

Pope Francis Academy Trust

Finance Policy & Procedures

September 2021

Presented & Approved by Trust Board	16 September 2021
Signed by Chair of Trust Board	
Name of Chair of Trust Board	Fr Michael Fitzsimons
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The policy and procedures will need to be reviewed and amended in line with any changes to the Academy Trust Handbook.

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1.00 Introduction

The procedures in this Finance Manual will be approved by the Directors and are mandatory and will be effective immediately after approval. Any variation from the procedures is to be notified to the Director responsible for Finance and the Chief Accounting Officer as soon as it becomes apparent.

The purpose of the manual is to ensure that the Academy Trust maintains and develops proper systems of financial control. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).

All employees of the Trust that have roles associated with finance, most specifically the CEO, COO, Headteachers and School Business Managers must be aware of the need to adhere to the Academy Trust Handbook and ensure that the schools and Trust are adhering to the demands within. They must be aware of and ensure that any amendments to the Academy Trust Handbook are implemented at School and Trust level.

2.0 Organisation

2.1 Financial Responsibilities

The Directors are responsible for the financial integrity of the Academy Trust, including any updates or changes to these procedures. The main responsibilities of the Directors are prescribed in the Funding Agreement between the Academy and the DfE.

2.2 Financial Organisation

Finance organisation and staffing are organised as per appendix 1.

In the event of an emergency where the Chief Accounting Officer is unavailable a nominated member of the Leadership Group may act for the Chief Accounting Officer on a temporary basis. This would, under usual circumstances be the Chief Finance officer.

3.00 Financial Responsibilities

3.1 Directors

The Directors are responsible for ensuring that any funding from the DfE (via the ESFA (Education Funding Agency) or any other source is used by the Trust in accordance with the law, its Articles of Association, the Academy Trust's Funding Agreement or such other directions as may be issued and the Academy Trust Handbook and must ensure that the financial management is such as to enable it to fulfil its obligations. This includes approval of the annual budget and notification of any substantial changes in that budget in accordance with the DfE funding agreement.

The Directors recognise that it would be impractical to undertake day to day activities themselves in discharging their responsibilities and it is necessary to delegate some of their functions through committees and the Chief Accounting Officer as set out in this manual.

The Chief Accounting Officer may also delegate provided the terms of the delegation are clearly documented.

The Directors will keep under review its financial management arrangements and make amendments as necessary. The Director with responsible for Finance will advise the Directors where it is felt such amendments to be necessary.

The Directors are also responsible for:

- Ensuring that the General Annual Grant is used for the purposes intended;
- Approval of the annual budget;
- Approval of the Scheme of Delegation;
- Operating control over expenditure;
- The appointment of new Executive Team members;
- The appointment of a new Headteacher;
- The appointment of external auditors;
- Establishment of a Finance Committee, setting and varying its terms of reference and reviewing its work.

The Financial Procedures Manual will be reviewed by the Director responsible for Finance annually to incorporate any requirements of the DfE. Amendments will be submitted to the Finance Committee for approval and to the Directors for ratification.

3.2 Finance Committee and its Constitution

The purpose of the Finance Committee is to assist the decision making of the Directors, by enabling more detailed consideration to be given to the best means of fulfilling the Directors responsibility in ensuring sound management of the Academy Trust's finances and resources, including proper planning, monitoring and probity.

The main responsibilities of the Finance Committee are detailed in written terms of reference within the Scheme of Delegation which have been authorised by the Directors.

Membership of Finance Committee

Membership of Finance Committee to include:

- The Chair to be a Director with responsibility for finance
- The Chief Accounting Officer
- The Chief Operating Officer
- At least 2 other Directors
- Any others as appointed by the Directors

A clerk should be appointed.

To attend when required

Headteachers

Business Managers

Site Managers

Any other employees relevant to items that are to be discussed

Quorum

Four members as detailed above must be in attendance for the Committee to be quorate. The Director responsible for Finance, the CEO and COO must always be in attendance.

Frequency of Meetings

The Committee will meet 3 times per academic year. Meetings may also be called by the Chair or any other two members of the Committee, with notice given as appropriate to the occasion.

Proceedings

The Committee shall be conducted in accordance with the Trust's Memorandum and Articles of Association and with any other regulations or directions relevant to the Committee's proceedings as may be issued from time to time.

Minutes

The minutes will be recorded electronically and distributed as soon as possible for approval and signature by the Chair and will be presented to the Chair of the Trust Board within 10 days.

Review

All the Committee's arrangements, Terms of Reference, Membership etc., as required by the DfE will be reviewed annually by Committee each summer term. Any amendments will be present to the Directors for approval.

3.30 Director Responsible for Finance

The responsibilities outlined below mean that the Director for Finance in conjunction with the Finance Committee is responsible to the Trust Board for the integrity of the financial systems and controls of the Academy Trust.

