



## Omega Multi-Academy Trust

# Financial Regulations and Procedures Incorporating the Scheme of Financial Delegation

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Signed by:



CEO

Date: 05/07/2022



Chair of Trustees

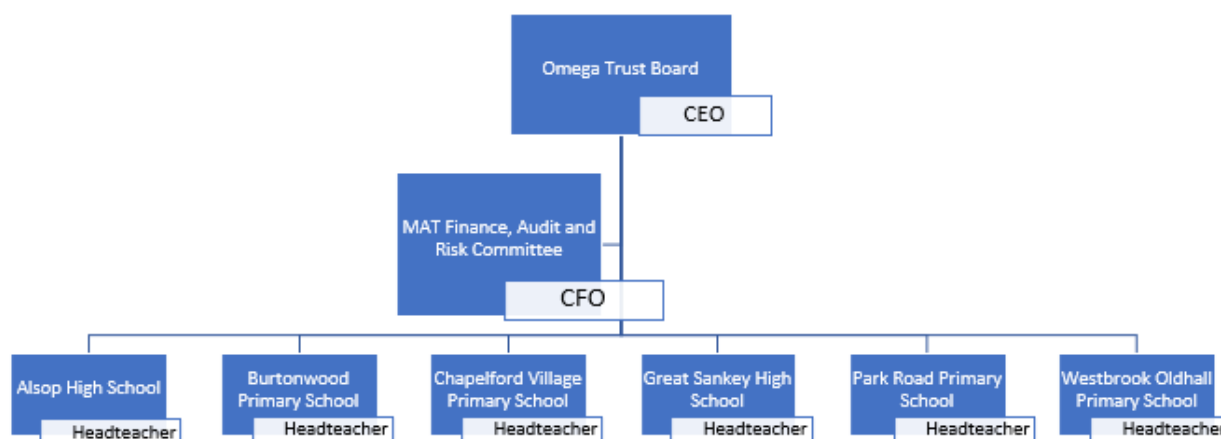
Date: 05/07/2022

## 1. Rationale

- 1.1 The purpose of these Financial Regulations and Procedures is to ensure that Omega Multi Academy Trust (the Trust) maintains and develops systems of financial control which conforms to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DFE).
- 1.2 The Trust must comply with the principles of financial control outlined in the Academies Handbook published by the Education Skills and Funding Agency (ESFA). The Financial Regulations and Procedures expands on this handbook and provides detailed information on the Trust's accounting procedures and system manual. It should be read by all staff involved with financial systems.
- 1.3 The following will be indicators to the MAT Board of Trustees and staff that these Financial Regulations and Procedures are being implemented successfully:
- i. No inappropriate use of money;
  - ii. Adherence to budgets;
  - iii. Best value expenditure targeted on key priority areas;
  - iv. Up to date and accurate records;
  - v. Audit reports.
- 1.4 This document does not replace or change any obligations placed upon the Trust or its Trustees by law or by regulations issued by the DfE, ESFA, Charity Commissions, Customs and Excise and other statutory bodies.

## 2. Organisation of Responsibility and Accountability

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



### **The Multi Academy Trust's Board of Trustees**

- 2.2** The Board of Trustees is required to conduct its business in accordance with the following:
- i. Its Articles of Association and company law;
  - ii. The requirements of the DfE, as set out in the Funding Agreement and the Academies Handbook;
  - iii. The requirements of the Charity Commission, including the production of accounts in accordance with the Statement of Recommended Practice (SORP).
- 2.3** The MAT Board of Trustees has overall responsibility for the administration of the Trust's finances. The main responsibilities of the Trustees are prescribed in the Funding Agreement between the individual schools within the Trust and the DfE and in the Trust's governance or Scheme of Delegation. These include:
- i. to agree the long term financial objectives of the Trust;
  - ii. the responsibility for the proper stewardship of public funds, including regularity and propriety, and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money;
  - iii. the appointment of the Chief Executive Officer (CEO);
  - iv. the appointment of the Accounting Officer for the Trust (CEO);
  - v. the appointment of the Chief Financial Officer (CFO), in conjunction with the CEO;
  - vi. the appointment of Auditors to ensure the audit of both public and non-public funds;
  - vii. to contribute to the Trust's Strategic Plan, development plans and priorities over at least 3 years;
  - viii. the approval of the annual budget and any material change to it;
  - ix. the approval of the schools' staffing structure, which should be regularly reviewed by the CEO;
  - x. to agree and review levels of delegation within the Trust to ensure the Board of Trustees can meet its obligations;
  - xi. to receive and respond to regular periodic audit reports on the effectiveness of internal controls;
  - xii. to receive regular reports on expenditure against budget;
  - xiii. to determine and review policies on charges and remissions;
  - xiv. to monitor Health and Safety, including security of the Trust's estate and Safeguarding/Child Protection arrangements;
  - xv. to keep under review and monitor and evaluate those policies and documents that the Trust is required to have in place (DfE provide guidance on mandatory and recommended policies and procedures).

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

- 2.4** The CEO will act as the Accounting Officer, as defined in the Academies Handbook. S/he will ensure that:
- i. all items of income and expenditure within the Trust are dealt with in accordance with legislation, the Funding Agreement and other DfE guidance and the Trust's own internal procedures (**regularity**);
  - ii. income and expenditure within the Trust are dealt with in accordance with Parliament's intentions (**propriety**);

- iii. the best possible educational outcomes are achieved within the Trust through economic, efficient and effective use of all resources (**value for money**).

The Accounting Officer must complete and sign a statement on regularity, propriety and compliance each year and submit this to the ESFA with the audited accounts. The Accounting Officer must also demonstrate how the Trust has secured value for money via the governance statement in the audited accounts. The CEO will be assisted in the delivery of the Trust's detailed accounting processes by the Chief Financial Officer.

**2.5** Within the framework of the Trust Strategic Plan, as approved by the Board of Trustees, the CEO has overall executive responsibility for the Trust's activities, including financial activities. he/she is responsible for:

- i. ensuring staff appointments delegated to the Local Governing Bodies are within the authorised establishment;
- ii. authorising orders, the award of contracts and payments within the approval limits of this Scheme of Financial Delegation;
- iii. ensuring procedures are in place so that all sources of finance are accounted for and that book keeping and other records held are fit for purpose;
- iv. ensuring statutory requirements are met, for example regulations relating to HMRC (VAT and rules relating to employers);
- v. monitoring the regular budget reports with the CFO and acting upon overspends or risks.

