budget holders will have some financial responsibilities. All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for confirming with the requirements of the Trust's financial procedures.

## **Register of Interests**

23. It is important for anyone involved in spending public money to demonstrate that they do not benefit personally for the decisions they make. To avoid any misunderstanding that might arise all Trust Trustees and staff with significant financial 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 inspection and is published on the Trust website. ROIs should be completed by the following each year. This list is not exhaustive.
- a Members
  - b Trustees
  - c Senior Management (as listed in the statutory accounts)
  - d Deputy CFO



- e Trust Operations Manager
- f Other Head Office Managers
- g Heads and heads of school
- h Senior Site Staff

24. The register includes all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the Trust. The disclosures also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.
25. The existence of a register of business interests does not, of course, detract from the duties of Trustees and staff to declare interest whenever they are relevant to matters being discussed by the Trust Board or any committee. Where an interest has been declared, staff or Trustees should not attend that part of the committee or other meeting.

## **Financial systems**

26. All the financial transactions of the Trust must be recorded into Sage Intacct, the Trust's financial information accounting system.
27. IMP is used as the budgeting software.
28. Iris is used as the payroll software.
29. Lloyds Commercial Banking is used for payments.
30. Lloyds Treasury Deposit is used for short term investment of school funds.
31. Lloyds Multipay cards are used by schools and the central team.

## **System Access**

32. Access to the financial systems are password restricted to users, who others have been authorised by the Chief Financial Officer.
33. The Chief Financial Officer is responsible for implementing an accounting system which ensures that passwords are changed at least every six months.
34. Access to the component parts of Sage Intacct system can also be restricted and the CFO is responsible for setting access levels for all members of staff using the system.

## **Back-up Procedures**

35. IMP, Iris and Sage Intacct operate in the cloud and so are backed up as part of the contract with the respective supplier.
36. The Trust Operations Manager is responsible for the disaster recovery plan as part of the Business Continuity Plan for the Trust. This should link in with the Risk Register of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks.

## **Transaction processing**

37. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, purchase ledger and sales ledger are included in this manual. All journal entries must be documented.
38. Detailed information on the operation of Sage Intacct can be found on the ION website with user manuals.

## **Transaction reports**

39. The Chief Financial Officer reviews the following system reports to ensure that only regular transactions are posted to the accounting system:
  - Management accounts summarising expenditure and income against budget.

## **Reconciliations**

40. The Finance Manager is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
  - sales ledger control account (i.e. aged debtors), where applicable
  - purchase ledger control account (i.e. aged creditors)
  - VAT control account (managed centrally by the CFO)
  - the monthly checklist is signed off and emailed to the CFO for review
41. The Purchasing Manager signs the bank reconciliation to confirm that the work has been performed. The CFO reviews the bank reconciliation and signs it monthly.
42. Any unusual or long outstanding reconciling items are brought to the attention of Chief Financial Officer for resolution.

## **Financial Planning**

43. Both medium term and short-term financial plans are prepared for the Trust and each school.
44. The medium term financial plans are prepared as part of the budget planning process, indicating how the Trust's educational and other objectives are going to be achieved within the expected level of resources over the next three years.
45. The budgets for the Trust and each school are a detailed statement of the expected resources using IMP, and the planned use of those resources.

## **The budget cycle**

46. The form and content of budgets are matters for the Trust to decide but due regard should be given to the matters included within the guidance to academies and any annual guidance issued by the DfE.
47. Each year the CFO will propose a planning cycle and timetable to the Finance Committee allowing for a review of past activities and feedback into the next planning cycle.
48. The CFO is responsible for preparing and obtaining approval for the annual budget for the Trust, and also for supporting the Heads and Finance Managers in the preparation of their budgets.

49. The budget cycle is as follows:
- Autumn term (Sept – Dec)
    - Implementation of current budget plan
    - Monitoring expenditure (continuous-monthly)
    - Reconciliation and closure of previous financial year
  - Spring term (Jan – Mar)
    - Monitoring and Reviewing of year's budget
    - Revised Budget where appropriate
    - Pre-planning new financial year
  - Summer term (Apr – Aug)
    - Planning for forthcoming year
      - Preparation and submission of financial budget plan
      - Review of current year's budget

All requirements of the ESFA, in particular relating to carry forward of unspent funds, will be taken into account in preparing and submitting the budget.