The Trust Board shall designate a Director with a financial background to provide assurance on the following issues:

- The efficient, economic and effective management of resources and expenditure, including funds, capital assets, equipment and staff;
- The maintenance of sound internal financial controls;
- That, financial considerations are taken fully into account, in reaching decisions;
- To ensure that variances between actual performance and budget are analysed systematically and there is timely communication of this information to those with responsibility for expenditure and to ensure that where necessary action is taken;
- To be satisfied that there are adequate checks and segregation of responsibilities to ensure the risk of error or fraud is minimised;
- To provide an independent check on the financial activities of the CEO and Headteachers;

- To provide an independent review of and assurance to the Trust Board in the academies financial arrangements, the Director responsible for finance should not take an active role in the day to day operation of the finance team;
- Ensure that appropriate accounting policies are followed in the preparation of accounts;
- To report without delay to the Trust Board on any areas of concern.

The Director responsible for finance may choose to commission an appropriate external contractor or peer reviewer to carry out the detailed checking.

3.4 Chief Executive Officer (Accounting Officer)

The role of the CEO includes specific responsibilities for financial matters. It includes a personal responsibility to Parliament, and to ESFA's accounting officer, for the financial resources under the trusts control. The CEO must be able to assure Parliament, and the public, of high standards of probity in the management of public funds, particularly value for money, regularity and propriety.

To effectively carry out their responsibilities the CEO shall:

- Have executive responsibility for the financial management of the academies;
- Ensure proper and adequate financial systems and controls are in place;
- Approve all orders before they are placed or agree appropriate delegation;
- Co-sign cheques or agree appropriate delegation;
- Ensure that the accounts are prepared and maintained as required by the Trust Board and DfE and that these accounts are adequately supported by the underlying books and records of the academies;
- Supply to the Director responsible for Finance such financial information as they may require in performing their duties.

(In practice the CEO will delegate most of the financial duties to the COO)

3.5 Chief Operating Officer (Financial Officer)

The COO works in close collaboration with the CEO through whom they are responsible to the Trust Board. The COO also has direct access to the Directors via the Finance Committee.

The main financial responsibilities of the COO are:

- The day to day management of financial issues including the establishment and operation of a suitable accounting system;

- The management of the Trust's financial position at a strategic and operational level within the framework for financial control determined by the Trust Board;
- The maintenance of effective systems of internal control including back up procedures;
- Presentation of accounts which are adequately supported by the books and records of the academies;
- Preparation of timely monthly management accounts;
- Preparation of annual budgets;
- Preparation and presentation of DfE forms;
- Authorising purchase orders;
- Co-signing cheques;
- Preparation of any bids for additional funding.

3.6 Assurance –External Audit

The external auditor is appointed by the Trust Board and provides Directors with an independent oversight of the Trusts financial affairs. Its main duties are to ensure the Trust Board with assurance that:

- The financial responsibilities of the Trust Board are properly discharged;
- That resources are being managed in an efficient, economical and effective manner;
- That there are sound systems of internal financial control and that these systems are being properly maintained;
- That, financial considerations are taken into account when reaching decisions;
- The auditor will undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as stated by the Trust Board. A report of the findings from each visit will be presented termly to the Finance Committee.

3.7 Other Staff

Other staff members, primarily the School Business Managers and budget holders will have some financial responsibility within the operational aspects of the financial systems and controls.

All staff have responsibility for the security of academy property; for avoiding loss or damage, having due regard to environmental impact, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Academy Trust's financial procedures.

3.8 Registrar of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. All Trust Board Members, Directors and staff with significant financial or spending powers are required to declare any financial interests that they have in companies or individuals from whom the Trust may purchase goods or services.

The existence of a register of business interest does not detract from the duties of the Trust Board Members, Directors and staff to declare interest where applicable and to not attend that part of any Committee meeting or other meeting.

The register should:

- Be open to public inspection and is available from the COO;
- Include all business interests such as directorships, shareholdings or other appointments of influence within a business organisation which may have dealings with the academy trust. The disclosures should also include business interests of relatives and business partners where influence could be exerted over a Trust Board Member, Director or a member of staff by that person.

4.00 Accounting System

The Access accounting system will be used for modelling, setting and monitoring the budget, generating orders, and recording the income and expenditure of the Academy Trust.

Entry to these systems is password restricted.

The COO is responsible for implementing a system that will ensure the passwords are changed on an appropriately regular basis.

Access levels to these systems will be set in line with the requirements and responsibilities of the users.

Transaction Reports

The COO will obtain and review system reports to ensure that only regular transactions are posted to the accounting system.

The reports obtained and reviewed will include;

- Monthly reconciliations
- Transaction reports for a number of specific nominal codes
- Management accounts summarising expenditure and income against budget at budget holder level

Reconciliations

The COO is responsible for ensuring the following reconciliations are performed each month and that any reconciling or balancing amounts are cleared;

- sales ledger control account
- purchase ledger control account
- payroll control account
- petty cash
- all suspense accounts and
- bank balance per the nominal ledger to the bank statement

4.1 Back-up Procedures

All IT servers at the academies will be backed up daily to local storage. These backups should be copied daily to a cloud service.

