Financial Handbook
2026-27

Reviewed on	2026/27, Term 1	Review frequency	Annual
Next review due	2027/28, Term 1	Template Yes / No	No
Owner	CFO	Approved by	Board of Trustees

History of Policy Changes

Date	Page/ para	Change	Origin of Change
Sep 26	6	Updated HET visions statement	Annual Review
	8	Added Finance & Resources Committee + changed reference to People Committee	
	9, para 6	Removed duplication	
	9, para 7	Removed wording that was included in error	
	9	Added bullet for notifying Board if going concern is at risk	
	10, para 2	Removed reference to cheques	
	13 & 14	Updated details for "write-offs and entering into liabilities"	
		Changed write off limit for CEO to £45k in line with DfE limit of 1% of annual income or £45k.	Trustees' request
	14	Added the settlements must not be accepted unless satisfying ATH & DfE conditions	Annual Review
	14	Updated the DfE & HM Treasury guidance that must be followed for staff severance payments	
	14 & 15	Added reference to "more than 50% chance" for employment tribunals	
	15	Added details of the records that must be kept for staff severance payments	
	15	Updated details of when DfE approval is required in specific instances (including for severance payments of over £50,000)	
	15 & 16	Updated details for the use of confidentiality clauses	
	16	Updated section for "other types of special payments including ex gratia payments"	
		'the CFO will not perform both functions' added to para in relation to reconciliations.	Trustees' request
	22	Added a bullet point confirming HET take an integrated approach to curriculum and financial planning	Annual Review
	25	Updated reference to "Link Trustee – Finance" to "Chair of Finance Committee"	
	27	Updated mileage rate to £0.55 per mile	
	30	Updated UK Public Procurement tendering threshold amounts	
	30	Added that HET will consider DfE opportunities when tendering	
	37	Updated the publishing of how HET distributes GAG across schools under "managed services charge"	
	38	Updated Risk Management section	
	38	Confirmation that HET does not pool GAG	
	39	Updated details for EV salary sacrifice schemes	

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1. Introduction

Hamwic Education Trust (HET) is dedicated to ensuring that all pupils receive a high quality, enriching, learning experience in a safe and inclusive environment. HET's commitment to excellence is reflected in a broad curriculum, which not only prepares pupils for their future but also opens doors to a diverse array of opportunities.

For the purpose of this document, all references to HET refer to Hamwic Education Trust and its schools.

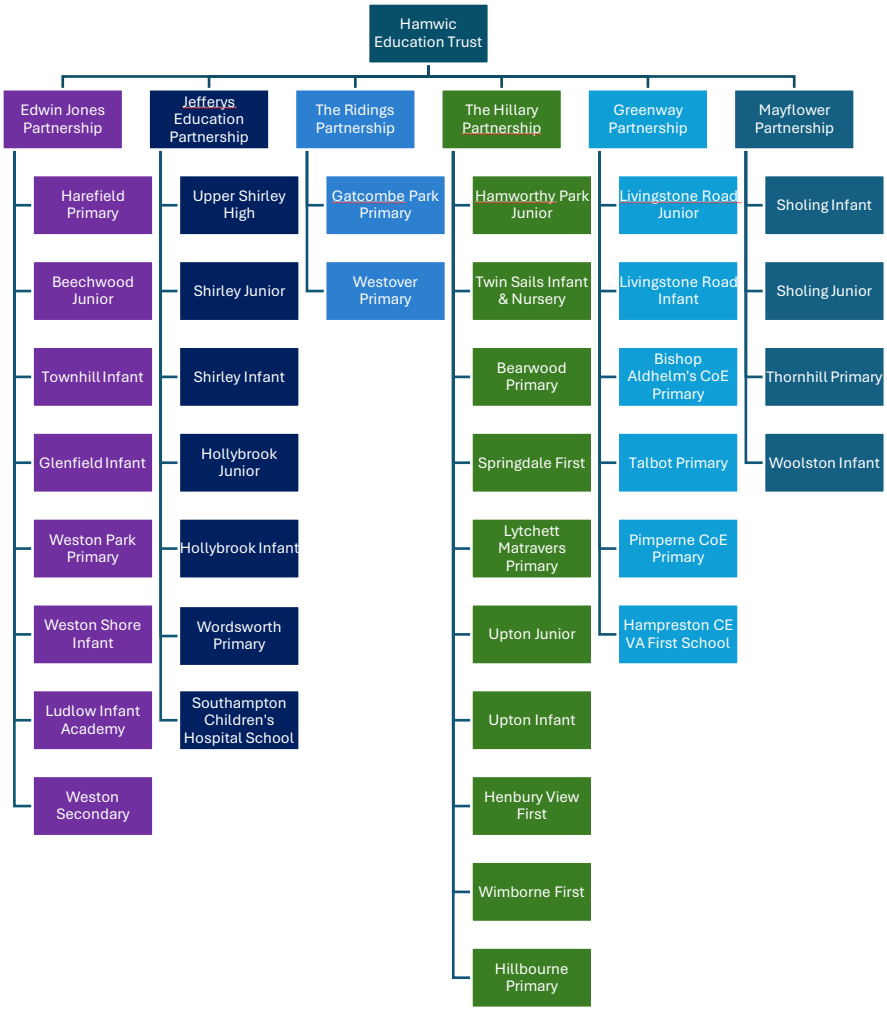
The purpose of this handbook is to ensure that HET and its schools maintain and develop systems of financial control that conform to the requirements both of propriety and of good financial management. It is essential that these systems operate effectively, efficiently and economically to meet the requirements of the funding agreements with the Department for Education (DfE).

HET must comply with the principles of financial control, outlined in the academies guidance published by the DfE and the latest Academy Trust Handbook. This Handbook expands on this guidance and provides detailed information on HET's accounting procedures and system manual, which **must** be read by all staff involved with financial systems.

All policies referred to in this handbook are detailed in Appendix 2 and can be found on the Managed Services intranet or can be provided upon request.

2. Organisation

Hamwic Education Trust is a company limited by guarantee with charitable status. The individual academies within HET are as follows:



All schools have their own Local Governing Committee (LGC) with the exception of the following:

- Harefield Primary School – have no substantive LGC
- Weston Secondary School – have no substantive LGC
- Hollybrook Junior School & Hollybrook Infant School – have a federated LGC
- Shirley Junior School & Shirley Infant School – have a federated LGC
- Hamworthy Park Junior School & Twin Sails Infant School – have a federated LGC
- Livingstone Road Junior School & Livingstone Road Infant School – have a federated LGC
- Ludlow Infant Academy & Townhill Infant School – have a federated LGC
- Weston Park Primary School & Weston Shore Infant School – have a federated LGC
- Upton Junior School & Upton Infant School – have a federated LGC

3. Roles and Responsibilities

The main responsibilities of the HET are prescribed in the Funding Agreements with the DfE. The key responsibilities include:

- ensuring that HET funds are used only in accordance with the law, its articles of association, its funding agreement and the Academy Trust Handbook
- ensuring proper stewardship of HET's funds, including regularity and propriety, and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money
- ensuring proper governance and conduct of HET including the provision of its governance arrangements
- ensuring that all Board of Trustees and its Committees have the relevant skills and experience
- approve a written Financial Scheme of Delegation that maintains robust internal control arrangements
- approval of the annual budget
- producing an overall surplus budget from year to year
- production of an Annual Report and Accounts
- appointment of auditors
- appointment of a Chief Executive Officer, as Accounting Officer, who is fit and suitable for the role (the role of Accounting Officer will not rotate)
- appointment of the Chief Financial Officer in conjunction with the Chief Executive Officer

Subject to the provisions of the Companies Act 2006, the articles of association and to any directions given by special resolution, the business of HET will be managed by HET's Board of Trustees who may exercise all the powers of HET.