## **Budget**

50. The Chief Financial Officer (CFO) is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Finance Committee.
51. The annual budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.
52. The budgetary planning process will incorporate the following elements:
- forecasts of the likely number of pupils to estimate the amount of General Annual Grant (GAG)
  - latest estimate of other ESFA funding e.g. pupil premium, Universal Infant Free School Meals, Early Year Block funding, High Needs and/or SEN Funding, pupil growth funding or other specific funds
  - review of other income sources available to the Trust to assess likely level of receipts
  - review of past performance against budgets to promote an understanding of the Trust cost
  - identification of potential efficiency savings
  - review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
  - all carry forward balances
  - any unspent grants from the previous financial year
  - any funds held in Trust

## **Balancing the Budget**

53. 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. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need in accordance with the Trust business plan.

54. The Board expects that all Senior Management and Heads work collectively to balance the consolidated Trust budget and where possible create reserves. It acknowledges that this means that some schools will not use all their allotted funding in some years to achieve this but places a firm emphasis on Senior Management and Heads to always consider the Trust's wider spectrum of needs when making decisions at local level and that failure to do so may result in some or all financial powers being removed by the board.

### **Finalising the Budget**

55. Once different options and scenarios have been considered, a consolidated draft budget should be prepared by the CFO for approval. The budget should be communicated to all staff with budget responsibility so that everyone is aware of the overall budgetary constraints.
56. The budget should be accompanied by a statement of assumptions and priorities so that if circumstances change, it is easy to take remedial action. The budget should be seen as a final product; however, it will be re-forecasted throughout the year as circumstances change.
57. The approved budget is then entered onto the finance system at the start of the new financial year.

### **Revised Forecasts**

57. Monitoring and analysis of the agreed budget should be carried out on a regular basis by the Chief Financial Officer and reported to the Finance Committee. A full recast should be done twice a year in January and June. Significant variations to the agreed budget that are identified a Revised Forecast is submitted termly – autumn, spring and summer.

### **Budget Forecast Return**

58. The approved budget must be submitted to ESFA by the published deadline each year by Chief Financial Officer. 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.

### **Monitoring and review**

59. Reports are prepared by Finance Manager. The reports will detail actual income and expenditure against budget (and forecast) both for budget holders and at a summary level for the CFO and the Finance Committee. The reports include:
- Actual income and expenditure against budget (shown as cumulative year to date) prepared on the accruals basis
  - A summary highlighting and key explaining variances of at least 5% or £10,000
  - A rolling action plan. Logging actions agreed and reporting on the progress or completion of each task
60. Any potential overspend against the budget must in the first instance be discussed with Head of that school.
61. The monthly reports are discussed with each school's Head, and are consolidated into group accounts for the Finance Committee regularly.
62. 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.

## Payroll

63. The main elements of the payroll system are:
- Staff appointments
  - Payroll administration
  - Payments

### Staff appointments

64. These are, if in the approved budget, approved by the Head. Any additional appointments required outside the budget are to be approved by the CFO and CEO in writing before any appointments are made.
65. Senior Leadership posts appointments must follow consultation with the Trustees or CEO depending on the guidance in the Trust Scheme of Delegation. The Finance Manager or Office Manager maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to Human Resources immediately.
66. The Finance Manager or Office Manager is responsible for obtaining the relevant enhanced DBS checks and ensuring these are retained on file and for updating the Single Central Register.

### Payroll Administration

67. Payroll is administered through the Trust's payroll department, and partly outsourced to a third party.
68. All staff are paid monthly. A master file is created for each employee which records:
- salary
  - bank account details
  - taxation status
  - personal details
  - any deductions or allowances payable
  - other legal and relevant details
69. Each Finance Manager or Office Manager must complete any master file amendments and authorised by the Head. Authorised staff returns should be sent to payroll for processing by the 10<sup>th</sup> monthly (except December which must be received by 5<sup>th</sup>). All relevant documentation must be retained at the individual school, but communicated to the Trust Human Resources for updating contracts etc.
70. Sickness absence should be recorded separately and sent to the payroll provider using information collected from SIMS (schools' information management system) for each school.
71. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. In turn this is authorised by the Head and summarised before being forwarded to payroll for processing by the 10<sup>th</sup> monthly (except December which must be received by the 5<sup>th</sup>).

### Payments

72. Payroll will process all the information received and send out to each school draft reports for review by the Finance Manager, who then replies with the validation report either confirming all is correct or noting what needs to be amended. The usual deadline for this return is 20<sup>th</sup> monthly, except December when it will be earlier to allow for the Christmas break.