**2.6** The CEO shall have authority to expend resources from within the budget approved by the Board of Trustees, provided that such expenditure does not:

- i. involve a change in or extension to the Board of Trustees' existing policies and/or service objectives;
- ii. involve any significant increase in expenditure in future years;
- iii. conflict with any limits/controls over income and expenditure specified by the Board of Trustees;
- iv. involve a commitment that cannot reasonably be expected to be sustained from future budgets.

#### **The Finance, Audit and Risk Committee (FAR)**

**2.7** The Finance, Audit and Risk Committee is a committee with members from the Board of Trustees, the CEO and the CFO (ex-officio). The FAR meets four times per year and receives full Management Accounts at each meeting but more frequent meetings can be arranged if necessary. It is responsible for:

- i. the initial review and recommendation of the annual budget to the Board;
- ii. the regular monitoring of actual expenditure and income against budget;
- iii. ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE/ESFA guidance issued to academies;
- iv. authorising orders and the award of contracts within the approval limits.
- v. producing an Internal Audit Strategy and three year - Internal Audit plan
- vi. commissioning Internal Audit fieldwork in accordance with the Internal Audit Plan
- vii. monitoring the Trust's Risk Register.

- 2.8** The FAR's audit role is to advise the Trust on the comprehensiveness and effectiveness of the Trust's assurance framework. In particular, the Committee advises and supports the Trust in fulfilling its roles and responsibilities, including its responsibility for providing the assurances required in the Statement of Corporate Governance and Internal Control in the annual accounts.

The Committee's work focuses on providing assurances to the board of trustees that all risks are being adequately identified and managed with particular regard to:

- i. maintaining a Risk Register for the Trust, which informs and is informed by individual school developments;
- ii. reviewing those risks faced by Trust schools;
- iii. reviewing all risks to internal financial control at the Trust;
- iv. agreeing a programme of work to address, and provide assurance on, those risks.

Multi Academy Trust status means that the FAR Committee's oversight extends to the financial controls and risks at constituent schools.

### **Chief Financial Officer (CFO)**

- 2.9** Chief Financial Officer is appointed by the Board of Trustees and plays both a technical and leadership role, including ensuring sound and appropriate financial governance and risk management arrangements are in place, preparing and monitoring of budgets, and ensuring the delivery of annual accounts.

The CFO will act within the delegated authority given to the CEO. Their role will cover the following areas:

- i. financial planning, monitoring and reporting - the Trust must prepare and monitor financial plans to ensure ongoing financial health; this includes budgeting, cash management, investments, income generation and financial reporting;
- ii. internal control - the Trust must have in place sound internal control, risk management and assurance processes;
- iii. internal scrutiny - the Trust must have in place a process for checking its financial systems, controls, transactions and risks;
- iv. transparency - the Trust must be transparent with its governance and financial arrangements.

- 2.10** The CFO works in close collaboration with the CEO through whom h/she is responsible to the Board. The CFO also has direct access to the Trustees.

Each school within the Trust has its own School Business Manager (SBM) or equivalent who plays that role, who will have delegated authority to ensure areas of responsibility are managed at school level. The main responsibilities of the CFO are:

- i. the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- ii. the management of the Trust's financial position at a strategic and operational level within the framework for financial control determined by the Trustees and CEO;
- iii. the maintenance of effective systems of internal control;
- iv. ensuring that the annual accounts are properly presented and adequately supported

- by the underlying books and records of each school;
- v. the preparation of monthly management accounts;
- vi. authorising orders, contracts and payments within the approval limits of the scheme of delegation;
- vii. ensuring forms and returns are sent to the DfE, Charity Commission, Pension Scheme Administrators and others in line with guidance.

### **Local Governing Body (LGB)**

**2.11** The Scheme of Delegation approved by the Board of Trustees gives the Local Governing Body of each school the following duties, responsibility and accountability:

- i. to agree the school's priorities, its annual development or improvement plan;
- ii. to propose an annual budget for recommendation to the Board of Trustees allocating resources to these priorities.
- iii. to cooperate fully in any Internal or External Audit, whether these be of a statutory
- iv. and/or non -statutory nature, as directed by the Board and/or Statutory Authorities.
- v. to make arrangements for the performance of the Head annually and receive
- vi. reports on the progress of the Performance Management Policy;
- vii. to participate in appointments panels and ensure that the school recruits the best
- viii. possible staff;
- ix. to review the staffing structure, whenever a vacancy occurs, and at least annually in
- x. relation to the school's improvement plan. Any changes to the staffing structure within the school, not previously approved by Trustees within Trust budgets, must be approved in advance by Trustees;
- xi. to make arrangements for staff disciplinary/conduct hearings;
- xii. to keep under review and monitor and evaluate those policies and documents that
- xiii. the school is required to have in place (DfE provide guidance on mandatory and recommended policies and procedures).

### **The School Headteacher (HT)**

**2.12** Within the framework of the school's improvement plan, as approved by the LGB, the Headteacher has overall executive responsibility for the School's activities including financial activities. Although some financial responsibility has been delegated to the CFO, the HT still retains responsibility for:

- i. approving new staff appointments within the authorised establishment, except for any senior staff posts which the Local Governing body and or the Omega Trust Board of Directors have agreed should be approved by them;
- ii. authorising purchase orders within approved limits;
- iii. authorising expenditures within the approval limits of the scheme of delegation;
- iv. ensuring procedures are in place so that all sources of finance are accounted for and that book keeping and other records held in the school are fit for purpose;
- v. ensuring that school budget holders act within the authority provided to them in the scheme of delegation;
- vi. monitoring the regular budget reports with the School Business Manager and acting upon overspends or risks

### **Central Finance Team**

**2.13** In addition to the Chief Financial Officer there is a Central Finance Team of three consisting of the Trust's, Finance Manager, Senior Finance Officer and Finance Officer who have the following responsibilities:

#### **Finance Manager**

- i. Complete and file VAT 126 returns
- ii. Processing all funding income for all schools
- iii. Reconciliation of the Trust's bank account and deposit accounts
- iv. Budget Planning software – liaise with provider to resolve queries, monthly salary reconciliations and forecasts for Great Sankey High School.
- v. Budget Planning – assisting CFO with collating the individual school budget to form the Trust budget through the Trust's budget planning software
- vi. Processing all intercompany journals
- vii. Preparing the Year End Audit file:
  - a. Calculating all depreciation
  - b. Journaling all prepayments, accruals etc
  - c. Preparing all schedules
  - d. Preparing all payroll notes to the accounts
- viii. Payroll:
  - a. Summarising & posting to accounts
  - b. Producing cumulative reports by employee for each school
  - c. Payment of all liabilities (HMRC, Pensions, Unions, Court Orders)
  - d. Reconciliation of monthly control accounts
  - e. Upload the monthly reconciliation file to the budgeting software
- ix. Fixed Asset Register:
- x. Maintaining and updating the Trust's Fixed Asset Register in accordance with the Trusts capitalisation and depreciation policy inputting the data from information regarding capital additions contained within the Trust's accounting software:
- xi. Long leasehold buildings 2% per annum
- xii. Computer equipment 33.3 % per annum
- xiii. Fixtures, fittings and equipment 10%-25% per annum

#### **Senior Finance Officer**

- i. Processing all invoices for the Trust and dealing with all queries
- ii. Supplier database maintenance
- iii. Credit card reconciliation and processing
- iv. System update review and disseminating changes
- v. Processing all supplier BACS runs
- vi. Preparing any correcting journals
- vii. Providing system advice to member schools
- viii. Highlight any procedure/policy breaches to CFO

#### **Finance Officer**

- i. Processing all invoices for the Trust and dealing with all queries for designated school (s)



- ii. Credit card reconciliation and processing for designated school (s)
- iii. Preparing for processing all supplier BACS runs for designated school (s)
- iv. Preparing any correcting journals for designated school (s)
- v. Providing system advice to designated school (s)
- vi. Highlight any procedure/policy breaches to CFO

#### **Other Staff**

- 2.14** Other members of staff, including SBMs, administration assistants and budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. **All staff are responsible for the security of the Trust's property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with Trust procedures.**

#### **Register of Business and Related Party Interests**

- 2.15** It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all Trust directors, governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the Trust may purchase goods or services. The register is open to public inspection.
- 2.16** The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the Trust. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.
- 2.17** The existence of a register of business interests does not, of course, detract from the duties of directors, governors and staff to declare interests whenever they are relevant to matters being discussed by the board of directors or a committee. Where an interest has been declared, directors, governors and staff should not attend that part of any committee or other meeting.

From 1 April 2019, in addition to existing requirements, academy trusts must declare their intention to enter into a new agreement with a related party before confirming the transaction with their supplier.

This reporting requirement relates to new agreements made with related parties on or after 1 April 2019.

Academy trusts must continue to report all related party transactions, including those agreed between 1 September 2018 and 31 March 2019, in their 2018/19 financial statements, following guidance set out in the [Academies Accounts Direction](#).

Academy trusts must seek prior approval from ESFA when:

- i. a single contract or agreement with a related party exceeds £20,000
- ii. a contract or agreement of any value means the total value of contracts or agreements with the same related party exceeds £20,000 in a financial year

Academy trusts must declare or seek approval using the [related party transactions online form](#).

You need to have all information and documents ready before starting the online form. It's not possible to partially complete the form and return to it.

You need an IDAMS account to use the form. To set up an account and approve other users, follow the guidance [How to register for an IDAMS account](#).

### **At Cost Requirements (Academy Trust Handbook 5.49 to 5.59 extract)**

**5.49** Subject to sections [5.54 to 5.57](#) a trust **must** pay no more than 'cost' for goods or services ('services' do not include contracts of employment) provided to it by the following persons ('persons' meaning both individuals and organisations):

- i) member or trustees of the academy trust
- ii) individuals or organisations related to a member or trustee of the academy trust. For these purposes the following persons are related to a member, or trustee:
  - iii) a relative of the member or trustee. A relative is defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner
  - iv) individual or organisation carrying on business in partnership with the member, trustee or a relative of the member or trustee
  - v) a company in which a member or the relative of a member (taken separately or together), and/or a trustee or the relative of a trustee (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company
  - (vi) an organisation controlled by a member or the relative of a member (acting separately or together), and/or a trustee or the relative of a trustee (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation can secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes
  - (vii) any individual or organisation given the right under the trust's [articles of association](#) to appoint a member or trustee of the academy trust; or any body connected to such individual or organisation
  - (viii) any individual or organisation recognised by the Secretary of State as a sponsor of the academy trust; or any body connected to such individual or organisation

**5.50** A body is connected to another individual or organisation if it is controlled by the individual or organisation, or controls the organisation, or is under common control with the individual or organisation. For these purposes, control means:

- i) holding more than 20% of the share capital (or equivalent interest), or
- ii) having the equivalent right to control management decisions of the body, or
- iii) having the right to appoint or remove a majority of the board or governing body

**5.51** The 'at cost' requirement does not apply to the trust's employees unless they are also one of the parties described in section [5.49](#).

**5.52** While these provisions do not apply to contracts of employment, the principles of [value for money](#) and using public money properly, including managing conflicts of interest, still apply. Salaries should be appropriate to the individual's skills and experience and to wider market rates.

**5.53** If staff of an individual or organisation in section [5.49](#) are based in, or work from the premises of, the academy trust, that individual/ organisation and the trust **must** agree an appropriate sum to be paid to the trust for use/occupation of the premises, save to the extent that they are carrying out work for the trust.

**5.54** The 'at cost' requirement applies to contracts with a related party agreed on or after 7 November 2013.

**5.55** The 'at cost' requirement applies to contracts with a related party exceeding £2,500, cumulatively, in any one financial year. Where a contract takes the trust's cumulative annual total with the related party beyond £2,500, the element above £2,500 **must** be at no more than cost.

**5.56** In relation to organisations supplying legal advice or audit services to the academy trust, the 'at cost' requirement applies where the organisation's partner managing the service is a member or trustee of the trust but not in other cases for those organisations. The published [ethical standards](#) for auditors prevent partners or employees of the audit firm from acting as a trustee of their client trust, but not of other trusts.

**5.57** In relation to dioceses, the contributions made by an academy trust to its diocese for services it receives associated with securing the academy trust's religious character and ethos, which only the diocese can provide, are regarded as meeting the 'at cost' requirement.