HET has defined the responsibilities of key committees and staff involved in the administration of HET finances to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees, Governors & staff. The committees that have responsibilities relating to HET's finances are as follows:

- Board of Trustees
- Audit & Risk Committee
- Finance & Resources Committee
- People Committee
- Local Governing Committees

The main responsibilities of these committees are set out in written Terms of References.

Chief Executive Officer (CEO)

As HET's Accounting Officer, the CEO has overall responsibility for HET's activities, including financial activities. As the Accounting Officer for HET, the CEO is personally responsible for:

- assuring Parliament, and the public, of high standards of probity in the management of funds, particularly value for money, regularity and propriety
- the keeping of proper financial records
- the management of opportunities and risks
- assuring the Board of Trustees that there is compliance with the Academy Trust Handbook and funding agreements

- advising the Board of Trustees in writing if, in their opinion, any action or policy under consideration by them is incompatible with the terms of the articles of association, funding agreements or the Academy Trust Handbook, including where such action conflicts with the duties of the Accounting Officer, to ensure regularity, propriety, value for money and feasibility
- advising the Board of Trustees if they appear to be failing to act where required to do so by the terms and conditions of the Academy Trust Handbook or funding agreements
- ensuring that all HET's property and assets are under the control of HET and measures are in place to prevent losses or misuse, including maintenance of fixed asset registers
- ensuring that bank accounts, financial systems and financial records are operated by more than one person
- keeping full and accurate accounting records to support their annual accounts
- notifying the Board of Trustees where it is identified that HET's ability to operate as a going concern is at risk

The essence of the role is a personal responsibility for:

Regularity – dealing with all items of income & expenditure in accordance with legislation, the terms of HET's funding agreements & the Academy Trust Handbook, and compliance with HETs internal 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 outcomes through the economic, efficient and effective use of resources. A key objective is to achieve value for money not only for HET but for taxpayers generally.

Feasibility – proposals can be implemented accurately, sustainably and to the intended timetable with the resources available and without incurring wasteful or nugatory spend.

In practice, much of the financial responsibility is delegated to the Chief Financial Officer (CFO) but the CEO still retains responsibility for:

- approving senior staff appointments within the authorised establishment
- authorising orders, contracts and payments in conjunction with other authorised signatories in accordance with the agreed Scheme of Delegation (Appendix 1)
- preparing budget plans in conjunction with the Chief Financial Officer
- implementing expenditure in line with budgets
- seeking approval for purchase orders or contracts in excess of delegated thresholds
- submitting reports giving details of income, expenditure and forecasts to date
- ensuring any actions resulting from the annual audit are implemented

Chief Financial Officer (CFO)

The CFO has the following responsibilities:

- ensuring sound and appropriate financial governance and risk management arrangements are in place
- preparing and monitoring of budgets
- ensuring the delivery of annual accounts

- day to day management of financial issues including the establishment and operation of a suitable accounting system for HET and individual schools
- management of HETs financial position at a strategic and operational level within the framework for financial control determined by the members and trustees
- the maintenance of effective systems of internal control
- maintenance of adequate fixed asset registers
- liaising with auditors to ensure that the annual accounts are properly presented and adequately supported by the underlying books and records of HET
- the preparation of monthly management accounts, including income & expenditure reports, forecasts, cash flow forecasts and balance sheets
- ensuring forms and returns are sent to the DfE in line with timetables set by the DfE
- additional roles, some of which are not directly finance related, as outlined in the CFO's job description

Deputy CEO (DCEO)

The DCEO has been appointed as HETs Company Secretary. The main duties of the Company Secretary are the ensure compliance with the relevant legal duties including:

- the keeping of company books that contain details of its members and officers
- the keeping of minutes of HET Board Meetings
- maintenance of Companies House records
- induction of new trustees
- ensuring HET complies with HET Articles of Association

School Leaders

The School Leader is the senior member of staff within each school, which may include the following titles: Head Teacher, Executive Head Teacher, Head of School, etc.

Within the framework of the HET and school development plans as approved by the LGC, the School Leader has overall responsibility for the academy's activities including financial activities (however, the CEO retains ultimate responsibility). Within the framework of HET and school development plans as approved by the LGC, the School Leader has overall responsibility for the school's activities including financial activities (however, the CEO retains ultimate responsibility). Much of the financial responsibility may have been delegated to the Business Manager but the School Leader still retains overall responsibility.

Business Manager (BM)

The Business Manager role may be included within the following roles: Business Manager, Operations Manager, Bursar, Senior Finance Officer, Finance Officer, Finance Manager or Office Manager)

The Business Manager works in close collaboration with the School Leader. The main responsibilities of the Business Manager include:

- the day to day management of financial issues
- the maintenance of effective systems of internal control
- to work with the CFO to produce the annual accounts, ensuring compliance with company law and all requirements of DfE and other agencies
- to negotiate, manage and monitor agreements for the provision of support services in accordance with the agreed Financial Scheme of Delegation (Appendix 1)

- to ensure the academy follows the law and best practice for the procurement and monitoring of contracts in accordance with the agreed Financial Scheme of Delegation (Appendix 1)
- to carry out regular risk assessments of the academies business
- the preparation (or to support in preparation) of regular forecasts
- the preparation (or to support in preparation) of the annual budget and long term budgets

Other Staff

Other members of staff, primarily staff who process financial transactions and/or place orders and budget holders, will have some financial responsibilities and these are detailed in following sections of this manual. All staff are responsible for the security of HET property, for avoiding loss or damage, for ensuring economy & efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

4. Connected Parties

HET will be even handed in its relationship with connected parties by ensuring that:

- trustees understand and comply with their statutory duties as company directors to avoid conflicts of interest, not to accept benefits from third parties, and to declare interest in proposed transactions or arrangements
- all members, trustees, local governors and senior employees have completed the register of interests retained by HET, in accordance with the Academy Trust Handbook, and there are measures in place to manage any conflicts of interest
- no member, trustee, local governor, employee or related individual/organisation uses their connection to HET for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to HET
- there are no payments to any trustee by HET unless such payments are permitted by the articles of association, or by express authority from the Charity Commission and comply with the terms of any relevant agreement entered into with the Secretary of State
- the Charity Commission's prior approval is obtained where HET believes a significant advantage exists in paying a trustee for acting as a trustee

The register of interests for individuals identified above will include:

- directorships, partnerships and employments with businesses
- trusteeships and governorships at other educational institutions or charities
- for each interest: the name of the business, the nature of the business, the nature of the interest and the date the interest began

The register of interests will identify any relevant material interests arising from close family relationships between the above mentioned individuals.