73. The responsibility for checking and ensuring the figures are correct lies with the Finance Manager and for feeding back any updates to payroll promptly. Payroll will not chase for confirmation.
74. All salary payments are made by BACS, without exception.
75. The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable is summarised on the gross to net pay print and should be authorised by the Head.
76. The BACS file is submitted to the CFO for upload into the banking system and payment.
77. Pay day will always be the last day of the month. Should that day fall on a weekend or bank holiday then payment will be made on the last working day of the month. The Trust does not make an early payment of salaries in December.
78. The CFO is responsible for posting their payroll journal using the journal provided by payroll.
79. The payroll deductions (PAYE, NIC, Pensions, etc.) are paid centrally and using the recharges report prepared by payroll, the CFO transfers the appropriate value from the individual schools account, usually on the 1<sup>st</sup> monthly, into the Trust main account. The CFO will process the journals for this as part of the month end process.

### **Overtime / Other Payments**

80. No payments for work undertaken will be made other than via the payroll system.

### **Severance payments**

81. The Trust is able to self-approve the non-contractual element of severance payments up to £50,000. A business case must be presented to the board and approved before any offer can be finalised. The business case must, as a minimum, satisfy all the parts of the form provided by ESFA on Gov.uk. This may include taking legal and HR advice at additional cost.
82. Where the non-contractual element is on or over £50,000 prior approval from ESFA must be sought.
83. The Accounting Officer must sign off and review all external advice and any legal agreements which accompany the payment.

### **Ex-gratia payments**

84. Any ex-gratia payments must be submitted to ESFA for prior approval.

### **Remuneration Policy**

85. All Trust staff are appointed to the salary scales approved by the Trust and in line with the Trust's pay policy and with the appropriate conditions of service.
86. The Trust determine what other benefits, if any, are to be available, the basis of their provision and the staff to whom they are to be available.
87. Salaries and other benefits for senior post holders are determined by the Trustees.

## Travel, subsistence and other allowances

88. If a member of staff needs to use their own car, this must be approved by the Head or Chair of Governors.
89. Any member of staff using their own car must provide evidence of appropriate business insurance before any expenses can be paid.
90. All claims for payment of subsistence and other allowances, travelling and other incidental expenses shall be completed using an expense and / or mileage form approved by the appropriate person.
91. Overseas travel, high value or novel trips must be approved by the Trustees in advance of committing the Trust to those arrangements or confirmation of any travel bookings. Arrangements for travel by the chair must be approved by the members. Travel of this nature must be presented to the board in a business case which sets out the following.
  - A clear rationale for the trip
  - The full cost of the trip (even if partly covered by existing policies)
  - Loss of workdays to the Trust
  - A full itinerary, including any downtime.
  - Any related party considerations or relevant disclosures.

All discussions and discussions must be fully recorded in the minutes. For the purposes of external scrutiny, the business case must be fully disclosed within the minutes.

Free travel or accommodation would only be accepted in exceptional circumstance that have been board approved.

All travel expenses must never be upgraded

Free courses, CPD or other development is acceptable.

Free hospitality must be inline with the gifts and hospitality policy and declared if necessary.

92. Where spouses, partners or other persons unconnected with the Trust intend to participate in a trip, this must be clearly identified in the request. The Trust must receive reimbursement for the expected costs it may be asked to cover for those persons in advance of confirming travel bookings.

## Purchasing

93. The Trust must achieve value for money on all purchases. A large proportion of our purchases are 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
  - **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

### Routine Purchasing

94. Budget holders will be informed of the budget available to them at least one month before 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. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget will be supplied to each budget holder on a regular basis. Budget holders will be able to monitor data relating to their own budget areas on a termly basis via reports from the financial system.

## **E-procurement**

95. Any department wishing to make a purchase on Multipay card must complete a requisition form in the usual manner and pass this to the Finance Manager, or Office / Finance staff to make the purchase. All order forms detailing the purchase must be signed by the Budget Holder unless requested by email from the budget holder.
96. Occasionally the Multipay card is used to purchase items, where it is not possible to order this elsewhere.