**5.58** Academy trusts **must** ensure any agreement with an individual or organisation referred to in section [5.49](#) to supply goods or services to the trust is properly procured through an open and fair process and is:

- (i) supported by a statement of assurance from that individual or organisation to the trust confirming their charges do not exceed the cost of the goods or services, and
- (ii) on the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply

**5.59** For these purposes the cost will be the 'full cost' of all the resources used in supplying the goods or services, and **must not** include any profit. Full cost includes:

- (i) all direct costs (costs of materials and labour used directly in producing the goods or services)

(iii) indirect costs (a proportionate share of fixed and variable overheads)

### **3. Accounting system**

#### **Staff training**

All staff using the Trust's finance core finance system receive training from the software supplier Hoge 100. Finance staff working in schools receive training on the use of the Finance Portal from Hoge 100. The Finance Portal has inbuilt within it the Trust's scheme of financial delegation which provides the system of internal control.

All staff who are involved in the preparation of budgets and in year forecasts receive training on how to use the Trust's Integrated MAT Planning Software IMP.

All the financial transactions of the Trust must be recorded on the Trust's accounting system. The accounting system currently used by the Trust is Access Dimensions. Access Dimensions is hosted remotely via an arrangement with Hoge 100 the accounting software supplier

**3.1** All computing facilities that are used for financial management and administration arrangements must:

- i. conform to the requirements of Data Protection legislation from time to time in force;
- ii. secure the accuracy and integrity of all financial data relating to all Trust Schools.

In particular, such arrangements should make proper provision for:

- i. the physical security of computer equipment and software;
- ii. the restriction of access to the means of processing or reading data to authorised personnel only;
- iii. the procedures for the control of input and output;
- iv. the procedures for the reliable reconstruction of records in the event of system failure (system back-up);
- v. the procedures for the processing of data by alternative means in the event of other than temporary breakdown.

**3.2** The Trust uses computer software to process and record financial and other management data including pupil and staff records. The Trust is registered with the Information Commissioner's Office under the Data Protection Act and is working towards GDPR compliance.

**3.3** Computer security is controlled through strict observation to password security and frequent changes of passwords.

**3.4** For additional security, during and at the end of each working day, or as appropriate, a back-up of data is taken and stored safely.

#### **Transaction Processing**

**3.5** All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the relevant sections of the systems

manual. All journal transfers must be kept in a file and authorised by the SBM or equivalent in each school, Finance Manager or CFO prior to being input to the accounting system. Any bank transactions input by other staff should be checked and approved by the SBM, Finance Manager or CFO.

- 3.6** Detailed information on the operation of the Trust's financial system can be found in the on screen help within the software and the user manuals provided.

### **3.7 Transaction Reports**

The SBM at School level and Finance Manager (FM)/CFO at MAT level will obtain and review online system reports to ensure that all transactions are posted correctly to the accounting system.

The reports reviewed will include:

- i. audit trail reports;
- ii. monthly payroll journal postings;
- iii. bank reconciliation reports;
- iv. management accounts summarising expenditure and income against budget;
- v. the balance sheets;
- vi. the cashflow;
- vii. the purchase ledger and sales ledger reports including aged creditor and debtor reports;
- viii. fixed asset reports.

### **Reconciliations**

- 3.8** The Finance Manager is responsible for ensuring the following are reconciled and authorised each month:

- i. the sales ledger control account;
- ii. the purchase ledger control account;
- iii. the suspense accounts;
- iv. the bank balances per the cash book to the bank statements
- v. fixed asset register

- 3.9** Any unusual or long outstanding reconciling items must be brought to the attention of the Accounting Officer, who will review and sign all reconciliations as evidence of review.

## **4. Financial planning**

- 4.1** The individual schools within the Trust prepare their annual budget using the IMP budget planning software. The Trust's Finance Manager and CFO consolidates these plans within the software to produce a consolidated annual budget for the Trust and three-year financial plan. The CFO then prepares the Budget Forecast Return (BFR) which incorporates the annual budget and three-year financial plan and submits this online to the ESFA by 31 July on an annual basis.

- 4.2** The BFR three-year financial plan is prepared as part of the development planning process. The Strategic Plan indicates how the Trust's educational and other objectives are going to be achieved within the expected level of resources over the next three years.
- 4.3** Each school's improvement plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Trust/School and the planned use of those resources for the following year.
- 4.4** The development planning process and the budgetary process are detailed below.

#### **Development or Improvement Plan**

- 4.5** Each school's improvement plan is concerned with the future aims and objectives of the Trust/School and how they are to be achieved; that includes matching the Trust and School's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.
- 4.6** The form and content of the Improvement Plan will be proposed by the CEO, in conjunction with the HT and agreed by the LGB, giving due regard to the matters included within the guidance to academies and any annual guidance issued by the DFE.
- 4.7** Each year the Head will propose a planning cycle and timetable to the LGB which allows for:
- i. a review of past activities, aims and objectives - "did we get it right?";
  - ii. the definition or redefinition of aims and objectives – "are the aims still relevant?";
  - iii. the development of the plan and associated budgets – "how do we go forward?";
  - iv. the implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course";
  - v. feedback into the next planning cycle – "what worked successfully and how can we improve?"
- 4.8** The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the HT.
- 4.9** The completed Improvement Plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The Plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.
- 4.10** For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the HT on a quarterly basis. The HT will report to the LGB if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

### **Annual Budget**

- 4.11** The CFO is responsible for preparing and obtaining approval for the Trust's consolidated annual budget from the Trust Board. The approved budget, which also includes a forecast for a further two years (Budget Forecast Return), must be submitted online to the ESFA each year as advised by them and the CFO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met. The current deadline for submission is 31 July.
- 4.12** The CFO will work with the CEO, the HTs and SBMs, using the Trust's IMP planning software, in developing the school budgets, with further guidance being provided by the Trust Board.
- 4.13** The annual budget will reflect the best estimate of the resources available to each school for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the improvement plan objectives and the budgeted utilisation of resources.
- 4.14** The budgetary planning process will incorporate the following elements:
- i. forecasts of the likely number of pupils to estimate the amount of DFE grant receivable;
  - ii. review of other income sources available to the Trust/Academies to assess likely level of receipts; review of past performance against budgets to promote an understanding of the Trust cost base; identification of potential efficiency savings;
  - iii. review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

### **Balancing the Budget**

*(N.B. This means Income less expenditure, including a central services recharge for MAT services for each school, but excluding depreciation).*

### **Deficits**

- 4.15** In any given year it is not permissible for an individual school to prepare and plan for a deficit budget without approval from the Trust Board. Where a deficit is forecast, the Trust Board will require a 'recovery plan', which results in the deficit position being rectified in the following academic year and or unless otherwise specified by the Trust Board.
- 4.16** Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance.