A disaster recovery plan in the event of loss of accounting facilities or financial data should be prepared and monitored by the COO to ensure that plans are adequate and up to date; this should link in with the assessment of risks made by the Trust.

4.2 Transaction Processing

All transactions input into the accounting system must be authorised in accordance with the procedures specified in this manual.

The COO will obtain and review system reports to ensure that only regular transactions are posted to the accounting system.

Reconciliations of all bank accounts and VAT control accounts in the accounting system will be carried out at least monthly.

The auditors/Director responsible for finance will highlight any unusual or long outstanding items of a material value to the Finance Committee who will recommend an appropriate action.

5.00 Financial Planning and Monitoring

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

5.1 Strategic Development plan

A strategic development plan will be formulated for a 3-year period. It concerns itself with the future aims and objectives of the Trust and how they can be achieved with the expected resources available.

The form and content of the development plan are matters for the Trust to decide but due regard should be given to any guidance issued by the DfE and the Education Department of the Archdiocese.

The completed plan will include detailed objectives for the coming academic year and outline objectives for future years of the plan.

The plan will be prepared reporting on deviances from original plan in terms of strategy, finance, aims and objectives on a rolling basis and updated and reviewed annually by the CEO and the Leadership Group for approval by the Finance Committee and ratification by the Trust Board.

5.2 Budgets

Trust expenditure must be appropriate, controlled and given an order of priority against all available resources.

The COO is responsible for preparing the budget.

The budget may need revising throughout the year as circumstances change.

The DfE require the annual budget for the coming year to be approved by the CEO and Finance Committee and Trust Board and to be submitted to the DfE no later than the 30th July, subject to advice of final funding.

There must be a clear link between the development plan objectives and the budgeted utilisation of resources.

The budgetary process consists of four phases, planning, budgeting, monitoring and review.

Budgets will be reviewed monthly and reported to the budget holders, Headteachers, CEO, Finance Committee and Directors by the COO. This will follow the template provided at Appendix 7.

Over the course of the year the Trust, working with its academies, will endeavour to follow the financial planning timetable (provided at Appendix 8) to ensure compliance with local and national financial controls, reviews and returns. This will be supported through the use of a month end checklist, a copy of which is provided at Appendix 9.

Any transfers of spend from budget heading to budget heading is subject to the controls as per Appendix 3.

5.3 Fundraising

Any fundraising in a school should be cleared with the Headteacher and any monies collected kept in the school safes until the collection has ended. The money can then be paid into the School Fund and a cheque raised from the school to the relevant charity. All funds collected on the behalf of charities will be published on the school website.

6.00 Payroll

The Trust Board is responsible for approving executive pay and a staffing structure for the schools. The Trust Board must ensure that their decisions about levels of executive pay follow a robust evidence-based process and are reflective of the individual's role and responsibilities. Any changes to the staffing structure can only be made with express approval in the first instance of the Finance Committee who must ensure that adequate budgetary provision exists for any staffing structure changes.

The Headteacher is responsible for appointing school personnel except for Deputy Headteachers and the Business Manager whose appointments shall follow consultation with the CEO, COO and the Trust Board.

Personal files which include contracts of employment are kept by the school.

6.1 Payroll Administration

The Headteacher will immediately inform the COO and Business Manager of any new appointment to the staff of the school.

The payroll is produced by EPM.

All staff are paid monthly on the 15th day of each month or the nearest previous working day to this.

All salary payments will be made by BACS.

All time sheets and overtime claims will be signed by the relevant line manager and certified by the Business Manager.

Any amendments to the payroll will be subject to controls as set out in a formal memorandum by the Trust Board.

Any amendments to the master file must be communicated to EPM in a timely manner by the School Business Manager.

EPM will supply the School Business Manager with a printout of the current month's salary payments for review and approval.

Payments to the Teachers' Pension Fund, Merseyside Pensions Fund and HMRC will be made by the School Business Manager.

The Business Manager will be responsible for the update the accounting system with pay information via a journal each month.

The Trust Board are responsible for compliance with filing payroll related annual returns in a timely manner. Returns will be prepared by EPM and checked for completeness by the School Business Manager.

7.0 Cash Management

7.1 Bank Accounts

The opening of bank accounts must be authorised by the Trust Board, who must set out in a formal memorandum the arrangements covering the operation of the accounts, including transfers between accounts, cheque signing and BACS levels.

Any cheque or cash deposits should be entered on a paying in slip for presentation to the bank.

Details of any deposits or withdrawals must be entered in a supporting book.

All cheques and other instruments authorising withdrawal from school bank accounts will be subject to controls as set out in a formal memorandum by the Trust Board.

The Business Manager is responsible for ordering cheques from the bank and once received the security of same.