## **New Suppliers**

97. Before an order can be raised a supplier must be added to the approved supplier list. A new supplier form is sent electronically to the supplier for them to complete the form. It is important that the supplier completes the form and not the school to ensure that the correct details are provided and confirmation that the supplier accepts our payment terms (30 days).
98. The new supplier form is then sent electronically to the finance team for updating the approved supplier list. The form is reviewed to ensure all the details received is completed and a check is done to ensure the VAT number quoted is accurate.
99. If the supplier has stated that they are the sole employee of the business, then they are required to answer some questions to enable the Trust to complete the Employment Status Indicator that the government requires for a business to assess whether the supplier should be classified as a supplier or an employee.
100. When the new supplier details are entered onto Intacct, the new account is advised to the requesting school so that orders and non-order invoices can be processed promptly.
101. Any changes in a suppliers details must be advised by using our supplier form for amendments. If bank details are changed, then the central finance team will verify the changes using known contact numbers by phone, before updating on the accounting system. This is aid in the prevention of invoice fraud.

## **Orders**

102. All orders must be made, or confirmed, in writing using the accounting system. Requisitions must bear the signature of the budget holder or be emailed by the budget holder and must be forwarded to the Finance Manager.
103. Approved orders will be recorded in the portal of Sage Intacct which allocates a reference number and commits expenditure. Orders will be dispatched to the supplier from the Admin / Finance Department electronically.
104. The Finance Manager must make appropriate arrangements for the delivery of goods to the Trust. On receipt the budget holder or Finance Manager must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.
105. If any goods are rejected or returned to the supplier because they are not as ordered or are of substandard quality, the Finance Manager or Finance team should be notified immediately.



106. All invoices should be sent directly to the Finance Manager or Finance team. Invoice receipt will be recorded by the Finance team matching it to the order and GRN on Sage Intacct portal. The Finance team will stamp invoices with a grid against which the following can be evidenced by the budget holder authorising payment:
- invoice arithmetically correct
  - invoice posted to purchase ledger
  - goods/ services received and as ordered
  - invoice authorised for payment
107. If a budget holder is pursuing a query with a supplier the Finance Manager or Finance team must be informed of the query and periodically kept up to date with progress and any invoice received is held until the query is resolved.
108. It is recognised that there are difficulties in providing segregation of duties at Primary Schools within the Trust due to the size of the school and staffing levels. Therefore, orders should be made using the financial management system although non-order invoices may be processed.
109. Orders are processed using the financial system and the system generates emails requesting approval according to the pre-defined authority set up.
110. Orders after approval should be emailed to the supplier using the accounting system.

### **Orders over £1,000 but less than £5,000**

111. Where practical, a second quotation should be obtained for all orders up to £4,999 to identify the best source of the goods / services. Details of quotations obtained should be prepared and retained by Finance Manager for audit purposes. Telephone quotes are acceptable if these are evidenced and written confirmation of quotes has been received before a purchase decision is made and made in accordance with value for money principles.
112. For some services the schools in the Trust have built up excellent working relationships with preferred suppliers who have demonstrated that they provide best value in terms of high quality within an agreed timescale at a competitive price. Where possible the Trust and schools use suppliers of goods and services which have contracts approved by the Crown Commercial Service as these suppliers have already been vetted by these procurement agencies to ensure they provide good value and they often offer discounts and operate within a government approved framework.

### **Orders over £5,000 but less than £10,000**

113. Where practical, three written quotations should be obtained for all orders up to £9,999 (and over £5,000) to identify the best source of the goods / services. Written details of quotations obtained should be prepared and retained by Finance Manager for audit purposes. Telephone quotes are acceptable if these are evidenced and written confirmation of quotes has been received before a purchase decision is made and made in accordance with value for money principles.

### **Orders over £10,000**

114. All goods / services ordered with a value over £10,000, or for a series of contracts which in total exceed £10,000 must be subject to formal tendering procedures.

### **Purchase Invoices**

116. On receipt of an invoice, the budget holder signs the invoice, to signify:
- an official purchase order has been raised for the purchase

- the delivery note has been checked
- the correct quantity and quality has been delivered and the price is as ordered
- it has not been previously paid
- funds are available in the relevant budget
- VAT chargeability on qualifying expenditure is shown
- 

117. Once the goods have been physically received, the accounting system should be updated to reflect the goods received items via the portal.
118. Invoices should be processed promptly using the accounting system – either matching to the order or entering as a non-order invoice.

## **Staff reimbursement**

119. The Trust's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel and are entitled to reimbursement.
120. Upon completion of the travel or project to which the advice relates, within two month a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid.

## **Late Payment Rules**

121. The Late Payment of Debts (Interest) Act 1998 was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. In view of the penalties in this Act, the Trust requires that invoices must be processed for payment promptly so that due dates are achieved.

## **Payment Regulations**

122. Twice a year the Trust is required to submit to Companies House its half-yearly update on the length of time it takes the Trust to make its payments to third parties. This is calculated by the Chief Financial Officer using the accounting system. The Company Secretary updates Companies House.