### **Surpluses**

- 4.17** If a potential surplus is identified, this may be held back to bolster reserves (see Reserves Policy below) or alternatively allocated to areas of need. As far as is possible, this would be

'ring-fenced' to the individual school generating the surplus, but this would be subject to further scrutiny by the Trust Board after taking into consideration the respective surpluses and deficit positions of each school within the MAT. Trustees will want to ensure that funding is spent appropriately on children currently in school and will not allow schools to build unnecessary surpluses with agreed projects identified.

### **Reserves Policy**

**All Schools within the Trust should maintain an Income and Expenditure free reserve which amounts to 5% of their total annual budgeted costs. The usage of these reserves must be approved in advance by the Trust Board.**

### **Finalising the Budget**

- 4.18** Once the different options and scenarios have been considered, a draft budget should be prepared by the SBMs or equivalent for agreement by the HTs, CEO and the Trust's FAR Committee; and subsequent approval by the Board of Trustees. The CFO is responsible for the consolidation of individual school budgets into a single MAT budget. The approved budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.
- 4.19** The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action.

### **Monitoring and Review**

- 4.20** Monthly reports will be prepared by the SBM at school level and the Trust's Finance Manager overseen by the CFO at MAT level. The reports will detail actual income and expenditure against budget both for budget holders and are available online via the Finance Portal. Financial reports at individual School and Trust level are available through the IMP software. These reports include actual v budgeted income and expenditure including forecasts to the end of the financial year. They provide both detail and at a summary level for the HT/CEO and FAR Committee.
- 4.21** Any potential overspend against the budget must in the first instance be discussed between the HT and their SBM. The Finance Portal system has been implemented so as not to allow payments to be made against an overspent budget without the approval of the CFO.
- 4.20** 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. If a budget overspend is forecast it may be appropriate to vire money from another budget or contingency. All budget virements must be authorised as shown in the appendix.

## **5. Payroll**

### **Staff Appointments**

- 5.1** The LGB will recommend a staffing structure for each school. Once approved by Trustees changes can only be made to this structure with the approval of Trustees. They should ensure that adequate budgetary provision exists for any establishment changes.



**5.2 The HT has authority to appoint staff, within the authorised structure, and not including any appointments that the Board of Trustees and/or the Local Governing Body have responsibility for, i.e. senior roles or MAT central service staff. Where the HT proposes to change the structure, the proposal will be discussed with the CEO and presented to Trustees for their approval. If a member of staff leaves a replacement must be discussed with and approved by the CEO in advance of an appointment being made.**

**5.3** The HTs maintain personnel files for all members of staff which include contracts of employment. All personnel changes and any financial implications must be notified to the CEO and CFO for replacement posts. New roles require a change to the structure and must receive approval Trustees in advance. Financial changes supporting such change must be reported to CEO and CFO at the planning stage.

#### **Payroll Administration**

**5.4** The monthly payroll is administered by Warrington Borough Council. The provider will only accept changes to payroll that have been authorised and advised to them by the CEO, CFO, HT or SBM.

All staff are paid monthly; a master file is created for each employee which records:

- i. salary;
- ii. bank account details;
- iii. taxation status;
- iv. personal details;
- v. any deductions or allowances payable.

**5.5** New payroll files and contractual changes can only be notified to the payroll provider with the express approval of the HTs. All starters, leavers, contract changes and casual payments must be authorised by the HT prior to the payroll run and; under no circumstance should a person be authorising changes to their own records.

**5.6** The payroll provider will circulate a timetable at the start of each year which each academy within the Trust follows to ensure payment to staff are made promptly and correctly.

**5.7** The SBMs must complete staff returns which provide details of sickness and other absences during the month.

**5.8** Staff who are paid on submission of a time-sheet must complete and return their time-sheet to the SBMs in accordance with the monthly timetable. Failure to do this may result in non-payment of salary by the Trust in the month concerned, and in these circumstances, the salary payment may not be paid until the next payroll run in the following month.

**5.9** SBMs collate the information first. The HTs check and authorise each timesheet first before processing. The segregation of duties ensures any claim entered has to be authorised by another party (either the Head of Department or SBM) prior to authorisation by the HT.

**5.10** Before the payroll is processed the file should be checked against source documentation. If this is undertaken by admin/finance staff, it should be reviewed by the SBM, but if it is undertaken by the SBM, then it should be reviewed by the HT. For accounting purposes, the

final payroll journal is processed at MAT level with the individual schools undertaking checks of their initial and final payroll reports on a monthly basis, signed by the HT.

### **Payments**

- 5.11 Once monthly staff returns have been passed to the payroll provider, they calculate the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions.
- 5.12 The payroll provider will provide details of calculated payments to the Trust.
- 5.13 Salary payments are made by BACS, or by cheque if staff bank details are not available (the latter is in exceptional circumstances).
- 5.14 After the payroll has been processed and submitted by the SBMs at school level, upon receipt of the relevant reports the SBM will update the nominal general ledger and reconcile the payroll control accounts. The CFO will review the payroll control account and individual cost centres to ensure amounts have been correctly posted.

## **6. Purchasing**

### **It is strictly prohibited to purchase alcohol using Trust funds**

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

**Probity:** it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Academy;

**Accountability:** the Trust is publicly accountable for its expenditure and the conduct of its affairs;

**Fairness:** that all those dealt with by the Trust are dealt with on a fair and equitable basis.

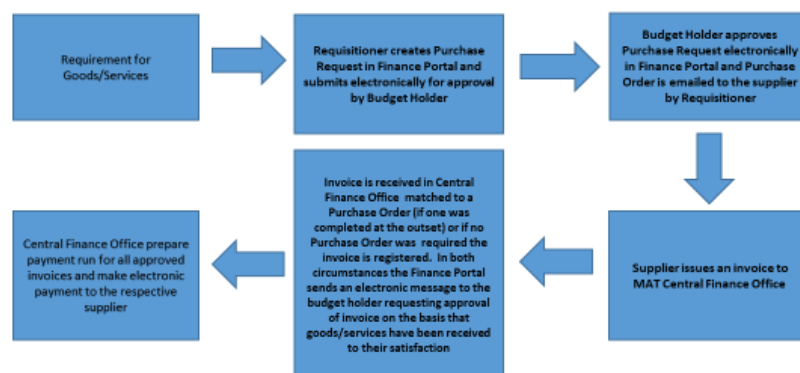
Upon incorporation each school had its own suppliers. If value for money is to be achieved consolidation of some suppliers is required. **When contracts become renewable these need to be approved by the CEO and CFO. All new contracts must receive approval from the CEO in advance.**

### **Purchasing from Existing and or Approved Suppliers**

- 6.2 For orders up to £1,000, authorised staff should use suppliers which the Trust has approved and have an account with. All orders should be placed by an approved officer within each school, using the Finance Portal.
- 6.3 For orders over £1,000 and up to £10,000 budget holders should use suppliers, which the Trust has approved and have an account with, but must receive approval from the HT.