Please refer to the Conflicts of Interest Policy for details (including trading with connected parties).

5. Delegated Authority to HET

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

Novel, Contentious and/or Repercussive Transactions

Novel transactions are those of which HET has no experience, or are outside the range of normal business activity for HET.

Contentious transactions are those which might give rise to criticism of HET by Parliament, and/or the public, and/or the media.

Repercussive transactions are those which are likely to set precedent and cause pressure on other trusts or the broader public sector to take a similar approach and hence have wider financial implications, including where a trust's proposal could cause additional costs to arise for other parts of government.

Novel, contentious and/or repercussive transactions must always be referred to the DfE for explicit prior authorisation.

Borrowing

HET must seek the DfE's prior approval for borrowing (including overdraft facilities, but excluding finance leases on the DfE approved list) from any source.

Gifts

All staff must declare and record any gifts exceeding £50 in value that they receive for their personal use. Members of staff should courteously but firmly decline gifts by explaining that staff working in public services can generally not accept them. Offers of gifts should be reported to senior staff and the Local Governing Committee.

Please refer to the Gifts & Hospitality Policy.

Write-offs and entering into Liabilities

HET may enter into the following transactions, subject to delegated limits:

- writing-off debts and losses
- entering into guarantees or letters of comfort
- entering into indemnities which are not in the normal course of business

The delegated limits (subject to a maximum of £250,000) are:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction
- cumulatively, 2.5% of total annual income in any financial year per category of transaction, if HET has not submitted timely, unqualified audited accounts for the previous two financial years.
- cumulatively, 5% of total annual income in any financial year per category of transaction, so long as HET that has submitted timely, unqualified audited accounts for the previous two financial years

Total annual income is defined as grant income as disclosed in HET's last set of audited accounts.

In relation to these limits:

- HET should always pursue recovery of amounts owed to it, including overpayments or erroneous payments, irrespective of how they came to be made
- HET should only consider writing off losses after careful appraisal of the facts, including whether all reasonable action has been taken to effect recovery from the debtor or the RPA, and should be satisfied that there is no feasible alternative
- the amounts for write-offs are before any successful claims from the RPA

Before accepting liabilities by issuing guarantees, a letter of comfort or indemnity, HET should secure value for money by appraising the proposal through assessment of the costs & benefits of relevant opinions.

Beyond these limits HET must seek and obtain explicit and prior approval from the DfE for the transaction.

The CEO must approve any write offs or entering into liabilities up to a value of £45,000. The Board of Trustees must approve any write offs or entering into liabilities with a value of over £45,000.

Special Payments

Settlements must not be accepted unless they satisfy the conditions in the Academy Trust Handbook and in the Department for Education's guidance and submission template.

For any special payment detailed below, advice must be sought from the Deputy CEO and/or Chief Financial Officer.

Special staff severance payments

Special staff severance payments are paid to employees outside of normal statutory or contractual requirements when leaving public employment whether they resign, are dismissed or reach an agreed termination of contract.

If HET is considering making a staff severance payment above statutory or contractual entitlements, it must follow the following guidance:

- DfE's special severance payments guidance
- HM Treasury's guidance on Public Sector Exit Payments: Use of Special Severance Payments

HET must consider the following issues before making a binding commitment:

- that the proposed payment is in the interests of HET
- whether such a payment is justified, based on a legal assessment of the chances of HET successfully defending the case at employment tribunal. If there is a greater than 50% prospect of losing the case then a settlement may be justified, especially if the costs incurred in maintaining a defence are likely to be high. Where a legal assessment

suggests that HET has at least a 50% chance of being successful, then a settlement should not be offered
- if the settlement is justified, HET 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

HET must clearly record and retain evidence of the management and approval process, including any legal advice of the likelihood of successfully defending the claim, the reasons for the decision, the supporting evidence and how value for money was ensured.

Special severance payments should not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance. The only acceptable rationale in the former case would be where the legal advice is that the claimant is likely to be successful (greater than 50% chance) in 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 capability procedures.

Where HET is considering a staff severance payment including a non-statutory or non-contractual element of £50m000 or more, (gross, before income tax or other deductions), DfE's prior approval must be obtained before making any offer to staff.

HET should demonstrate value for money by applying the same level of scrutiny to a payment under £50,000 as if it were over the £50,000 delegation and have a business case justifying the level of settlement reached. Settlements must not be accepted unless they satisfy the condition in the Academy Trust Handbook and in the DfE's guidance & submission template.

Additionally, prior DfE approval must be obtained before making a special staff severance payment where:

- an exit package which includes a special severance payment is at, or above, £100,000; or
- the employee earns over £174,000
- a payment is novel, contentious or repercussive
- HET has legal advice that the chances of successfully defending the matter in a court or tribunal is more than 50%
- An exit package includes a confidentiality agreement

In respect of special severance payments, confidentiality clauses are always novel, contentious or repercussive and so must not be used unless HET has obtained prior DfE approval.

In addition, for any severance payment (special of otherwise) any confidentiality clause:

- must not prevent an individual's right to make disclosures in the public interest (whistleblowing) under the Public Interest Disclosure Act 1998
- must not be used to prevent the DfE from obtaining sufficient information from HET to fully assess payments under its regulatory role

All staff severance payments must be approved by the DCEO prior to any agreement being reached.

All staff severance payments over £25,000 must be approved by the CEO prior to any agreement being reached.

Compensation payments

Compensation payments provide redress for loss or injury. Where HET is considering making a compensation payment, it must base its decision on a careful appraisal of the facts, including legal advice where relevant and ensure that value for money will be achieved.

HET has the delegated authority to approve individual compensation payments provided any non-statutory/non-contractual element is under £50,000. Where HET is considering a non-statutory/non-contractual payment of £50,000 or more prior approval must be obtained from the DfE.

HET will consider whether particular cases reveal concerns about the effectiveness of internal control systems, and take any necessary steps to put failings right.

All compensation payments must be approved by the CEO.

Other types of special payments including ex gratia payments

Other types of special payment, which go beyond statutory or contractual cover or administrative rules include:

- ex gratia payments
- extra-statutory payments
- extra-contractual payments
- extra-regulatory payments

These types of special payment transactions must always be referred to the DfE for prior approval.