## **Income**

123. The main sources of income for the academies in the Trust are the grants from the DfE. The receipt of these sums is monitored by the CFO who is responsible for ensuring all grants due to the schools in the Trust are received.
124. The schools in the Trust also receive income from:
- Students – trips, music tuition
  - The public – mainly for lettings

## **Trips**

125. A lead teacher must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. Students usually make payments to the Finance Manager or the Finance Office. A receipt should be recorded for each payment and a copy given to the student or parent.

126. The Finance Manager or Finance Office should maintain an up to date record for each student showing the amount paid and the amount outstanding. The lead teacher is responsible for checking this with the finance office and for chasing the outstanding amounts.
127. Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents. If the school decides to subsidise the school trip the amount of subsidy must be approved by the Head in advance of the booking being made.

### **Music Tuition**

128. The music teacher should provide a list of students who are taking music tuition and whether the student is to be charged according to the charging policy.
129. Letters should be raised to each student's parent / carer advising the due dates for payment.
130. The finance office should update the music teacher periodically about students who are late in paying.

### **Lettings**

131. The Finance Manager is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities.
132. Details of organisations using the sports facilities will be held by the Finance Manager who will establish a sales ledger account and produce a sales invoice from the accounting system.
133. Copies of the organisations up to date relevant Public Liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept with the Letting Agreements and are reviewed at least annually.

### **Custody**

134. Official, pre-numbered receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the finance office safe prior to banking. Banking should take place periodically if the sums exceed the £2,500 insurance limit on the safe.
135. Monies collected should be banked in their entirety in the appropriate bank account, however it is recognised that due to fewer local branches, it may be necessary to transfer funds from monies collected into petty cash. As long as this is clearly documented this is acceptable.
136. Banking should be recorded promptly on the accounting system.

### **Other grants**

137. The receipt of these sums is monitored directly by Finance Manager who is responsible for ensuring that all grants due to the Trust are collected.

### **Other Government Funding**

138. In addition to GAG funding from ESFA the Trust may be awarded specific funding for other projects e.g. School Condition Allocation, Character Bid funding, Additional Special Educational Needs

funding etc. This funding may be from the Department of Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.

139. The Finance Manager is responsible for recording income and expenditure for each grant.

### **Other Grants and specific funding**

140. In addition to the GAG funding from the ESFA, the Trust may be awarded additional grants from time to time relating to specific projects. All applications for additional external funding must be approved and supported by the CFO or AO. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.

141. The Finance Manager is responsible for recording income and expenditure for each grant.

### **Sundry income**

142. Income from other sources (for example educational consultancy) is priced in consultation with Finance Manager. The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay.

### **Bad debts**

143. The Trust chases all monies due, and those that have not been paid within 30 days of an invoice being issued, by telephone or letter. At a school level this may need to be sooner, depending on the type of debt. For example, school meals.

144. If the debt remains unrecoverable after 6 months, or it becomes clear that the debt will not be repaid, the Finance Manager submits a report to Chief Financial Officer for approval of write off.

145. The following write off limits apply:

- £2000 – Primary – CFO cumulative in one academic year
- £5000 – Secondary – CFO cumulative in one academic year
- Over – Finance Committee review followed by Board approval

### **Funds held in Trust**

146. Where funds are held in Trust the Finance Manager is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately as set out in the memorandum and articles.

## **Cash Management**

### **Bank Accounts**

147. The following procedures must be followed when opening a bank account and operating it:

- the Trust is responsible for selecting the banking institution and negotiating the terms and conditions;
- the Trust will ensure that in the event of changes to key personnel, signatories will be changed immediately and the bank notified. Any on-line access to banking will also be removed.

- terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement minuted.
- the Trust must inform the bank, in writing, that their accounts must not become overdrawn
- the Trust must ensure there are sufficient funds to cover payments

## **Deposits**

148. A deposit must be entered on a copy paying-in slip with the following details:
- the amount of the deposit
  - a reference (for example the number of the receipt or the name of the debtor).
  - a record of the banking bag number should be kept if the quick drop service is used
149. The Finance Manager is responsible for updating the accounting system (within 2 working days) for deposits received.