- 6.4 Where there is not an approved supplier, three quotes should be obtained, with the chosen supplier authorised by the CFO via the Finance Portal. The CFO or SBM can advise budget holders of approved suppliers and will provide support in obtaining quotes.
- 6.5 The HT will sign orders for goods between the values of £1,000 to £10,000. If the value exceeds £10,000, but is under £30,000, the HT must gain approval from the CFO, CEO and/or the Trust Board.

## Omega MAT Purchasing Process



### Purchasing from New Suppliers

- 6.6 All new suppliers need to be approved by the CFO and CEO. For orders up to £30,000 three quotations should be obtained unless the value of the supply is less than £250. For orders of £30,000 and over, a formal tender process is required.
- 6.7 Formal tendering procedures will not be required if using purchasing consortia framework agreements but if there is more than one supplier within the framework agreement it is best practice to secure up to three quotations.

### Value for Money

- 6.8 The Trust's procurement strategy is to use, whenever possible, the DfE's (Department for Education) Deals for Schools. This provides a pathway to a range of suppliers through purchasing frameworks such as Crown Commercial and Crescent Purchasing Consortia (CPC). Usage of these framework agreements present the opportunity for the Trust to achieve significant savings and secure advantages which would not be otherwise achievable.
- 6.9 The Trust supports the operation of budget holders, they will be informed of the budget available to them at the commencement of each academic year. Budget holders will be provided each month with electronic details of actual expenditure and known commitments against budget via the MAT Finance Portal. Budget holders should review this and advise the School Business Manager/Finance Manager immediately of any concerns or missing commitments.

- 6.10** It is the responsibility of the SBM to ensure budget holders manage their budget and ensure that funds available are not overspent. The Finance Portal provides budget holders with a real time information and a means whereby the incurrence of further expenditure is prevented at the point of request.
- 6.11** In the first instance, a supplier should be chosen from the list of approved suppliers advised by the CFO. A quote or price must always be obtained before any order is placed.
- 6.12** **All purchase requests must be prepared and processed through the MAT Finance Portal electronic system. Purchase Orders will only be processed once they have been approved in accordance with the scheme of delegation which is in built within the system.**

**Under no circumstances should staff order goods and services by any other means other than via the Finance Portal.**

**N.B. raising a purchase order retrospectively after the receipt of an invoice is strictly prohibited.**

- 6.13** Orders will be approved and sent electronically via the Finance Portal as set out in the financial scheme of delegation (**see section 10**) and may be subject to a competitive tender process.
- 6.14** The SBM must make appropriate arrangements for the delivery of goods to the School. **Goods should not be delivered to an address not held on the finance portal.** On receipt the SBM or the member of staff on the purchase order must undertake a detailed check of the goods received against the goods received note and make a record of any discrepancies between the goods delivered and the goods received note. Discrepancies should be discussed with the supplier without delay.
- 6.15** If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality the CFO/Central Finance function must be notified by the person who ordered the goods and discuss options for replacement goods.
- 6.16** All invoices should be sent to the Central Finance Office located at the Omega MAT Teaching Centre (OTC). The Invoice will be matched against the order, and then recorded by the MAT Senior Finance Officer and/or Finance Officer in the purchase ledger against the appropriate ledger code. Budget holders, or those employees who have placed an order, will be requested to authorise all invoices unless the invoice matches the order and goods received notice, in which case further authorisation is not required.
- 6.17** The SBM within each school will pursue all queries with suppliers and provide periodic updates to the person who ordered the goods. If a budget holder has ordered goods and are pursuing a query on behalf of the SBM, they will provide periodic updates to the Central Finance Office.
- 6.18** Normally suppliers are paid within 30 days of the invoice date from the Central Finance Office. On a weekly basis the MAT Finance Officer will generate a BACS/cheque run for invoices that are due payment that week. The payment runs and the associated paperwork are then signed authorised by the CEO/CFO and the CFO authorises BACS payments via online banking. The BACs process itself is a three stage process within the Central Finance Office, involving MAT Finance Officer, MAT Finance Manager and CFO to ensure the segregation of duties.

## Forms of Tenders

**6.19** There are three forms of tender procedure: open; restricted; and negotiated. Guidance for circumstances in which each procedure should be used are described below:

**Open Tender:** this is where all potential suppliers are invited to tender. The person responsible for requesting the work, after agreement with the Head, must discuss and agree with the SBM how best to advertise for supplier's e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

**Restricted Tender:** this is where suppliers are specifically invited to tend. Restricted tenders may be appropriate where:

- i. there is a need to maintain a balance between the contract value and administrative costs;
- ii. a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the Academy's requirements;
- iii. the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

**Negotiated Tender:** the terms of the contract may be negotiated with one or more chosen suppliers. This may be appropriate in specific circumstances:

- i. the above methods have resulted in either no or unacceptable tenders;
- ii. only one or very few suppliers are available;
- iii. extreme urgency exists;
- iv. additional deliveries by the existing supplier are justified.