Acquisition and Disposal of Fixed Assets

HET must seek and obtain prior written approval from the DfE for the following transactions:

- acquiring a freehold of land or buildings
- disposing of a freehold of land or buildings
- disposing of heritage assets beyond any limits set out in HETs funding agreement in respect of assets generally

Other than the above, HET can dispose of any other fixed assets without the DfE's prior approval. HET must ensure that any disposal achieves the best price that can reasonably be obtained and maintains the principles of regularity, propriety and value for money.

Any disposal of fixed assets with a residual value of greater than nil up to £10,000 must be approved by the School Leader. Any disposal of fixed assets with a value of over £10,000 must be approved by the CFO.

Prior approval from the DfE must be obtained for property transactions that are novel and/or contentious.

Leasing

There are two types of lease, as defined under relevant financial reporting standards:

- finance leases (which are a form of borrowing)
- operating leases (which do not involve borrowing)

HET does not require DfE's approval for operating leases except for some transactions relating to land or buildings.

HET does not require DfE's approval for finance leases on assets included on the DfE's approved list. All finance leases must be approved by the CFO.

HET must obtain the DfE's prior approval, for the following leasing transactions:

- taking up a finance lease on any class of asset not on the DfE approved list for any duration from another party
- taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of seven or more years
- granting a leasehold or tenancy agreement of any duration, on land or buildings to another party

HET must ensure that any lease arrangements maintain the principles of value for money, regularity and propriety whether or not DfE's prior approval is required. HET will seek advice from their professional financial adviser and/or external auditor if they are in any doubt over whether a lease involves an element of borrowing.

6. Process for Independent Checking

Internal Scrutiny

HET must have in place a programme of internal scrutiny to provide independent assurance to the Board of Trustees that its financial and non-financial controls, and risk management procedures, are operating effectively.

Internal scrutiny must focus on:

- evaluating the suitability of, and level of compliance with, financial and non-financial controls. This includes assessing whether procedures are designed effectively and efficiently, and checking whether agreed procedures have been followed
- offering advice and insight to the Board of Trustees on how to address weaknesses in financial and non-financial controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of HET
- ensuring all categories of risk are being adequately identified, reported and managed

HET must identify on a risk-basis (with reference to the risk register) the areas it will review each year, modifying its checks accordingly.

The Audit & Risk Committee will undertake the process for independent checking of financial and non-financial controls, systems, transactions and risks.

The Audit & Risk Committee will:

- oversee and approve HET's programme of internal scrutiny
- ensure that risks are being addressed appropriately through internal scrutiny
- report to the Board of Trustees on the adequacy of HET's internal control framework, including financial and non-financial controls and management of risks

Internal scrutiny of HET is directed by the Audit & Risk Committee and will be managed through one or more of the following options:

- employing an in-house internal auditor
- a bought-in internal audit service

Internal scrutiny must:

- be independent and objective
- be conducted by someone suitably qualified and experienced and able to draw on technical expertise as required
- be covered by a scheme of work, driven and agreed by the Audit & Risk Committee, and informed by risk
- be timely, with the programme of work spread appropriately over the year so higher risk areas are reviewed in good time

Regular updates will be provided, as appropriate, to the Audit & Risk Committee by the person or organisation carrying out the programme of work to include;

- a report of the work to appropriate Audit & Risk Committee meetings, including recommendations where appropriate to enhance financial and non-financial controls and risk management
- where appropriate, a short annual summary report to the Audit & Risk Committee for each year ended 31 August outlining the areas reviewed, key findings, recommendations and conclusions, to help the committee consider actions and assess year on year progress

Fraud

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 HET are also responsible for preventing such losses of public funds. This means that members, trustees, local governors and staff must be aware of the risk of fraud and irregularity to occur within their organisations and they must, as far as possible, address this risk in their internal control and assurance arrangements by putting in place proportionate controls. HET is also responsible for ensuring appropriate action is taken where fraud and irregularity is suspected or identified. The Anti-Fraud & Corruption Policy outlines the procedures to be adopted in such an event.

HET operates a centralised purchase ledger, with only select staff being able to amend suppliers standing data. These staff must ensure that supplier's bank details are not updated unless there is certainty that they are accurate. Where a supplier contacts HET to request changes be made to bank details, HET must verify this shortly after the request is received by ending the communication and calling the supplier on a number that they know to be accurate to ensure that the request is genuine.

HET must notify the DfE, as soon as is possible, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any financial year. Any unusual or systematic fraud, regardless of value, must also be reported. The following information is required:

- full details of the event(s) with dates
- the financial value of the loss
- measures taken by HET to prevent recurrence
- whether the matter was referred to the police (and why if not)
- whether the RPA have offset any loss

The DfE reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any Trust either as the result of a formal notification from HET itself or as the result of other information received. The DfE may involve other authorities, including the police, as appropriate. The DfE will publish reports in line with its own policy on publishing information. The DfE may recover funds where there is evidence of irregularity or fraud.

HET must be aware of the risk of cybercrime, put in place proportionate controls and take appropriate action where a cyber security incident has occurred. HET will take note of the DfE's cyber security standards.

HET must not pay any cyber ransom demands.

External Audit

HET must:

- appoint an auditor, to certify whether the accounts present a true and fair view of HET's financial performance and position
- produce audited accounts

The appointment of external auditors will be for a maximum of a five year period renewable at the discretion of the Board of Trustees and members.

The auditors are required to give an opinion on whether:

- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the DfE
- proper accounting records have been kept by HET throughout the financial year
- grants made by the DfE have been applied for the purposes intended

The Audit & Risk Committee will arrange for on-going monitoring of the performance of the auditors.

Business Managers are required to provide information relating to the preparation of annual accounts and DfE returns to the Chief Financial Officer.

The Chief Financial Officer will submit financial information required to the DfE.

7. Accounting System

All financial transactions of HET must be recorded on the PS Financials accounting system, which is maintained/overseen by the Chief Financial Officer and used in all academies.

Financial records are required to be kept for at least seven years, as stipulated by HMRC.

System Access

Entry to PS Financials is password restricted and the Chief Financial Officer is responsible for implementing a system which ensures that passwords are changed at least every three months.

Access to individual parts of PS Financials is restricted so that any user is only able to see the parts of the system that are relevant to them. The Chief Financial Officer is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

PS Financials is backed up daily to a secure off-site UK location.

Each academy is required to have an emergency response plan in place. This should link in with the annual assessment made by HET of the major risks to which HET is exposed and the systems that have been implemented to mitigate those risks.

Transaction Processing

All transactions entered into PS Financials must be authorised in accordance to the guidance specified in this manual.

Detailed information on the operation of PS Financials can be found in the user guides held on the intranet.