## **Payments and withdrawals**

150. All cheques and other instruments authorising withdrawal from Trust bank accounts must bear the signatures of two of the following authorised signatories:
- Chief Executive Officer
  - Chief Financial Officer
  - Trust Operations Manager
  - Head and / or Executive Head of the appropriate school.
151. A payroll is generated using the accounting software using a 30-day payment term. This is compared to the invoices to ensure correct. This list should then be reviewed by the Head and approved for payment.
152. The payment is then prepared using BACS. In the rare occasion, a cheque payment is raised, then it is passed on to two of the cheque signatories who check to the payroll and sign the cheque. If an electronic payment is created, then payments are created on the accounting system using the verified bank details on that system, and payment is submitted. A second approval by the CFO or Trust Operations Manager is required for final submission.
153. The Trust policy is that 3 day payments are normally used for any electronic payment. However, in exceptional circumstances faster payments may be used.
154. Normally, invoices are paid within 30 days, although every effort is made to ensure the school benefits from early payment discounts.
155. The Chief Financial Officer ensures that evidence is kept of the employment status test criteria applied, when dealing with creating new suppliers on PSF. This is done by using the Employment Status Indicator ([www.gov.uk](http://www.gov.uk)) to check the status, printing off a copy of the result and attaching it to a new suppliers form and then scanning and attaching to PSF.
156. Electronic payments made using the bank's online system must be approved by the Finance Manager and the Head (or someone from the above list), and then is approved using the banking system by the CFO or the Trust Operations Manager.
157. This provision applies to all accounts, public or private, operated by or on behalf of the governing body of the Trust including funds held in Trust.

158. The Finance Manager is responsible for updating the accounting system (within 2 working days) for payments.

### **Lloyds Multi-pay cards**

159. The school multi-pay card is used only when it is not practical to use the purchase order system. It is used mostly for internet purchases etc. or where it is not possible to order this item elsewhere.
160. The administrator for all the cards within the Trust is the CFO.
161. Any department wishing to make a purchase on multi-pay card must complete the usual requisition form and pass this to the finance team to make the purchase. All requisition forms detailing the purchase must be signed by the Budget Holder.
162. When the multi-pay card statement arrives there will be a signed order form relating to each entry on the statement, a VAT invoice is required for all purchases, where possible, and it is sometimes necessary to chase suppliers for this. A transaction is entered into the accounting system for all transactions suitable coded.

### **Administration**

163. The central team ensures bank statements are received regularly (or printed off the banking system) and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:
- all bank accounts are reconciled to the Trust's cash book monthly;
  - reconciliations are subject to an independent review carried out by Chief Financial Officer;
  - adjustments arising are dealt with promptly.

### **Amazon**

164. Schools within the Trust can hold an Amazon business account for which the Finance Manager is responsible. This may be used for authorised transactions as appropriate.

### **Petty Cash**

165. Each school within the Trust, may maintain a maximum cash balance of £250 (two hundred and fifty pounds) for the purchase of minor items, which is held in the office safe and is the responsibility of Finance Manager.
166. The petty cash float must **not** be used for:
- cashing personal cheques
  - paying staff loans
167. In the interests of security, petty cash payments are limited to £25. Payments are made on production of a valid till receipt or other proof of payment and are subject to the same authorisation procedures as purchases from the main bank account. Higher value payments must be submitted on an expense form and processed either through payroll or as an electronic payment.

### **Administration**

168. The petty cash float is maintained on the imprest system and the float is only reimbursed from the main bank account.

169. The petty cash float is reconciled monthly by Finance Manager.
170. The Chief Financial Officer or Trust Operations Manager may carry out a periodic spot check of the petty cash float at any time.
171. Petty cash should be held in a locked cash tin which is kept in a safe overnight.

## **Cash Flow Forecasts**

172. The CFO is responsible for preparing cash flow forecasts to ensure the Trust has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer funds to cover potential cash shortages.

## **Investments**

173. Investments are made in accordance with written procedures approved by the Trustees.
174. All investments are 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.
175. The Trust is responsible for approving a treasury management policy statement setting out a strategy and policies for cash management and long-term investments. All executive decisions regarding investment shall be delegated to the Chief Financial Officer in the name of the Trust and shall conform to any relevant funding body requirements.
176. The Chief Financial Officer will report to the Finance Committee regularly in each financial year on the activities of the treasury management operation.