## Public Contract Regulations 2015

**Although the Trust has the following exemptions from the Public Contract Regulations 2015:**

- Regulation 106 – The requirement to publish contract notices to Contracts Finder
- Regulations 108/110/112 – The requirement to publish contract award notices to Contracts Finder
- Regulation 113 – The requirement to pay invoices within 30 days of receipt

**the Trust must ensure it abides by these regulations and reference the following thresholds from 1 January 2022 (updated 4 November 2021 and on an annual basis) prior to awarding any contracts:**

- i) **Public works £5,336,938**
- ii) **Public supply and services contracts awarded by sub-central contracting authorities £213,477**

**The Trust and its constituent schools are members of the Crescent Purchasing Consortium (CPC) for contracts approaching these values the CPC should be contacted in advance of any tendering process.**

**Crescent Purchasing Consortium** Office Contact Details

Office Telephone: +44 (0)800 066 2188

Office Fax: +44 (0)161 295 5599

**Our Address:**

Procurement House, Unit 23, Leslie Hough Way, Salford, M6 6AJ, UK

Email [helpdesk@thecpc.ac.uk](mailto:helpdesk@thecpc.ac.uk)

### ***Opening of Tenders***

**The CFO will assist with all Forms of Tender. As a rule of thumb all returned tenders must be returned to the OTC and remain sealed held in the OTC Safe until a formal meeting to open the tenders can be arranged. The tender opening meeting should include a minimum of two Trustees including either one of the Chair or Vice Chair of Trustees (the Vice Chair is the Chair of the Finance Audi and Risk Committee) the CEO and CFO.**

### **Leasing**

- 6.20 All leasing agreement must be signed off by either the Trust's CEO or CFO. Staff other than the Trust's CEO and CFO are not permitted to enter into any leasing agreements on behalf of the Trust or any of its constituent schools.**

There are two types of lease:

Finance leases: these are a form of borrowing

operating leases: these are not borrowing

The Trust **must** obtain [ESFA's](#) prior approval for the following leasing transactions:

taking up a finance lease on any asset for any duration from another party, which are subject to the borrowing restrictions described in paragraphs [5.33 and 5.34](#) of the Academy Trust Handbook.

taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years

granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

**Other than the above, the Trust does not require ESFA's approval for operating leases.**

The Trust **must** ensure any lease maintains the principles of [value for money](#), [regularity](#) and [propriety](#).

**N.B. The Trust should seek advice from their professional adviser (Crescent Purchasing Consortium – see above) and/or external auditor if they are in doubt over whether a lease involves borrowing.**

## **7.0 Income**

**7.1** The main sources of income for the Trust are the grants from the ESFA. The receipt of these sums is monitored directly by the CFO, who is responsible for ensuring that all grants due to each academy are collected.

**7.2** The Trust may also obtain income from the following:

- i. school trips, catering or music tuition in relation to students;
- ii. Wrap Around Care – parental contributions for morning and afternoon care;
- iii. Early Years Provision – parental contributions and a grant payment from the Local Authority;
- iv. lettings & hire charges – from the wider community;
- v. consultancy services provided to other academies and schools.

### **Invoices**

**7.3** Invoices should be raised by the SBM where the School provides a service, the standard terms for payment is within 30 days, unless it is a condition of the service that payment is received first. It is important to note:

- i. parental contributions & donations are normally requested in advance;
- ii. after school clubs should be paid in advance or arrangements should be in place to accept payments by standing order or childcare voucher;
- iii. Early Years provision should be paid in advance or arrangements should be in place to accept payments by standing order or childcare voucher;
- iv. all lettings should only be confirmed on receipt of a booking form.

Organisations should be instructed to send payment to the Central Finance Office.

**7.4** Should the individual School within the Trust use electronic online payment collection software e.g. Wyse pay, Parentmail, ParentPay this will, negate the need to issue an invoice other than when chasing outstanding debts.

### **Custody**

**7.5** Official, pre-numbered school receipts should be issued for all cash and cheques received where no other formal documentation exists (this applies to all Schools who either don't have payment collection systems or for whatever reason do not use such systems for a particular transaction). All cash and cheques must be kept safe prior to banking. Banking should take place every week or more frequently if the sums collected exceed the insurance limit.

**7.6** Monies collected must be banked in their entirety in the appropriate bank account. The MAT Finance Manager and CFO are responsible for preparing monthly bank reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system.

### **Bad Debts**

- 7.7** All outstanding monies should be pursued by the SBM if they are outstanding more than 30 days. This should initially be in writing but may be followed up by phone calls or a face to face conversation. Once a debt is outstanding for 60 days the matter should be dealt with by the CFO on accordance with the Trust's policies.
- 7.8** The CFO will consult the CEO and/or the HT, regarding any debt arrears and for invoices raised by the Trust, up to the value of £5,000 and propose they should be written off. Debts over £5,000 will require approval of the Board of Trustees.

## **8.0 Cash Management**

### **Bank Accounts**

- 8.1** The opening of all accounts must be authorised by the Board of Trustees and the bank mandates, showing authorised signatories and transfer arrangements, and filed securely. The operation of the Bank Automated Clearing System (BACS) and other means of electronic transfer of funds is subject to the similar control.
- 8.2** The CEO and, in his absence, the CFO, authorises the transactions off-line following the production of a payment listing report which is produced from the accounting software, the MAT Finance Officer inputs via on-line banking, and the MAT Finance Manager provide the first level of authorisation within the online process via online banking. The CFO authorises the on-line process via on-line banking to make the payments.

### **Deposits**

- 8.3** Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:
- i. the amount of the deposit;
  - ii. a reference, such as the number of the receipt or the name of the debtor.

Arrangements for deposits made by individual Schools will be agreed between the CFO and the SBM.

### **Payments and withdrawals**

- 8.4** All cheques and other instruments authorising withdrawal from the Trust's bank account must bear the signatures of two authorised signatories and be in accordance with limits set out in the scheme of delegation. This provision applies to all accounts, public or private, operated by or on behalf of the Board of Trustees.
- 8.5** **The Trust/School credit card should only be used in an emergency and not routinely.**

**Staff using a credit card should ensure they obtain a VAT invoice and official receipt and ensure that these are sent to the Trust's Central Finance Office so that these can be matched to the credit card statement.**

**The number of credit cards, their usage and controls will be reviewed on a periodic basis.**



### **Administration**

- 8.6** The MAT Finance Manager must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:
- i. all bank accounts are reconciled to the Trust's cash book;
  - ii. reconciliations are subject to a monthly review and sign off carried out by the CFO;
  - iii. adjustments arising are dealt with promptly.