Transaction Reports

The Chief Financial Officer will obtain and review system reports to ensure that only regular transactions are posted to PS Financials. The reports obtained and reviewed will include:

- monthly payroll reports
- monthly VAT returns
- monthly management accounts, including forecasts to year end

Reconciliations

The CFO is responsible for ensuring that the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared (the CFO will not perform both functions):

- sales ledger control account
- purchase ledger control account
- expenses control account

- bank accounts
- petty cash account

Any unusual or long outstanding reconciling items will be discussed with the School Leader and Business Manager for rectification.

8. Accounting Policies

Please refer to the Accounting Policy for this information.

9. Financial Planning

Financial plans are prepared as part of the strategic planning process. The strategic development plan indicates how the educational and other objectives of HET are going to be achieved within the expected level of resources over the medium term.

The strategic development plan provides the framework for financial plans. The financial plan is a detailed statement of the expected resources available to HET and the planned use of those resources for the following year.

The Strategic Development Plan

The strategic development plan is concerned with the future aims and objectives of HET and how they are to be achieved, including matching objectives & targets to the resources expected to be available. Strategic development 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 HET's and academies strategic development plans are matters for each academy to decide but due regard should be given to the matters included within the guidance to academies and any annual guidance issued by the Department for Education (DfE).

Financial Planning

Financial plans will reflect the best estimate of the resources available to each academy for the forthcoming years and how those resources are to be utilised by each academy. There should be a clear link between the strategic development plan objectives and the budgeted utilisation of resources.

The financial planning process will incorporate the following elements:

- taking an integrated approach to curriculum and financial planning
- forecasts of likely pupil numbers over a five-year period
- estimations of the amount of DfE grants receivable
- review of other income sources available to the individual academies within HET to assess likely level of receipts
- review of past financial performance against financial plans to promote an understanding of HETs cost base
- fully costed staffing structure detailing new posts, FTEs and scale points – this must be signed off by the Local Governing Committee
- estimations of future staffing structures

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

Financial plans are prepared on an ongoing basis and reported on over a three-year timescale through monthly management accounts. These financial plans are the responsibility of the School Leader to set and will be reviewed monthly by the Chief Financial Officer, Deputy CEO and CEO.

Management accounts, which incorporate these financial plans, will be shared at each Board of Trustee meeting, with an approval being obtained to allow for submission of the budget forecast return to the DfE.

The approved financial plan must be submitted to the DfE on a date specified by them.

Each academy will be assigned a risk rating to their financial plan. These risk ratings have been defined by the Chief Financial Officer and are as follows:

- High – those budgets that are in a deficit position over the next 12 months, or those budgets with significant deteriorating in-year deficits
- Medium – those budgets that are in a deficit position over the next 36 months, or those budgets with concerning deteriorating in-year deficits
- Low – any budgets in a surplus position over the next 36 months that do not have concerning deteriorating in-year deficits

Where a school has a risk rating of *High* an action & recovery plan must be put in place. The action plan should be approved by the CEO prior to it being submitted to the Board of Trustees. Progress against these plans will be monitored monthly by the Chief Financial Officer and will be reported to the Board of Trustees via management accounts. Where an action plan is not approved by the CEO or Board of Trustees, or there is insufficient progress in meeting the action plan, the school may face the risk of having its financial autonomy removed/reduced (please refer to Section 18 – Financial Autonomy of Academies.

Where a school as a risk rating of *Medium* an action plan may be required to be put in place. Any action plan should be approved by the CEO and will be communicated with the Board of Trustees. Progress against any plans will be monitored termly by the Chief Financial Officer and will be reported to the Board of Trustees via management accounts.

Where a school has a risk rating of *Low* then no further actions are required to take place. Schools should still review their financial plans regularly and HET will continue to monitor & support the school.

Risk ratings are reviewed on a regular basis and are decided on following consultation with the Board of Trustees.

If a school is requested to complete an action and recovery plan, a meeting may be arranged for the School Leader to meet with the Executive Team to discuss this and agree on timescales. This action plan should be submitted to the CEO for approval. The School

Leader may also be required to present the recovery plan to the Executive Team and the Board of Trustees.

If a surplus is identified at an individual academy within HET, this may be held back as a contingency or alternatively carried forward to invest in future years' priorities for the students that the academy serves. Please refer to the Reserves Policy.

More detailed guidance, including the key financial performance indicators to be utilised in financial planning, is available in the Financial Planning Framework.

Schools Condition Allocation Budgeting

HET receives capital funding via the Schools Condition Allocation (SCA) each year, which is to be deployed strategically across the entire estate to address priority maintenance and strategic needs.

Allocation of this capital funding will be based on independent surveys undertaken on academies estates.

Prioritisation will be based on the below:

1. Items that could cause academies to close within the next 12 months if not addressed
2. To facilitate school improvement in key strategic areas such as expansion, SEN, etc.
3. Medium term priorities identified by surveys (items that would not cause a school to close)

The prioritisation of this capital funding is continually reviewed and is subject to change in a given year.

The CFO is responsible for preparing and obtaining approval for the SCA budget, which must be approved by the Board of Trustees.

Any urgent expenditure outside of approved budgets can be approved by the Chair of the Board of Trustees in exceptional circumstances.

Monitoring and Reviewing

Monthly management accounts will be prepared by HET on an accruals basis. The management accounts will detail the following:

- actual income & expenditure to date
- forecasted income & expenditure for the current year and the next two years
- narratives explaining any significant situations

Management accounts will be reviewed by the CFO, who will produce a consolidated report, which will be reviewed on a monthly basis by the CEO and Deputy CEO. These reports will be submitted to the Board of Trustees at each meeting. In addition, management accounts will be shared with the Chair of the Board of Trustees and the Chair of the Finance Committee on a monthly basis.

The monitoring process should be effective and timely in highlighting issues in the management accounts so that they can be investigated and action taken where appropriate. Any potential significant situation must, in the first instance, be discussed with

the CFO. Each school is responsible for presenting reports to their LGC or relevant nominated committee.

10. Payroll

Staff Appointments

The LGC or appropriate appointed committee, has responsibility for approving a staffing structure for the school. Changes can only be made to this structure with the express approval in the first instance of the appropriate committee who must ensure that adequate budgetary provision exists for structural changes.

The appointment of School Leaders is undertaken by HET executive team in conjunction with the school's LGC and requires approval as per the Financial Scheme of Delegation.

The School Leader has authority to appoint staff within the approved structure except for Deputy Head Teachers and Business Managers whose appointments must follow consultation with HET and the LGC. The School Leader maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Business Manager immediately.

The CEO is responsible for ensuring that HET's pay policy is implemented.

The CEO is responsible for ensuring that the statutory obligations around the safer recruitment policy & procedures are administered, and Business Managers will be responsible for maintaining accurate records of all staff employed at their academy in the single central record, for which a template is available from the HR team.

Personnel information is held in manual files under the guidance of the CEO with access strictly limited to authorised officials only and separately on academies management information systems, for which relevant registration under the Data Protection Act 2018 is held.

Staff Remuneration

Staff remuneration is set in accordance with HET's Pay Policy.