## **Fixed Assets**

### **Asset register**

177. All tangible fixed assets purchased with a value of the Trust's capitalisation limit of £2,000 must be entered in an asset register. The accounting policies in relation to the purchase of fixed assets are in a separate accounting policy document.
178. The asset registered should include the following information:
  - Asset description
  - Asset description
  - Date of acquisition
  - Asset cost
  - Source of funding
  - Expected useful economic life
  - Depreciation
  - Current book value
  - location
179. The purpose of the fixed asset register is
  - to ensure staff take responsibility for safe custody of assets;

- to enable independent checks be performed as a deterrent against theft or misuse;
- to manage the effective utilisation of assets and to plan their replacement;
- to help the external auditors draw conclusions on the financial systems; • to support insurance claims in the event of fire, theft, vandalism or other disaster.

### **Security of assets**

180. Stores and equipment must be secured by means of physical and other security devices.
181. All the items in the register should be permanently and visibly marked as the property of the school to which they belong and there should be a regular (at least annual) count by someone. Discrepancies between the physical count and the amounts recorded in the register should be investigated promptly, and where significant, reported to the Finance Committee. Where items are used by the Trust but do not belong to it, this should be noted.
182. Keys to offices, safes or other similar containers must be carried by the person responsible at all times. The loss of such keys must be reported to the appropriate person at the school (Finance Manager or Site Manager).
183. Everyone is responsible for maintaining proper security and privacy of information held on the Trust's computer network. Appropriate levels of security will be provided, such as passwords together with restricted physical access for servers. The Trust Data Protection Officer ensures compliance with GDPR and the safety of documents.
184. The Company Secretary is responsible for the safekeeping of official and legal documents relating to the Trust. Signed copies of deeds, leases, agreements and contracts must be forwarded to the Company Secretary. All such documents will be held in an appropriately secure, fireproof location and copies held at a separate location, such as the Trust's solicitors, as appropriate.

### **Disposals**

185. Items which are to be disposed of by sale or destruction must be authorised for disposal by the Finance Committee, or as per the scheme of delegation.
186. The Trust must seek the approval from the DfE in writing if it proposes to dispose of an asset for which a capital grant in excess of £20,000 was paid.
187. Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the school would need to ensure licences for software programmes have been legally transferred to a new owner.
188. The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Trust assets. If the sale proceeds are not reinvested, then the TRUST must repay to the DfE a proportion of the sale proceeds.
189. Any disposals of land must be agreed in advance with the Secretary of State.

### **Loan of Assets**

190. Items of school property must not be removed from the school premises without the authority of the Head. A record of the loan must be recorded in a loan book and booked back in when it is returned.



191. 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. Loans should therefore be kept under review and any potential benefits discussed with the CFO.

## **VAT procedures**

192. The Trust is eligible to reclaim the VAT it pays on invoices from HMRC.
193. The Trust is registered for VAT.
194. VAT is reclaimed as a group on a monthly basis.
195. The CFO runs the appropriate VAT report from the accounting system, noting any adjustments to earlier periods, and performs checks for accuracy.
196. The VAT transfer transaction is used within PSF to transfer the amounts from the input and output VAT accounts for each school to the control account by the CFO
197. The CFO submits the VAT return online, using PSF Making Tax Digital Module and retains the documentation electronically.
198. On receipt of the refund into the Trust bank account, the CFO reallocates it to individual schools promptly.

## **Independent checking procedures**

The Trust must have in place a process for checking its financial systems, controls, transactions and risks. This is to achieve internal scrutiny delivering objective and independent assurance.

199. Audit committee appointed by the board of Trustees, to provide assurance over the suitability of, and compliance with, its financial systems and operational controls, taking into account the differing risks and complexity of their operations. No member of staff employed by the Trust can be a member of the audit committee but may attend to provide information and participate in discussions.
200. The committee's work is to focus on providing assurances to the board of Trustees that all the risks are being adequately identified and managed, with particular regard to:
- Reviewing the risks to internal financial control of the Trust
  - Ensuring the accuracy of all data submitted to external agencies, especially those relating to funding. For example, termly census.
  - Agreeing a programme of work to address and provide assurance on those risks.
201. The audit committee's oversight also extends to the financial controls and risks at an individual school level.
202. Oversight is required to ensure that information submitted to the DfE and ESFA affecting funding, including pupil number returns and funding claims completed by the Trust and its schools, is accurate and in compliance with funding criteria.
203. The outcome of the committee's work is fed into the governance statement accompanying the Trust's annual accounts and, as far as possible, provides assurance to the external auditors.

The audit committee are required to manage the programme of risk review and checking of financial controls deemed most appropriate – this includes the appointment of an internal audit service (either in-house, bought-in or provided by a sponsor). The work performed by the internal audit service

must be agreed with the Chief Financial Officer and reviewed periodically by attending, as required, audit committee meetings to discuss their findings. The adequacy of the controls are evaluated and included as part of the process leading to the accounting officer's annual statement and, where appropriate, through self-assessment review of financial management and governance.