### **Petty Cash Accounts / Staff Expenses**

- 8.7** The Trust does hold a minimal amount of Petty Cash balance for day to day operations. The petty cash float for each school will be agreed by the CEO
- 8.8** Where purchase cannot be made using by the issuing a purchase order or using a Trust charge card, out of pocket expenses from staff will be settled via the Central Finance Office subject to prior approval for the expenditure having been received from the CEO, CFO, HT, or SBM, in line with the Scheme of Delegation. A Trust expenses claim form should be submitted at the end of the month, along with the VAT receipts, and will be authorised as above in line with the scheme of delegation. **Claims for mileage will be paid using HMRC rates which is currently 45 pence per mile up to 10,000 miles per annum.**
- 8.9** Out of pocket expenses for the CEO will be authorised by the Chair of the Trustees Board. The completed signed form with receipts will be processed by the MAT Finance Officer for inclusion in the next payment run.

### **Cash Flow Forecasts**

- 8.10** The CFO is responsible for preparing cash flow forecasts to ensure that the Trust has sufficient funds available to pay for day to day operations. Any concerns should be immediately reported to the CFO.

### **Treasury Management Policy - Investments**

- 8.11** Investments must be made only in accordance with written approval by the Board of Trustees.
- 8.12** The Trust has a policy of investing surplus cash funds in only a low risk bank deposit accounts arranged through the Trust's bank Lloyds TSB. Amounts invested must be reviewed at least annually by Trustees. There are currently no other investments but should there be they must be recorded in sufficient detail to identify the investment and to enable any current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

## 9.0 Fixed assets and Capital Planning

### Asset Register

9.1 All items purchased with a value over the Trust's capitalisation limit of £1,000 must be entered on the Asset Register. The Asset Register is maintained by the Trust's Finance Manager and includes the following information:

- i. asset description;
- ii. asset number;
- iii. serial number (if available);
- iv. date of acquisition;
- v. asset cost;
- vi. source of funding (% of original cost funded from DfE grant and % funded from other sources);
- vii. expected useful economic life;
- viii. depreciation;
- ix. current book value;
- x. location;
- xi. person responsible.

The Asset Register helps:

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

***The Fixed Asset Register will be updated on a monthly basis.***

### Depreciation

9.2 The Trust will depreciate fixed assets in line with recognised accounting standards, academy best practice and ESFA/DfE guidelines.

The depreciation rules of the Trust are as follows:

Long Leasehold Buildings	50 years (2% per annum)
Computers and IT Equipment	3 years (33.3 %per annum)
Fixtures, Fittings and Equipment	between 4 and 10 years (dependent upon the nature of the asset) (between 10% and 25% per annum)

Any revisions to this policy will be approved by the Trustee Board.

### **Security of Assets**

- 9.3** IT Equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores where assets are maintained.
- 9.4** All the items in the IT Register should be permanently and visibly marked as the Trust's property and there should be a regular (at least annual) count by someone other than the person maintaining the Register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Trust's FAR Committee.

### **Disposals**

- 9.5** In all cases a Disposal of Equipment Form is completed regardless of book value being above or below £5,000 with regards to sale or destruction. Items over £5,000 will need additional approval as set out in the scheme of delegation
- 9.6** Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Trust may need to ensure licences for software programmes have been legally transferred to a new owner.
- 9.7** The Trust is expected to reinvest the proceeds from all asset sales to be reinvested in the Trust. If the sale proceeds are not reinvested then the Trust may need to repay to the ESFA/DfE a proportion of the sale proceeds.
- 9.8** All disposals of land must be agreed in advance with the Secretary of State for Education via application to the ESFA.

### **Loan of Assets**

- 9.9** Items of Trust property must not be removed from school premises without the authority of the HT. A record of the loan must be recorded on a Loan of Equipment Form and booked back into the School when it is returned.
- 9.10** The HT will be asked for a copy of a Loan of Equipment Form, should an item of equipment be missing when a fixed asset audit is undertaken.
- 9.11** 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 Trust's auditors.

## **Capital Planning**

**9.12** In general terms capital expenditure should be funded from the trust's School Condition Allocation (SCA) or additional Condition Improvement Fund (CIF) applications. The Trust will keep all capital need under review and prioritise its allocations annually within a longer-term view to provide fit-for-purpose facilities on all its school sites. In forming Capital plans the Trust will use either ESFA Condition Reports and/or Condition Surveys independently commissioned by the Trust in the event of these not being available or where these or previous condition reports are considered to be out of date.

**9.13** All Capital plans will be approved by the FAR Committee. For larger scale Capital projects over £250,000 which require the appointment of a specialist building or other specialist contractor (s) the board will appoint a Capital Projects sub committee of Trustees to oversee the project. These projects will follow the procurement procedures and thresholds outlined in the scheme of financial delegation, the Trust's procedures outlined in sections 6 and 10 of this document and also the procedures outlined in the Trust's Competitive Tendering Policy.

### **9.14 Devolved Formula Capital (DFC)**

The Trust will receive an annual allocation of Devolved Formula Capital for each of its schools, which will be 'ring-fenced' for the school for which it is intended.

## 10. Summary of Scheme of Delegation – Omega MAT (Approved Suppliers only)

Activity/Cost	Trust			School	
	Trust Board	Chief Executive Officer	Chief Financial Officer	School Headteacher	School Business Manager
<b>Authorisation of Orders/ Authorisation of Non-Purchase Order Invoices</b>					
Up to £1,000					X
Up to £10,000				X	
Up to £30,000		X	X		
Over £30,000	X				
<b>Electronic Approval of Invoices on Accounting System</b>					
All Payments			X		
<b>Approving BACs Run/ Cheque Signatories</b>					
All Payments		2 signatories as approved signatories by the Trust. BACS – CEO in paper form/CFO to approve online			
<b>Release of BACS Payments Online</b>					
All Payments			X	X	
<b>Approving Invoices to Collect Income</b>					
All Invoices		X	X	X	X
<b>Signing ESFA Grant Claims/Returns</b>					
Any	Two signatories are normally required by the ESFA –this ideally would be the Accounting Officer and the CFO, but must include a representative of the Board.				
<b>Disposal of Assets (excluding freehold land and buildings)</b>					
Up to £5,000		X			
Up to £20,000	FAR	X			
Over £20,000	X				
Over £50,000	ESFA				
<b>Write Off Bad Debts</b>					
Up to £5,000		X		X	
Over £10,000	X				
<b>Other Duties</b>					
Budget process	approves	oversees	implements	plans	administers
Appointment: CEO, CFO, HTs	X				
Appointment of Other Staff		X		X	

*From time to time The Board of Trustees may make temporary changes to the above schedule, for example to cover the temporary absence or secondment named persons. Such changes will be approved at a meeting and minuted.*