



Finance Policy

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Sept 2023	JO		Review and updated: - Added Raising Orders – Section 5 - Added Leases – Section 11 - Updated CFO to DoF - Reference to Registered Business Interests being completed via MS Forms annually.
Dec 2024	JO		Review and updated: - The limit for prior approval for related parties increased to £40,000 - Accruals limit increased to £1500 - Amend for central bank account - Retention increased to 6.8% - Use of post office cards for deposits - Change of internal scrutiny providers - Remove 6.8 – now included in retention
Feb 2026	JO		- Page 7, 9, 12 – Reviewed and updated minor procedural changes that have been implemented over the year and to reflect the change in structure in the finance team - Reference to DBO updated to COO throughout
Sep 2026	JO		- Rewrite - Increase of staff ratio to 78% - Increase of reallocation of reserves level to 7% - Change of reference from access to IMP finance

1. Introduction

The purpose of this policy is to ensure that The Enquire Learning Trust (the Trust) maintains and develops effective systems of financial management and internal control that demonstrate:

- Regularity
- Propriety
- Value for money
- Accountability
- Transparency.
- Financial sustainability

It is essential that these systems operate in accordance with the requirements of:

- The Academies Trust Handbook
- Funding agreements
- Companies Act requirements
- Charity Commission guidance
- DfE requirements
- Relevant accounting standards

The Trust is committed to ensuring that public funds are utilised efficiently and effectively to support the educational outcomes of all pupils.

This policy acts as the financial framework within which all academies and central services must operate and should be read in conjunction with:

- Scheme of Delegation
- Procurement Policy
- Reserves Policy
- Investment Policy
- Risk Management Policy

2. Financial governance

A clear governance structure is essential to ensure the effective stewardship of public funds, strong financial accountability and compliance with statutory and regulatory requirements. Financial responsibilities within the Trust are delegated through the Scheme of Delegation; however, ultimate accountability remains with the Board of Trustees. All individuals involved in financial management are expected to operate within the principles of regularity, propriety, value for money and transparency.

Board of Trustees

The Board has ultimate responsibility for financial stewardship within the Trust.

Responsibilities include:

- Setting financial strategy
- Approving annual budgets and medium term financial plans
- Approving the annual report and financial statements
- Monitoring financial performance and sustainability
- Approving financial policies and key controls
- Ensuring effective risk management arrangements are in place
- Ensuring resources are deployed to support the Trust's strategic objectives

Finance and People Committee

The Finance and People Committee supports the Board in discharging its financial responsibilities.

The committee will:

- Scrutinise management accounts and budget monitoring reports
- Review and recommend annual budgets to Trustees
- Monitor financial performance across the Trust
- Review reserves, cashflow and investment arrangements
- Consider significant procurement activity and contracts
- Monitor value for money and financial efficiencies
- Recommend policy changes and financial strategies to the Board

Audit and Risk Committee

The Audit and Risk Committee provides independent assurance to the Board on the adequacy and effectiveness of the Trust's governance, financial risk management and internal control framework.

The committee will:

- Oversee the Trust's programme of internal scrutiny
- Review audit reports and management responses
- Monitor the implementation of audit recommendations
- Review the effectiveness of financial and non financial controls
- Review arrangements for fraud prevention, whistleblowing and financial irregularity
- Advise the Board on matters relating to internal control, compliance and assurance

The committee shall report to the Board of Trustees on key findings, areas of concern and recommendations for improvement.

Accounting Officer

The Chief Executive Officer acts as Accounting Officer and is personally responsible for:

- Ensuring regularity and propriety in the use of public funds
- Securing value for money
- Maintaining financial sustainability
- Ensuring compliance with the Academies Trust Handbook
- Providing and annual statement on regularity, propriety and value for money

CFO

The CFO is the Trust's lead financial professional and is responsible for:

- Developing and implementing financial strategy
- Maintaining robust financial systems and controls
- Preparing management accounts, budgets and forecasts
- Advising Trustees and senior leaders on financial matters
- Ensuring compliance with accounting and regulatory requirements
- Managing treasury, banking and cashflow arrangements
- Supporting academies in effective financial management

Academy Principals

Academy principals are responsible for the day to day management of academy budgets and resources.

Responsibilities include:

- Delivering academy improvement priorities within agreed budgets
- Monitoring expenditure against budget allocations
- Ensuring compliance with Trust policies and procedures
- Supporting value for money initiatives
- Working with the Academy Business Manager and central finance team to identify and mitigate financial risks.