Cheques not yet made out will be kept in the safe or any other appropriate safe and secure location.

The School Business Manager will inform the bank of the details of any cheques to be stopped.

Any cheques that appear to be lost, will not be re-issued until the bank has been instructed to put a stop on the cheque and until the payee issue an indemnity to the school.

The Business Manager will ensure bank statements are received on a regular basis.

The Finance Team will be given access to the online banking system to allow statements to be downloaded. No other transactions can be processed via the online system without prior authority from the CEO.

The Finance Team will ensure all bank accounts are reconciled to the schools cash books at regular intervals.

All transactions should be entered onto the accounting system in a timely manner.

7.2 Petty Cash

The school will maintain a maximum petty cash balance of £500 except in exceptional circumstances.

Petty cash will be administered from within the Finance Team of the school.

The only deposits to petty cash should be from cheques cashed from the bank account specifically for this purpose.

Petty cash claims above £20 are to be made using petty cash vouchers authorised by the budget holder and countersigned by the School Business Manager.

All claims for petty cash must be substantiated by receipts.

Petty cash claims will be limited to a maximum of £50 except in exceptional circumstances and when authorised by either the Headteacher or Business Manager. Occasionally petty cash will be paid out to suppliers where invoices cannot be obtained. In these cases the amount can be over £50 subject to obtaining a receipt.

Spot checks will be made to ensure that records are up to date, balances are correct and that transactions are being accounted for correctly.

Petty cash will be kept in a lockable container in the school safe.

All transactions should be entered onto the accounting system in a timely manner

7.3 Credit Card

The schools will maintain a credit limit of £30,000.

The limit on a single transaction is £5,000.

The Headteacher, COO and School Business Manager will be the only cardholders.

Credit cards will be used to make school purchases only.

There will be one centralised card account, however each school's own cards will settle from their own local bank account.

Each cardholder has online visibility of (only) their own spend and activity.

Selected programme administrators will have visibility of all (combined) cardholders spend for reporting purposes.

Credit card purchases will be approved by both the Headteacher and Business Manager via the school purchase order form when goods are being purchased via purchase orders.

Any out of pocket spend on credit cards will be supported by receipts on all occasions and checked for appropriateness when used for hotels, travel and out of pocket expenses by the Business Manager (subject to limits and regulations as per 8.3 staff travel expenses).

Credit cards will be kept either in the school safe or on the card holder's person.

Cash withdrawals will not be allowed.

Goods purchased over the counter by credit card will be delivered to the budget holder as soon as possible. The budget holder will inspect the goods and sign the relevant receipt as received.

Receipts for over the counter purchases will be attached to the credit card authorisation form and goods will be delivered to the budget holder as soon as possible.

Goods purchased via the internet will be treated as per the delivery of goods/service procedure.

Receipts for goods purchased via the internet will be attached to the credit card statement. When no delivery notes are received this will be treated as a delivery note and the budget holder will sign the form as authority to process when the goods are received.

The credit card statement will be processed as an invoice in the purchase ledger, all approval forms relating to the statement will be attached and the Business Manager will check all forms for correctness and sign the statement as approved for entry on to the purchase ledger.

The credit card balance will be paid by direct debit from the academy current account in full every month.

7.4 Cash Flow Forecasts

The Business Manager will prepare regular cash flow forecasts to ensure the school has adequate liquid funds for working capital.

7.5 Investments

Investments cannot be made at the expense of working capital.

Investments other than longer term deposits of funds are subject to authorisation from the Trust Board.

All investments must be recorded in sufficient detail to enable a current market value to be calculated at any time.

All income received from any investments should be recorded separately.

No investments can be undertaken where there is a risk to the original capital investment.

All transactions should be entered onto the accounting system in a timely manner.

8.00 Purchasing & Payment procedures

School purchases will be paid for using mainly public funds and as such they need to maintain the integrity of these funds by following the general principles of probity, accountability and fairness.

The school will not purchase goods for resale to other non-related parties except in exceptional circumstances and where appropriate.

All school purchase orders will be subject to controls as set out in a formal memorandum by the Trust Board.

8.1 Tenders

Full consideration should be given to:

- Object of project;
- Overall requirements;
- Technical skills required;
- After sales service requirements;
- Form of contract;
- Threshold rules.

If a restricted tender is to be issued then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

The Trust's invitation to tender will include the following:

- Introduction/background to the project;
- Scope and objectives of the project;
- Technical requirements;

- Implementation of the project;
- Terms and conditions of tender;
- Form of response with deadline date;

On receipt of tenders consideration should be given to the financial aspect and suitability of the tender. All tenders submitted should be recorded and opened at the same time.

The CEO and the COO or other delegated members of the Leadership Group will open all received tenders.

After opening details of all tenders received should be logged and signed by the people present at the opening.

On receipt of tenders a weighted matrix should be used to evaluate value for money considering not only price but other matters such as deliverability, staff, timescales, management arrangements etc.