Payroll Administration

HETs payroll is administered by Neo People.

Amendments to payroll data, e.g. appointments, resignations, pay changes, overtime, etc. are made to the payroll provider in the format laid down by them and authorised by the Business Manager at each academy by the deadline set by the payroll provider.

All supply teaching, casual working and overtime claims must be checked and approved by the relevant budget holder and must be forwarded to the Business Manager.

All absence must be reported to the payroll provider for the previous month and be reconciled to the data on the academies management information/HR system.

Draft payroll reports from the payroll provider must be reconciled against the HCSS budgeting software and the submitted payroll data by Business Managers, with any variances investigated prior to approval. The School Leader must approve the final payroll report.

After payroll has been processed the transactions must be entered onto PS Financials. Postings will be made to the payroll control account and to academies nominal codes. The Chief Financial Officer is responsible for ensuring that the journal has been entered correctly and matches to the final payroll report.

Charges for the apprenticeship levy will be calculated based on schools' salary payments each month and will be processed by the CFO.

The CFO will perform monthly reconciliations of the payroll control account.

Payments

All staff are paid monthly by bank credit transfer to their bank accounts.

The payroll provider's payroll system automatically calculates the deductions due from payroll to comply with legislation. The major deductions are for tax, national insurance and pensions. These amounts are summarised on the final payroll report.

Payment of deductions are made by the payroll provider from HET bank accounts.

11. Other Payments to Staff

Travel Claims

The School Leader may delegate to an appropriate member of staff the authorisation of travel claims.

The School Leader should personally authorise claims made by the people they directly line manage. Any claims made by the School Leader must be authorised by the CEO, CFO or Chair of the LGC. No member of staff may authorise their own travel claims.

Claims may only be made for travel approved in advance by the appropriate member of staff. Travel claims for unauthorised trips may be approved, but only:

- after the reason for the travel has been made clear, and
- if the person authorising the travel is satisfied that it is for legitimate business

The mileage for each trip must be accurately recorded and verified by another member of staff. Claims should be made for mileage that exceeds the normal journey from home to the place of work. For example, if someone makes a journey from home directly to a course venue, they should claim those miles, less the miles for the normal home to place of work journey.

The rate paid for approved mileage must be no more than 55p per mile.

All claims must be submitted on an official travel claim form and processed through PS Financials.

Please refer to the Staff Expenses Policy for more information.

Travelling Abroad

Any educational visit the School Leader wishes to take abroad as part of their professional development, must be agreed in advance by the LGC and this decision must be recorded in minutes. Agreement for visits during term time should normally be given only if the LGC is satisfied that the academy will gain significant benefit and the visit will benefit the School Leader's professional development.

If the school budget will be covering part of the costs, the LGC must satisfy itself that the balance of costs represents value for money for the academy.

If the School Leader chooses to extend the time abroad on an educational visit to enable them to take a holiday, they should pay an appropriate proportion of any costs themselves. The school budget must not pay any personal and private foreign travel costs.

Other Staff Expenses

Any other expenses from staff can be claimed in accordance with the Staff Expenses Policy.

All claims must be accompanied with relevant documentation and processed via PS Financials.

Seminars and Conferences

Members of staff who wish to attend conferences should seek approval from the School Leader and CPD Coordinator and fill out the appropriate form.

The School Leader should seek prior approval from the LGC if:

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

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

Hospitality

School funds should be used to entertain visitors on or off the school site only if this likely to substantially benefit the education of the pupils. If such spending is likely to be more than £1,000, it should be approved by the LGC or an appropriate committee.

Alcohol is not permitted to be purchased in any circumstances.

Please refer to the Gifts & Hospitality Policy for more information.

Staff Team Building Activities

Staff team-building activities would be included in the annual CPD budget. Any significant expenditure would be reported through the Local Governing Committee or relevant committee.

Consultancy

The School Leader may undertake consultancy work or contribute to educational conferences. The work must be authorised in advance and in the case of the School Leader authorised by the CEO/LGC. The extent of consultancy work must be approved by the CEO/LGC and fully recorded in the minutes of the relevant meeting. All income must be paid to the school or HET.

12. Procurement

HET aims to achieve the best value for money from all purchases in order to achieve the best price possible for the correct quality, quantity and time. A large proportion of 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 HET;
- **Accountability -** HET is publicly accountable for its expenditure & the conduct of its affairs;
- **Fairness -** that all those dealt with by HET are dealt with on a fair and equitable basis.

Best Value Statement

The Board of Trustees intends that the 'Best Value' principles, should be applied to HET's ordering and purchasing administration. These principles are:

- Compare
- Challenge
- Compete
- Consult

Routine Purchasing

Budget holders will be informed of the budget available to them as soon as the budget is formally approved by the Board of Trustees. 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. A report detailing actual expenditure and commitments against budget can be supplied to each budget holder.

It is essential that the following controls are adhered to:

- orders should not be entered into verbally, unless a Charge Card has been used (following prior authorisation from the relevant budget holder)
- the use of official Requisition Forms and Purchase Orders through PS Financials, which automatically updates the financial records and enables committed expenditure to be included in management information
- 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 emailed to suppliers, in order to reduce timelines
- orders should only be approved in accordance with the authorised limits within the Scheme of Delegation listed in Appendix 1

- official purchase orders are not required for activity where no physical ordering of goods or services has taken place (i.e. catering, gas, electric, emergency repairs, subsequent years of a multi-year agreement, etc.)
- official purchase orders are not required for goods or services valued at under £500
- orders may only be used for goods and services provided to HET. Private individuals and other organisations may not use official Requisition Forms to obtain work, goods, materials and services net of VAT
- when ordering using a Charge Card, a Charge Card Payment Form must be used and approved by the budget holder prior to an order being placed
- purchases through online market places (such as Facebook Marketplace) are allowed for purchases up to £250. All such purchases must have an appropriate audit trail (i.e. screen-shots showing details of the goods and receipts/confirmations of amounts paid). No such transactions can take place with any members of staff or local governor.

Orders under £10,000 (under £25,000 for SCA tendering)

Routine purchases of up to £10,000 ordered by an academy must ensure 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 HET
- bulk purchasing of common consumables
- negotiating discounts
- taking advantage of sale seasons
- obtaining alternative quotations wherever possible

Orders between £10,000 and £24,999 (between £25,000 and £49,999 for SCA tendering)

At least three written quotes must be obtained for all orders between £10,000 and £24,999 to identify the best source of the goods or services. Quotes obtained must be based on the exact same specification to ensure consistency. Written details of quotations obtained must be prepared and retained by the Business Manager for audit purposes.

Orders over £25,000 (over £50,000 for SCA tendering)

All goods or services with a value over £25,000, or for a series of contracts which in total exceed £25,000 must be subject to formal tendering procedures.