Academy Business Managers

Academy Business Managers play a key role in supporting the financial management of their academy and ensuring compliance with Trust procedures.

Academy Business Managers are expected to work collaboratively with the CFO and the central finance team to ensure accurate financial reporting and consistent application of financial controls across all academies

Responsibilities include:

- Preparing and monitoring academy budgets
- Maintaining accurate financial records
- Undertaking monthly budget monitoring and forecasting
- Completing payroll reconciliation processes
- Ensuring purchasing and procurement procedures are followed
- Managing income collection and debt recovery processes
- Supporting principals with financial planning and decision making
- Liaising with the Trust finance team on financial performance, risks and compliance matters

3. Accounting System

The Trust maintains its financial records using IMP finance. IMP finance is the Trust's approved financial management system.

All academies within the Trust must process financial transactions through IMP finance in accordance with the Trust's IMP Finance guidance notes and user permissions.

The Trust operates a paperless operating system for financial documents and the following documents must be uploaded to IMP finance in accordance with the guidance notes:

- Supplier quotes
- Purchase invoices
- Credit card statements
- Credit card receipts
- Remittance advises
- Payroll reports

All transactions must be posted to IMP Finance and authorised in accordance with delegated levels of responsibility and authority.

All transactions must be processed in a timely manner. Transactions must be in real time.

Month end procedures

The month end procedures will be carried out by the central Finance Managers. In order for timely completion of the month end process Academy Business Managers must update the finance system in real time and ensure that the following is completed by the agreed deadline:

- All income entered onto IMP finance
- All invoices entered onto IMP finance
- Charge card transactions entered and reconciled
- Payroll journal entered onto IMP finance
- Academy bank account reconciled
- Advise finance managers of any inter academy charges

Once the above is completed, the Academy Business Manager will submit the month end spreadsheet to the Finance Managers by the deadline. The Finance Managers will then lock down the month end and perform the appropriate month end reconciliations and close down. Finalised academy reports will be available on IMP planner to the Academy Business Manager and the Academy Principal within 12 working days of the period close down.

Once the month end procedure is complete the Academy Business Manager and Principal must review the financial performance and position of the academy and the principal must sign the month end disclaimer to confirm the reports have been reviewed and understood.

The consolidated monthly management accounts will be prepared by the Finance Managers and shared by the CFO with the Finance and People Committee on a monthly basis.

4. Budget setting and Budget Monitoring

Budget setting

The Trust operates a three year financial planning process using IMP planner.

Academy budgets must be set in accordance with the Academy Improvement Plan. The Academy budget must reflect the resources required to meet educational objectives from the resources available.

Academy budgets and forecasts must be maintained within IMP planner and updated throughout the year to reflect known changes in income and expenditure. The system is intended to be live data and decisions will be made by the Board of Trustees based on the data in the system.

The Academy Principal and Academy Business Manager must monitor income and expenditure against budgets and report significant changes in financial position to the central finance team.

Management accounts, budget monitoring reports and financial forecasts produced from IMP will be used to support financial decision making across the Trust.

All academy budgets must be balanced over a three year period, where a budget indicates a deficit position the Academy Principal and Academy Business Manager must work to revise the budget to return to a surplus position. The central finance team will support with this when required.

The budget should include a staffing structure that fulfils statutory requirements and supports academy improvement. Staff costs for the academy, including agency supply, must not exceed 78% of the total in year funding without the approval of the CFO.

Budget monitoring

Monthly payroll reconciliation, forecasting and budget monitoring should be completed and a forecast frozen in IMP, by the Academy Business Manager. Budgets are to be monitored at academy level by the Academy Business Manager and Principal.

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.

The central finance team must be made aware of significant budget variances as part of the monthly reporting process.

Financial performance

Each academy's financial performance is monitored centrally on an ongoing basis. At key stages in the year the data is analysed and assessed according to financial and budgetary risk.

Indicators include:

- In year and future outturn position
- Salary costs as a percentage of funding

- Benchmarking and comparative data – across the Trust, other MATs and national
- Pupil Teacher Ratios
- Projected numbers on roll
- External funding factors

If an academy is deemed to be at risk the COO, CFO and development lead will meet with the Principal and Academy Business Manager to discuss the position and agree a timetabled recovery plan. This plan will be shared with Trustees. The plan will allow for budgetary improvements to be made over an initial 12 month period. The COO and CFO will assess progress over this period.