Marking of tenders against the matrix should be done individually then collectively agree outcome.

Where required by the conditions attached to specific grant funding, approval must be obtained from the relevant sources before an acceptance of a tender.

The accepted tender should be the one that is economically most advantageous to the Trust where service requirements are satisfied. All parties should then be informed of the decision.

The supplier of the accepted tender will be issued with a purchase order.

8.2 Routine Purchasing

Budget holders will be informed of the budgets available to them in advance of the new academic year.

Budget holders will use the Purchase Order procedures to request purchases. It will remain a purchase requisition until it has been approved. The Purchase Order Request Form is provided at Appendix 6.

Purchase orders will be coded/department coded to represent differing areas of funding.

Any reasons for rejecting the requisition will be clearly marked on the purchase order, a copy will be filed in the rejected requisition file and a copy will be given to the budget holder within 48 hours of the requisition being rejected.

Requests for the supply of work, goods or services placed as a matter of urgency, other than by approved orders will be considered approved when the relevant invoice is signed by the budget holder. (Only works, goods or services that relate to emergency repairs of the building will be purchased in this way.)

The Business Manager will be responsible for allocating a nominal ledger code to the purchase order and for allocating it against the correct budget holder.

Authorised purchase requisitions will be input into the accounting system and the purchase order number generated will be entered onto the purchase order.

The original purchase order will be despatched to the supplier, one copy will be kept by the finance office.

8.2.1 Delivery of Goods/Services

Goods received at the school will be signed for as unchecked and delivered internally to the budget holder.

The budget holder will check the contents of the delivery against the purchase order, sign the delivery note if available, and return it to the Finance Office.

If the goods are incorrect or do not match the order the budget holder will return the goods, the delivery note and the purchase order number together with an explanation as to the problem with the goods to the Finance Office.

The Delivery note will be kept in the Finance Office.

8.2.2 Invoicing

All supplier invoices should be delivered to the Finance Office.

The invoice will be registered on the accounting software and matched to the correct signed delivery note.

In case of supply of goods or services where there is no delivery note, the invoice will be passed to the budget holder for them to sign as notification of receipt of goods or services.

The invoice detail will be checked in the Finance Office.

Invoices will be entered (and purchase orders cleared) on to the accounting software in a timely manner.

Invoices will be considered as passed for payment if there is a delivery note attached and the invoice matches the relevant purchase order or the budget holder as signed the invoice.

Any invoices that do not match relevant purchase orders / do not get signed will be put in query and not paid.

Budget holders must inform the School Business Manager if there are any other reasons as to why invoices should not be paid at the earliest possible time.

Invoices and matched delivery notes will be filed alphabetically.

Supplier statements will be pursued each month by the Finance Office and reconciled to the school Purchase Ledger Listing.

8.3 Staff Travel Allowances & Out of pocket expenses

A refund of actual expenditure may be obtained by the members of staff who have completed the appropriate form.

Claims for travel expenses or out of pocket expenses must be made via either the petty cash claim form or a cheque request form.

No 1st class rail travel will be allowed except in exceptional circumstances or evidenced with train line documentation showing standard class to be more expensive or where the employee is happy to contribute the difference in cost.

Hotels for any overnight accommodation must not be above a 4-star rating, it is accepted that London accommodation can be expensive but, in all cases, must not exceed £140 per night.

Subsistence rates will be £5 (each for breakfast and lunch) £15 for a late meal when staying overnight (current HMRC guidance).

Rates per mile will be determined by the COO in line with Inland Revenue guidance.

Claims must be authorised by claimant's line manager, in respect of the Headteacher by the CEO, in respect of the CEO by the Chair of the Trust Board.

The Business Manager will be responsible for allocating a nominal ledger code to any claims and for allocating it against the correct budget holder.

Any refund of Directors' expenses must be at a level in accordance with the scheme approved by the Trust Board.

Claim forms will be entered on to the accounting software in a timely manner.

8.4 Staff Severance Payments and Compensation Payments

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

- Whether such a payment is justified, based on a legal assessment of the chances of the Trust successfully defending the case at tribunal. If the legal assessment suggests a better than even chance of winning, there is no rationale for settling the case. But where the case will be lost, there is a justifiable rationale for the settlement. above the contractual entitlement, it must consider the following issues:
- If the settlement is justified, the Trust would then need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an Employment Tribunal) is likely to award in the circumstances.
- Special severance payments should not be made where they could be seen as a reward for failure, such as dismissal for gross misconduct or poor performance. The only acceptable rationale in the former case would be where the claimant will win an Employment Tribunal claim because of employment law procedural errors. In the latter, an acceptable comparison would be the time and cost of taking someone through performance management and improvement procedures.
- If the Trust is considering making a compensation payment it must consider whether the proposed payment is based on a careful appraisal of the facts, including

legal advice and that value for money will be achieved. It is also good practice to consider routinely whether particular cases reveal concerns about the soundness of the control systems; and whether they have been respected as expected. It is also important to take any necessary steps to put failings right.