Purchases over £207,720 (inc. VAT) for supplies & services and £5,186,260 (inc. VAT) for works may fall under UK public procurement thresholds which require advertising in the Find a Tender service. Any tenders over this limit must be completed by the Chief Financial Officer.

Where school trips are planned to a specific destination (i.e. Stubbington), tendering procedures are not required to be followed. However, where a trip is not planned for a specific destination (i.e. a ski trip), tendering procedures must be followed.

In exceptional circumstances, the CEO may authorise a tender procedure that does not comply with the above. This will only be utilised when value can clearly be demonstrated.

Forms of Tenders

HET will consider Department for Education opportunities when making tendering decisions.

Please see the Procurement Policy for full details of the approved tendering process.

The Chief Financial Officer must be involved in all tendering projects over £25,000.

Off-Payroll Working

Business Managers are responsible for assessing potential scenarios where IR35 (off-payroll working) applies by completing the "Check employment status for tax" service on the government's website. These checks must be answered accurately to ascertain whether individuals can be paid by invoice or should be paid on payroll. The records of these checks must be retained and sent to HET when requesting to have a new supplier added to the purchase ledger.

Where there is uncertainty, Business Managers should seek clarification from the CFO.

13. Income

The main sources of income for HET are grants from the DfE. The receipt of these sums is monitored directly by the Business Manager who is responsible for ensuring that all grants due to the academy are collected.

HET also obtains income from:

- parents, mainly for trips, clubs & catering (please refer to individual schools Charging & Remissions Policy), and
- the public, mainly for lettings

Trips

A lead teacher or department administrator must be appointed for each trip to take responsibility for the collection of sums due. This individual must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Business Manager.

Students should make payments at the school office or via online payments. A receipt should be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment on the academies income recording system.

The Business Manager should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher or department administrator on a regular basis, with that individual responsible for chasing any outstanding amounts. In addition the Business Manager must complete a reconciliation (using the template provided by HET) of total income & expenditure for any residential trip detailing the following:

- Total income received
- Total amount supported from academy funds (i.e. for pupil premium students)
- Itemised expenditure relating to the trip
- Balance of the above

Where a surplus of over £10 per pupil is realised after all associated costs have been accounted for, refunds should be made to parents.

Lettings

Lettings of a period of 1 year or less must be based on a Facilities Hire Agreement (please refer to the Lettings Policy Template). Lettings of a period of greater than 1 year may be subject to a formal licence agreement. All agreements of this type must be discussed with the CFO in the first instance.

The Business Manager is responsible for maintaining records of bookings of school facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities and confirmation of appropriate insurances must be retained.

The Business Manager will raise invoices and is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.

No debts will be written off without the express approval of the CFO (the DfE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter).

Club Income

The Business Manager is responsible for maintaining records of bookings for clubs and for identifying the sums due from parents. Payments must be made in a reasonable time for clubs.

The Business Manager is responsible for liaising with parents regarding sums due and for chasing outstanding debts. Individual parental debts should not exceed £50. No debts will be written off without the express approval of the CFO (the DfE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter).

Other Income

The LGC is responsible for setting fees for chargeable services at full cost, but can apply an additional rate of return when in a commercial environment.

Custody & Cash Collections

Official, pre-numbered school receipts (or online payment 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 school's safe prior to being collected by cash collectors. Cash collections will take place on an ad-hoc basis, but must be arranged by the Business Manager if cash exceeds the £5,000 insurance limit on the Finance Office safe or prior to school holidays. Cash collections are arranged with HET's finance team. Collections will be collated by HET finance team each week for collections the following week.

Monies collected must be banked in their entirety in the appropriate HET bank account. These deposits must be independently verified by a separate member of staff. The Business Manager is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations

must be prepared promptly after each banking and must be reviewed and certified by the Business Manager.

14. Cash Management

The opening of all bank accounts must be authorised by the Board of Trustees that must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

All HET bank current accounts are with Lloyds Bank.

Any changes to academy bank accounts and/or signatories are completed by the Chief Financial Officer.

Deposits

Particulars of any deposit must be entered onto an official Lloyds Bank paying-in slip, with supporting documentation including:

- the amount of the deposit; and
- a reference, such as the number of the receipt or the name of the debtor

All deposits must be checked by a separate individual to ensure accuracy.

Payments and withdrawals

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

- Chief Financial Officer
- Deputy CEO
- Director of Education – Secondary
- CEO

This provision applies to all accounts operated by or on behalf of HET.

Reconciliations

The Chief Financial Officer must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the academy's cash book and trial balance;
- reconciliations are subject to an independent review carried out by the Chief Financial Officer; and
- adjustments arising are dealt with promptly

Petty Cash Accounts

Each school may maintain a maximum cash balance of £400. The cash must be administered by the Business Manager and be kept in a safe.

Receipts should be recorded in the petty cash system with the date, amount and a reference relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

In the interests of security, petty cash payments should be limited to £30. Higher value payments should be made by an expenses claim through PS Financials for payment by BACS.

The Business Manager is responsible for entering all transactions into the petty cash records on a regular basis and monthly cash counts should be undertaken by the Business Manager to ensure that the cash balance reconciles to supporting documentation.

Petty cash must be held in a locking cash box, which is put in the safe when not in use.

Cash Flow Forecasts

The CFO is responsible for preparing annual cash flow forecasts to ensure that HET has sufficient funds available to pay for day-to-day operations and to avoid going overdrawn. If significant balances can be foreseen, steps should be taken to invest the extra funds.

Investments

Investments must be made only in accordance with the approved Investment Policy.

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. Additional procedures may be required to ensure any income receivable from the investment is received.

15. Assets

All items purchased with a value over HET's capitalisation limit (£5,000) must be entered in an asset register using the asset management system. The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

The Asset Register helps:

- ensure that staff take responsibility for the safe custody of assets;
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- to manage the effective utilisation of assets and to plan for their replacement;
- help the external auditors to draw conclusions on the annual accounts and the academy's financial system; and
- support insurance claims in the event of fire, theft, vandalism or other disasters

Capital Development/Planned Preventative Maintenance

Schools are required to plan for their planned preventative maintenance and future capital expenditure over 5 years within their financial planning process. This should include replacement of assets and planned building works.

Security of assets

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

All the items in the register should be permanently and visibly marked as the academy'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 LGC or relevant nominated committee. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Business Manager and, where significant, should be sold following competitive tender.

Disposal of equipment to staff is not permitted, as it may be more difficult to evidence HET obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as HET would need to ensure licences for software programmes have been legally transferred to a new owner.

An asset disposal form must be completed and authorised for all asset disposals with a residual value of greater than nil.

HET 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 re-invested then the academy must repay to the DfE a proportion of the sale proceeds.

All disposals of land must be agreed in advance with the DfE.

Loan of Assets

Items of HET property must not be removed from academy premises without the authority of the School Leader. A record of the loan must be recorded in a loan book and booked back in when it is returned.