If after 12 months there are no or little improvements made the academy will be issued with a letter of intent outlining financial expectations over the following 2 terms. If there are still no or little improvements or there is no confidence in the capacity to improve, the Trust will:

- Withdraw delegated financial control and manage the finances centrally *or*
- Withdraw delegated financial control and transfer the financial management to another academy *or*
- Impose a Trust lead recovery plan

5. Purchasing and payments

Following the raising of a requisition all purchase orders must be raised and approved through IMP Finance before commitments are made, except where specifically exempted by the CFO.

Specific exemptions to the requirement to raise an official purchase order are limited:

- Rent or business rates
- Utility costs
- Works and services executed under a contract
- Purchasing catering supplies (food and drink only)

No orders shall be placed, or contracts altered or extended, with the intention of avoiding the relevant thresholds applicable.

Purchase orders must be raised and approved in accordance with below delegated limits on IMP Finance:

Limits	Approved by
£0 - £4,999	Academy Principal
£5,000 - £24,999	Academy Principal and Trust Finance Manager
£25,000 - £49,999	Academy Principal, Trust Finance Manager and CFO
£50,000 - £99,999	Academy Principal, Trust Finance Manager, CFO and COO
£100,000 - £206,999	Academy Principal, Trust Finance Manager, CFO, COO and CEO
£207,000 plus	FULL TENDER PROCESS REQUIRED WITH TRUSTEE APPROVAL

Invoices must be matched to approved purchase orders and goods received notes where applicable and authorised in accordance with the above limits before payment will be made.

A payment run will be completed by the central finance team on a bi weekly basis.

Any purchases under £1,000 must be paid on the academy charge card where possible. A purchase order must be raised for charge card purchases.

6. Banking arrangements

The Trust operates a centralised banking model to support effective cash management, maximise financial oversight and ensure consistency of financial controls across all academies.

The Trust's approved banking provider is Barclays Bank Plc

The Trust maintains a single central bank account through which the majority of receipts and payments are processed. Academy level bank accounts are not ordinarily permitted, however, individual academy accounts may be retained solely for the receipt of childcare voucher payments from parents where operationally required. No other income or expenditure should be processed through academy bank accounts without the prior approval of the CFO

The CFO is responsible for ensuring that bank accounts are operated efficiently and that cash balances remain sufficient to meet the Trust's obligations as they fall due.

All Trust bank accounts must have approved bank mandates in place.

The CFO and the trust Finance Managers shall be registered as authorised signatories on all bank accounts.

All payments through the bank account must be dual authorised.

No individual may authorise a payment to themselves or approve a transaction where a conflict of interest exists

Cashless operations

The Trust operates a cashless organisation wherever practicable.

Petty cash should not be held in any academy.

Academies should utilise electronic payment methods for the collection of income including:

- Online payment systems;
- Childcare voucher providers;
- Direct bank transfers; and
- Other approved electronic payment methods.

The receipt of cash and cheques should be avoided wherever possible and limited to exceptional circumstances.

Where cash is received, appropriate security, recording and banking procedures must be followed.

A separate school fund account is not to be held by academies, any school fund activities should form part of the academy budget.

Charge cards

The Academy Principal and Academy Business Manager will have a charge card for the academy with limits of £1,000 and £2,000 respectively. Where deemed appropriate by the central finance team these limits may be increased.

Academies are encouraged to use the charge card for academy purchases below £1,000 where possible.

Charge cards are also deemed appropriate to facilitate efficient purchasing where normal procurement methods are not practical, including:

- Online purchases
- Travel and acc
- Conference of training bookings
- Emergency operational expenditure

Cardholders must:

- Use charge cards solely for official Trust business
- Obtain value for money and comply with the Procurement policy
- Retain VAT receipts and supporting documentation for all transactions

A purchase order must be raised and authorised on IMP finance.

Only the cardholder is to use the card for online purchases. Card details should not be stored on any website. Where considered appropriate by the academy principal, staff members may take the card out of school following the completion of a purchase requisition. A signing in and out book must be completed and signed by the member of staff and countersigned by the card holder. The card must be kept in the academy over night and when not in use should be locked away.

Personal reward cards must not be used by staff members when using the charge card.

Misuse of the card will result in withdrawal of card privileges and disciplinary action will be taken where appropriate.

The charge card will be paid off in full monthly and payment is to be made by direct debit.