- Where the Trust is considering making a special staff severance payment or compensation payment above the contractual entitlement of £50,000 or more, prior approval will need to be sought from HM Treasury, via the ESFA, before any such payment can be made. ATs in this situation should speak to their ESFA contact at the earliest opportunity to discuss. It must consider whether the proposed payment is based on a careful appraisal of the facts, including legal advice and that value for money will be achieved. It is also good practice to consider routinely whether particular cases reveal concerns about the soundness of the control systems; and whether they have been respected as expected. It is also important to take any necessary steps to put failings right.

9.00 Income

9.1 Grants

The annual funding letter is scheduled to be issued by the ESFA on or around the 1st April of each year.

The ESFA will transfer funding directly into the Trust's bank accounts.

The COO will be responsible for ensuring all grants due to the Trust are collected and entered on to the accounting software.

9.2 Other Income

Other income received will be accounted for as it is banked.

Cash and cheques must be banked regularly and a receipt given for cash.

Cash and cheques left on school premises must be in line with insurance policies.

Any cash collected must not be replaced with personal cheques.

Invoices will be raised for Sales by the school and filed numerically.

The School Business Manager is responsible for ensuring that all sales invoices are paid.

9.3 Liabilities and Write-Offs

The Trust may perform the following financial transactions up to the limits set out below: writing off debts and losses (including any uncollected fines); entering into guarantees, indemnities or letters of comfort (excluding those relating to borrowing by the AT). The limits are:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction.
- Cumulatively, 2.5% of total annual income in any one financial year per category of transaction.

- Cumulatively, 5% of total annual income in any one financial year per category of transaction for any ATs that have submitted timely, unqualified financial returns for the previous two financial years. for any ATs that have not submitted timely, unqualified financial returns for the previous two financial years. This category includes new academies that have not had the opportunity to produce two years of financial statements.
- Beyond these limits the AT must seek and obtain explicit and prior approval of the Secretary of State (through the ESFA) to the transaction.

All debts write off, guarantees, loans, indemnities and letters of comfort must be approved by the CEO and COO.

Write off of Sales Invoices above £1000 requires authorisation by the Finance Committee and ratification by the Trust Board.

9.4 School Trips

Cost of school trips will be decided by the Headteachers.

A lead teacher will be appointed for each school trip. The lead teacher must prepare a list of each student who intends going on the trip for the Finance Office.

Students will pay monies for trips using online payment methods.

Money received for school trips will be banked in a timely manner.

A separate bank account will be used for non- educational school trips and other income or expenditure which is consistent with the operation of a school fund. All transactions processed through this account will be included within the school annual accounts.

9.5 Gifts in Kind

Assets

Gifts in kind should be included in the school accounts in the accounting period they are receivable.

The value placed on gifts in kind should be either a reasonable estimate of their gross value to the school or the amount actually realised if the goods have been donated for resale.

Services and Facilities

Gifts in kind should be included in the school accounts when the benefit to the academy is reasonably quantifiable and measurable.

This would usually be limited to donations by an individual or entity as part of their trade or profession.

Contributions from volunteers or organisations that would normally provide that time should not be included in the academy accounts.

Donations which are included in the academy accounts should be valued at open market price.

10.0 Assets

The schools must maintain an asset register, which will include:

- Date of Acquisition;
- Description of assets including serial numbers;
- Supplier;
- Cost;
- Source of funding;
- Location of asset;
- Depreciation method;
- Details of any disposals, write offs or revaluations.

All individual assets purchased with a value over £1000 must be entered in the asset register.

All assets in as much as is possible must be kept in a safe and secure manner.

The School Business Manager is responsible for the asset register.

Assets will be entered onto the register on receipt of a processed invoice.

The School Business Manager is responsible for ensuring all assets are security marked which must include the asset register number.

The School Business Manager is responsible for annual asset check in consultation with the COO.

Items which are to be disposed of by sale or destruction must be put on an Asset Disposal Approval Form and approved by the Headteacher before being passed to the Business Manager.

No deletions may be made from the register without written authority from the Finance Committee.

Before disposals of assets can be made the Trust Board should check to see if they require authorisation from the DfE or other body.

The Trust must seek and obtain explicit and prior approval from the Secretary of State, via the ESFA, before:

- entering into any freehold sales or purchases;
- granting any leasehold or tenancy agreement, regardless of length; or
- taking up any leasehold or tenancy agreement for more than three years.

10.1 Loss of Equipment

Actual or suspected loss of equipment must be notified to the School Business Manager immediately, investigated and if substantiated, reported to the Headteacher.

The Headteacher has the option to take such steps as deemed to be necessary.

The School Business Manager will put in a claim for any losses to the insurer and discuss with the Budget Holder the necessary actions required for the replacement of the items.

An Asset Disposal Approval Form should be completed.