## **Review of regularity**

204. The CEO (in their role as Accounting Officer) delegates the reviews the following documents termly to the Chief Financial Officer to ensure the Trust is working within the boundaries of regularity and propriety:
- reviews management accounts
  - reviews compliance against the scheme of delegation
  - reviews transactions for evidence of connected party transactions
  - value for money practice
205. The Accounting Officer has delegated the following responsibilities to the Trust Operations Manager
- adherence to tendering policies
  - review of transactions confirming in line with delegated authorities as set out by the current edition of the Academies Financial Handbook
  - review of Trustees / governors' minutes
  - uploading the annual audited financial statements to Companies House by the due date

## **Annual accounts**

206. The Trust must prepare annual audited financial statements for the accounting period to 31 August.
207. The accounts are prepared in house by Chief Financial Officer to the auditors for preparation.
208. The accounts are then submitted as follows:
- by 31 December – to ESFA
  - by 31 January – published on our own website
  - by 31 May – to Companies House

## **Value for money statement**

209. As part of the annual accounts the Trust must include 3 focussed examples of value for money.
210. The Trust Operations Manager is responsible for collating the examples which are then confirmed by the finance committee.

## **Audit arrangements**

211. External auditors must be appointed in accordance with the current edition of the Academies Financial Handbook.
212. The Chief Financial Officer is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

## **Work undertaken during accounting period**

213. The Chief Financial Officer is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:
- reviewing the structure of the trial balance
  - maintaining a fixed asset register
  - annual depreciation charges
  - maintaining income and expenditure records (including filing of invoices)
  - reviewing aged debtors for any provisions required
  - control account reconciliations (bank, wages, debtors, creditors)
  - Monitoring & reporting to the Accounting Officer and Board of Trustees
214. The Trust Operations Manager is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:
- maintaining a record of governors / Trustees interests, related and connected party transactions
  - maintaining a record of meeting attendance

## **Work undertaken for the year end**

215. The Chief Financial Officer is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:
- stock take and including of year end stock value, where appropriate
  - prepayments
  - prepayments or accruals for grant income
  - control account reconciliations (bank, wages, debtors, creditors)
  - pension valuations
  - Pension Audit

## **Accounts Return**

216. The Trust must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the ESFA by 31 January.
217. The accounts return is prepared in house by Chief Financial Officer, and is then reviewed by the Trust Operations Manager, before being approved by the external auditors.

## **Reserves**

218. The Trust operates a pooled reserves policy. Any overall surpluses or deficits (reserves) at the end of the year move into the Trust's reserves. The Trust takes this approach to ensure it can meet its obligations and managed its risks profile.
219. For the purposes of the statutory accounts each school is allocated a nominal £15,000. This is for presentational purposes only.
220. The Accounting Officer must inform ESFA immediately if a deficit is anticipated.
221. If the Trust is anticipating a deficit at the end of any financial year, the Trustees and Chief Executive Officer have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The Trustees must ensure that a recovery plan is submitted and approved by the ESFA.

222. The Trust undertakes to ensure that a contingency reserve of 2% of the previous year's total General Annual Grant is kept.

## **Capital Reserves**

222. Any overall surpluses at the end of the year are carried over to the following year.
223. It is the responsibility of CEO and the TOM to keep accurate records of the capital funds, especially where grants have been received for capital projects.

## **Insurance**

224. The Trust Operations Manager reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for Trust property when off the premises.
225. The Trust have opted into the Department for Education's Risk Protection Arrangements (RPA). However separate insurance will be required for any owned vehicles which should be organised by the appropriate school.
226. Budget holders must ensure all valuables are kept under lock and key when not being used in a supervised manner.
227. The first £500 of replacement has to be funded by the department concerned as no budget is held centrally. Items under £500 will receive no insurance pay out and it is up to the department concerned as to whether the item is replaced or not.
228. The RPA also covers Employers Liability and Public Liability insurance which are updated annually.

## **Links to other policies**

229. To help achieve the Trust's objectives there is a clear network of systems and procedures in place. These Financial Regulations should be read in conjunction with the following Trust policies:

- Tendering Policy
- Whistle blowing policy
- Anti-fraud, bribery and corruption policy
- Gifts and hospitality policy
- Members, Trustees and governors' allowances
- Document Retention policy
- Data Protection Policy
- Scheme of Delegation