7. Debt Management

The Trust recognises the importance of effective debt management in safeguarding public funds and maintaining strong cash flow. All income due to the Trust shall be collected promptly and accurately, with appropriate procedures in place to minimise the risk of bad debts.

Outstanding debts will be monitored regularly by Academy Business Managers and the central finance team, with aged debtor reports reviewed on a monthly basis.

Where debts remain unpaid, a staged recovery process will be followed, including reminder notices, direct contact with the debtor and, where appropriate, referral for further recovery action. Consideration will be given to the circumstances of individual families or organisations, ensuring a proportionate and sensitive approach is adopted where appropriate.

The following process shall apply where payment is not received:

- 30 days after original invoice – statement issued
- 2 weeks after statement issued – reminder letter issued
- 2 weeks after reminder letter – second reminder letter issued
- 2 weeks after second reminder letter – letter from the CFO issued

Legal recovery action will only be pursued where it is considered proportionate and cost effective.

The level in relation to the 'write off' of bad debts is outlined below:

- up to £500 – Trust Finance Managers
- £500 - £5,000 – CFO
- Over £5,000 – Trustees

Parent debts

Academy Business Managers should ensure debts are not accrued by parents for school meals, school trips, wraparound care and any other chargeable activities.

Outstanding accounts should be reviewed and followed up on a weekly basis.

When deemed appropriate a hold should be placed on any chargeable activities when debts remain unpaid. This will be at the discretion of the principal.

8. Payroll

The Trust will annually approve a staffing structure for each academy, the total cost of staffing, including agency supply, should not exceed 78% of the in year funding. Changes can only be made to the staff structure with the approval of the CFO and the Director of People.

The Academy Principal must consult with the CFO and the Director of People before the recruitment process for any staff member, regardless of whether these result in a change to the existing staff structure.

Appointment of deputy principals and assistant principals must follow consultation with the CEO and Board of Trustees.

The payroll grid is to be authorised and signed by the Academy Principal, a signed copy of the grid is to be sent to the payroll department in order for the payroll to be finalized.

All salary related payments are processed centrally when the payroll has been checked and authorised by the academy. Salary payments are authorised by the CFO or in exceptional circumstances the trust Finance Managers.

9. Fixed Assets

All items purchased with a value over £1,500 must be entered in the academy fixed asset register and accounted for in IMP as a fixed asset. The Trust Finance Manager alongside the Academy Business Manager will oversee the administration of the register and is required, on a yearly basis, to check the register and report any discrepancies to both the Principal and CFO. Each academy must also maintain an inventory of equipment, furniture, fixtures and fittings.

The asset register should include the following information:

- Asset description
- Date of acquisition
- Asset cost
- Relevant depreciation policy
- Depreciation to date
- Current book value

Disposals

The prior approval of the Trust will be required for the disposal of any assets and any disposal must be subject to a competitive tendering process or by sale by public auction.

Disposals up to the value of £5000 will require the approval of the CFO, anything above £5000 will require the approval of the Trustees.

The prior written consent of the Secretary of State for Education is required in accordance with section 89 of the School Funding Agreement as follows:

- Before the disposal of any asset for which a grant of over £20,000 was made, or land and buildings which had been transferred from the Local Authority at no cost to the School
- Before the sale or disposal by other means, or reinvestment of proceeds from the disposal of an asset or group of assets, for which a capital grant in excess of £20,000 was paid.
- As set out in section 93 of the School Funding Agreement the School will provide 30 days written notice to the Secretary of State for Education of its intention to dispose of assets for a consideration less than the best price that can reasonably be obtained, whether or not such disposal requires the Secretary of State for Education's consent as detailed above.

There are complications with the disposal of computer equipment, as the academy would need to ensure licenses for software have been legally transferred to a new owner. The Director of Information Technology is to be consulted in the disposal of any IT equipment.

The academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other academy assets. If the sale proceeds are not reinvested then the academy must repay to the DfE a proportion of the sale proceeds.

Loan of Assets

Items of academy property must not be removed from academy premises without the authority of the Principal. A record of the loan must be maintained by the academy.

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 academy's auditors.

Depreciation of Fixed Assets

Depreciation will be recorded as follows:

- Plant and Machinery – 20% on cost
- Fixtures, fittings and equipment – 20% on cost
- ICT Equipment – 33% on cost
- Long leasehold buildings – 50 years straight line
- Long leasehold land – 125 years straight line

10. Leases

The Trust cannot enter into a finance lease that is not on the DfE approved list. DfE prior approval must be sought for any finance lease not on the approved list.