10.2 Loan Procedures

Items of school property may not be removed from the premises without record.

The loan of any property requires approval by the Headteacher.

Details of any loans of property will be kept in a loan register which will be kept in the Finance Office and will be signed for by the borrower.

On return of any loaned property the Loan Register shall be updated.

11.0 Insurance

The COO and CEO are responsible for the insurance strategy which identifies the risks facing the Trust, the types of cover to protect against these risks and the level of cover provided.

The strategy will be considered and approved or amended each year by the Trust Board through the Finance Committee.

12.0 Supply Teachers

Absences of staff up to 3 days will be covered internally whenever possible.

The cover manager will book any other cover as directed by the Headteacher.

Any supply teachers will provide the school with a completed time sheet which has been signed off by a nominated budget holder and authorised by the cover manager. A copy will be made and kept in the Finance Office and used as a delivery note.

The supply agency or supply teacher should provide the school with a relevant purchase invoice which will be processed as per the purchasing procedure.

Supply invoices are paid for as per the purchasing procedure.

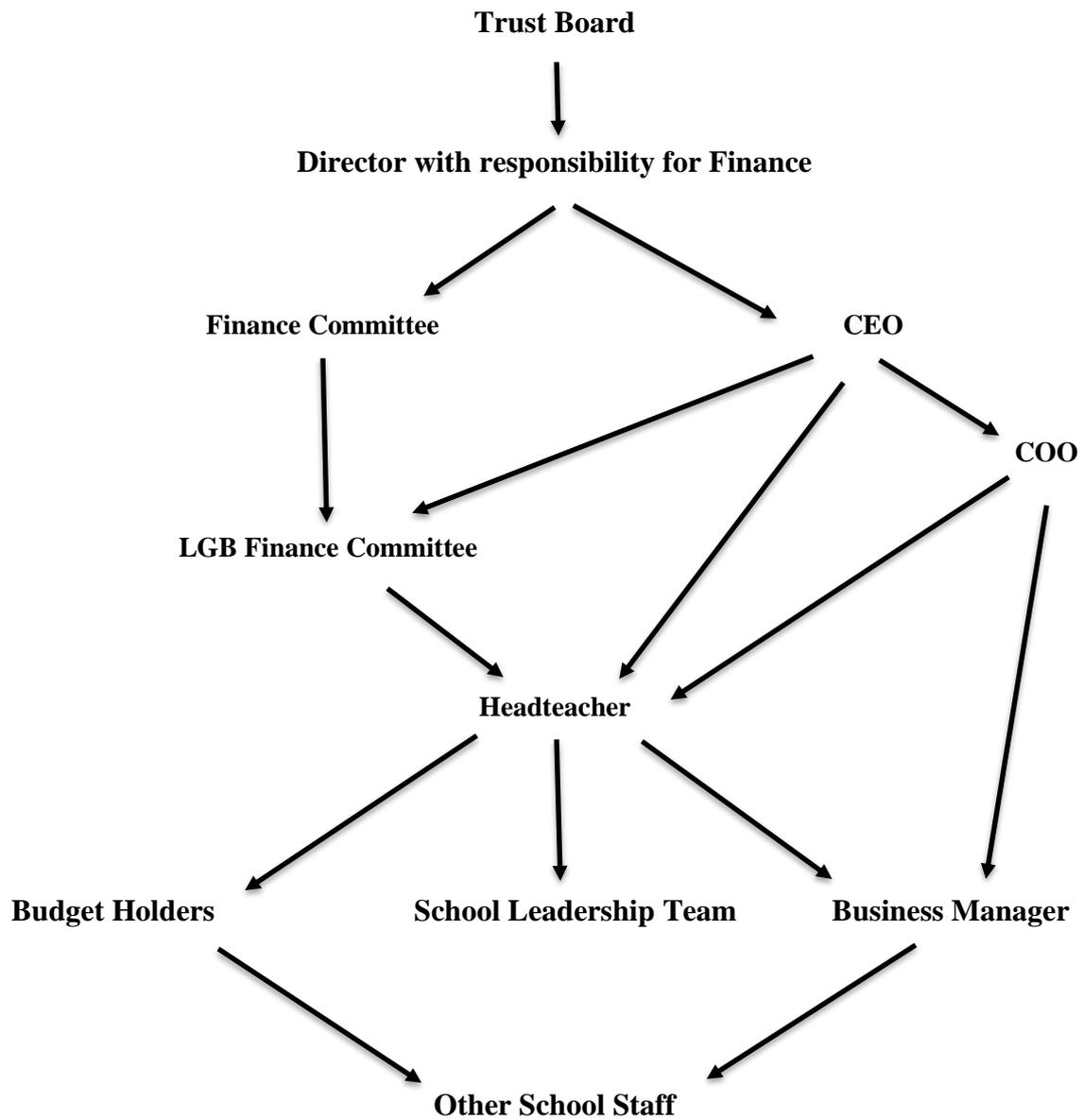
13.0 Retention of Records

The Trust recognises that the efficient management of its records is necessary to comply with its legal and regulatory obligations and to contribute to the effective overall management of the Trust. The Trust will in order to comply with legal requirements and

the needs of internal audit, external audit, Inland Revenue and Customs & Excise retain records normally for the current year plus six previous years.