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 Chief Financial Officer.

Examples of assets would include PCs, mobile telephones and other electronic devices.

16. Insurance

The Board of Trustees will take out such insurance as it sees fit and/or as it is advised, and to comply with statutory requirements. HET will obtain the following insurance cover as a minimum:

- buildings and contents
- business continuity
- employers and public liability

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 HET premises.

People or organisations hiring HET's premises and using facilities should either be covered by HET's insurance at an additional cost, or must produce a valid public liability insurance with indemnity up to £5,000,000.

Any claims to be made should be dealt with by the Business Manager directly with the relevant insurer, notifying the Chief Financial Officer & Head of Estates.

HET has opted in the DfE's Risk Protection Arrangement (RPA). HET will cooperate with risk management auditors and risk managers and implement reasonable risk management audit recommendations that are made to them.

Insurances not covered by the RPA will be arranged by the Chief Financial Officer.

17. Other Matters

Managed Service Charges

The Board of Trustees have approved the managed service charge as follows:

- 5% of GAG Funding for secondary academies
- 5.5% of GAG Funding for all other academies

It is the responsibility of the Chief Financial Officer to process the monthly Managed Service charges in PS Financials. This charge will be calculated using the monthly remittances from the DfE.

HET will publish on its website a summary statement accompanying it's annual accounts, outlining how funds are distributed across it's schools.

Transparency with Governance Arrangements

HET will publish on its website up-to-date details of its governance arrangements in a readily accessible format including:

- the structure and remit of the members, Board of Trustees, its committees and Local Governing Committee's (HET's scheme of delegation for governance functions), and the full names of the chair of each
- for each member who has served at any point over the past 12 months, their full names, date of appointment, date they stepped down (where applicable), and relevant business and pecuniary interests including governance roles in other educational institutions
- for each trustee and local governor who has served at any point over the past 12 months, their full names, date of appointment, term of office, date they stepped down (where applicable), who appointed them, and relevant business and pecuniary interests including governance roles in other educational institutions. If the accounting officer is not a trustee, their business and pecuniary interests must still be published
- for each trustee their attendance records at board and committee meetings over the last academic year
- for each local governor their attendance records at Local Governing Committee meetings over the last academic year

Whistleblowing

HET has appropriate procedures in place for whistleblowing – please refer to the Whistleblowing Policy for more information.

Risk Management

HET must recognise and manage present and future risks to ensure its effective and continued operation.

The Audit & Risk Committee will have responsibility for risk management across HET.

Please refer to the Risk Management Policy.

Irregular or Improper Transactions

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

Pooling of GAG Funding by MATs

HET does not pool GAG funding. The pooling of GAG funding is at the discretion of the Board of Trustees. Please refer to the guidance in the Academy Trust Handbook.

Reserves

HET and each academy must ensure that they have sufficient reserves to enable them to achieve their long term aims and remain in overall surplus.

Where academies hold in excess of 8% of their annual GAG funding, they are required to complete an Academy Excess Reserves Statement stating how much their excess reserves are and actions that are to be taken to bring them in line with the policy.

Please refer to the Reserves Policy for more information.

Salary Sacrifice Schemes

HET may enter into salary sacrifice schemes and will give full consideration to conditions set down by HMRC.

HET must follow DfE guidance for Electric Vehicle (EV) salary-sacrifice schemes – these do not need prior DfE approval provided:

- HET has comprehensive mitigations in place to ensure no cost or liability falls on HET if an employee does not fulfil their contractual obligations with the scheme provider
- HET is not under a Notice to Improve (NtI)

Any salary sacrifice scheme must be approved by the Chief Financial Officer.

18. Financial Autonomy of Academies

HET's protocol is for all academies to have the maximum level of autonomy in all aspects of its functioning. However, the Board of Trustees recognise that the areas of financial autonomy and educational autonomy are those of highest risk to the overall efficient and effective functioning of HET as a whole. Therefore, these are the areas that need to be addressed immediately in terms of effective monitoring and evaluation of each academy in order that accurate assessment of each academy's position in relation to these two areas is made, identification of any issues to be addressed is timely & accurate and plans for remedial action are structured & likely to be successful.

Reductions in financial autonomy could arise from an inability to prepare acceptable financial plans, a lack of control over expenditure, concerns of the risk of fraud or any aspect relating to financial management.

The section below identifies the levels of autonomy that an academy may have. Where the Board of Trustees have reduced the financial autonomy of an academy, they will inform the Local Governing Committee and School Leader formally, detailing their reasons and recommendations for actions necessary to facilitate improvement and to move the academy back to a higher level of autonomy. This will include timescales for the improvement, performance criteria for the improvement to be deemed successful and how the return to a higher level of autonomy would be effected. Any reduction in autonomy will be reviewed on a monthly basis.

Complete

Full autonomy for all aspects of financial management, including spending and recruitment.

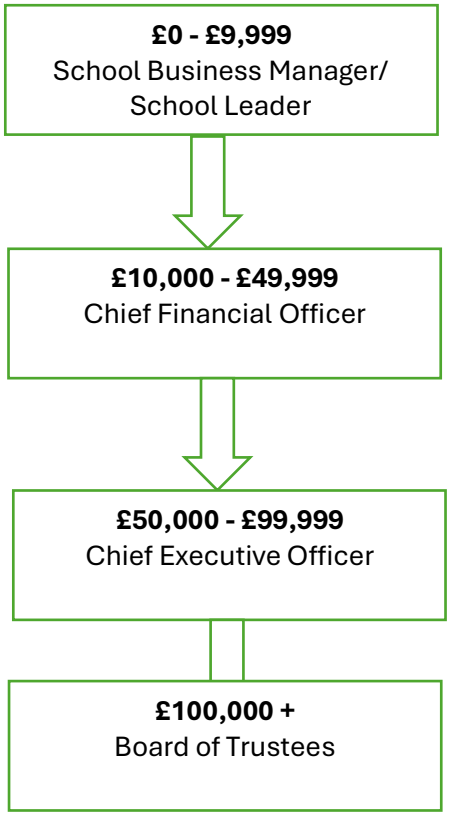
Reduced

Reduced autonomy, with no expenditure outside of agreed budgets without the express approval of the CFO.

None

No autonomy for any aspects of financial management. All expenditure and recruitment will be approved by the CFO.

Appendix 1 – Financial Scheme of Delegation



Individual academies are able to implement their own internal scheme of delegation (within the boundaries set by HETs scheme of delegation).

Appendix 2 – Linked Policies

- Accounting Policy
- Conflicts of Interest Policy
- Anti-Fraud Policy
- Gifts & Hospitality Policy
- Staff Expenses Policy
- Investment Policy
- Procurement Policy
- Whistleblowing Policy
- Trustee & Governors Expenses Policy
- Reserves Policy
- Risk Management Policy
- Lettings Policy Template

All of the above policies are available on the Managed Services Intranet.