All operating leases must be referred to the appropriate Trust Director i.e. the Director of Information and Technology in relation to IT procurement and authorised by the Chief Executive Officer or the COO.

11. Reserves

The Trust's approach to the creation, maintenance and utilisation of reserves is set out in the separate reserves policy. The policy establishes the principles for determining appropriate levels of reserves, the circumstances in which reserves may be utilised and the arrangements for monitoring reserves as part of the Trust's overall financial management framework.

Academies presenting a budget with reserves exceeding 7% of funding will be expected to reflect any spending plans in the three year budget forecast. The budget plan must be aligned to reducing identified risks and supporting academy improvements. Reserves may be transferred centrally to an academy support fund in the following circumstances:

- An academy does not reflect any spending plans in their working budgets
- The spending plan is not adequate and does not reduce risk of support academy improvement
- The spending plan is not met
- There is a history of carrying excessive reserves.

The academy support fund will be held centrally and will be used at the discretion of the Trustees and may be used for the following:

- To fund emergency/extraordinary costs
- Collaborative initiatives or projects across the Trust
- Supporting academies in a deficit financial position due to circumstances outside of their control.

Individual academy budgets should demonstrate a level of reserves at or working towards 5%.

12. Audit

The Trust has appointed Sumer Audit Co Ltd as its auditors. In addition to the statutory audit, a regularity audit will be undertaken at each academy within 3 months of conversion in order to determine the level of control, the effectiveness of systems and to provide the Trust with assurances in relation to regularity, propriety and compliance. This is commissioned via a separate letter of engagement which will specify the precise requirement of the work and fees that will be charged.

The Trust has appointed Keystone Knowledge to carry out the internal scrutiny work as outlined in the Academies Trust Handbook. All findings and reports will be presented to the Audit and Risk Committee and then shared with all Trustees.

The scope of the work will be reviewed and agreed by the Audit and Risk Committee and will be determined based on risk.

There must be an appropriate, reasonable and timely response to any findings by auditors, any recommendations outlined in the management letter require an appropriate management response and actioned.

13. Related party transactions

The Trust must ensure that all Related Party Transactions (RPTs) are conducted in accordance with the Academy Trust Handbook, the Trust's Scheme of Delegation and the principles of transparency, integrity and value for money. All transactions with related parties must be undertaken on a fair and open basis, be in the best interests of the Trust and demonstrate that no individual or organisation is benefiting from their connection with the Trust.

A related party includes

- Members
- Trustees
- Trust leadership team
- Trust finance team
- Principals
- Academy Business Manager
- Any close family member of any of the above

All related parties are required to declare business and pecuniary interests annually and to notify the Trust of any changes as they arise. The Register of Business Interests will be maintained by the Governance Team and reviewed regularly.

Prior to entering into any related party arrangement, the individual concerned must declare their interest and withdraw from any discussion, recommendation, decision-making or approval relating to the transaction. The Trust will maintain clear records demonstrating that conflicts of interest have been appropriately managed.

Before any related party transaction is approved, the Trust must be able to demonstrate that:

- The goods or services are required by the Trust.
- The transaction represents value for money.
- The procurement process followed is transparent and proportionate.
- The arrangement complies with the Academy Trust Handbook and Charity Commission requirements.
- No Trustee has used their position to secure an advantage for themselves or a connected party.

No payments will be made to related parties for acting as a Trustee, Member or Local Governor unless specifically permitted by the Articles of Association and relevant legislation.

All proposed Related Party Transactions must be referred to the CFO before any commitment is made, irrespective of contract value, to ensure that the necessary due diligence, approvals and Department for Education requirements are satisfied.

The Trust must obtain prior approval from the Department for Education for any related party transaction where required by the Academy Trust Handbook. In addition, all contracts and agreements with related parties must be reported to the Finance Committee and recorded in accordance with the Trust's financial procedures.

The CFO is responsible for maintaining oversight of all related party transactions and ensuring that the necessary declarations, approvals and disclosures are completed. Details of related party transactions will be disclosed within the Trust's annual financial statements in accordance with the applicable accounting and reporting requirements.

Any failure to declare an interest or comply with the requirements of this section may be treated as a breach of the Trust's policies and governance standards and may result in further investigation and appropriate action.