The Records Management Policy is provided at Appendix 5. The person with overall responsibility for this policy is the Trust Chief Executive Officer. The School Business Manager will be responsible for storage of and dispensing of retained records.

Appendix 1 Financial Organisation



Appendix 2 Terms of Reference for the Finance Committee

The terms of reference for the Finance Committee are included in the documentation for the Scheme of Delegation.

See 07: The Pope Francis Academy Trust – Scheme of Delegation: Committee Terms of Reference – Finance.

Appendix 3 Authorisation Levels

Approval Level	Quotes Required	Purchase Orders	Payments	Budget Transfer	Payroll Additions	Write Offs
£0 to £999	#	H & BM	H/SLT/BM (2 from 3)**	H/BM	H	H/BM & FC
£1000 to £9,999	2*	H & BM	H/SLT/BM (2 from 3)	H/BM	H	CEO/C OO & FC
£10,000 to £19,999	3	CEO & COO	CEO/COO/ Chair of FC (2 from 3)	CEO, COO & FC	FC	FC
£20,000 to £49,999	3	CEO & COO	CEO/COO/ Chair of FC (2 from 3)	FC	FC	FC
£50,000 + (must go to tender)	3	CEO & COO & FC	CEO/COO/ Chair of FC (2 from 3)	FC	FC	FC

- # = Budget holders to ensure best value achieved.
Quotes may be sought or input from Finance re framework agreements
- * = Orders **may** be authorised without quote.
Budget Holder accepts best price has been achieved
- H = Headteacher
- FC = Finance Committee
- SLT = Senior Leadership Team member authorised to sign cheques
- BM = Business Manager
- COO = Chief Operating Officer
- CEO = Chief Executive Officer

The authorisation levels above apply to non-routine expenditure and exclude regular high level payments (e.g. Payroll cheques and service level agreements).

PURCHASE IN EXCESS OF OJEU THRESHOLD MUST GO TO FORMAL TENDER UNDER EUROPEAN RULES

Appendix 4 Staff Recruitment Levels

The staffing in the Trust accounts for the majority of the expenditure. Therefore, it is essential to ensure that staff are recruited in such a way to limit the risk to school finances, to ensure value for money and to ensure that recruitment is conducted in a fair and just manner.

The following indicate the essential recruitment levels for roles in the school.

CEO Appointment - A panel of at least 3 Directors

- The Chair of the Trust Board
- The total of Foundation Directors must be greater than the total of any other Directors
- Any other relevant person as invited by the Chair of Trust Board

At least one member will have received 'Safer Recruitment' training.

COO Appointment - A panel of at least 3 Directors

- The Chair of the Trust Board
- The Chair of the Finance Committee
- The CEO
- The total of Foundation Directors must be greater than the total of any other Directors
- Any other relevant person as invited by the Chair of Trust Board.

At least one member will have received 'Safer Recruitment' training.

Headteacher Appointment - A panel of at least 3

- The Chair of the Trust Board or another Director nominated by the Chair
- The Chair of the Local Governing Board
- The CEO
- The total of Governors appointed by the Directors must be greater than the total of any other Governors
- An appropriate person representing the Diocesan Education Department

At least one member will have received 'Safer Recruitment' training

Deputy Headteacher Appointment - A panel of at least 3

- The Headteacher
- The Chair or Vice Chair of the Local Governing Board.
- Other Governing Board Member or Diocesan Representatives, as invited.

The Headteacher will have received 'Safer Recruitment' training.

Assistant Headteacher Appointment - A panel of at least 3

- The Headteacher
- A Deputy Headteacher
- Any other relevant School Leader, as invited in order to gain interviewing experience but must be on a higher Leadership range than the post that is advertised.
- Other Local Governing Board Member, as invited

All members of SLT will have received 'Safer Recruitment' training

School Business Manager - A panel of at least 3

- The Headteacher
- The COO
- A Local Governing Board Member with responsibility for Finance
- Any other Local Governing Member or SLT, as invited

All members of SLT will have received 'Safer Recruitment' training

Curriculum Leaders - A panel of at least 3

- The Headteacher
- The SLT member with Line Management responsibility for the Curriculum Team
- Another invited member of the SLT
- Other Local Governing Board Member, as invited

All members of SLT will have received 'Safer Recruitment' training.

Chaplain - A panel of at least 3

- The Headteacher
- The Curriculum Leader for Religious Studies
- A Priest or Religious
- A Diocesan representative
- Other Local Governing Board Member, as invited

The Headteacher will have received 'Safer Recruitment' training.

FOR ALL OTHER APPOINTMENTS IT IS PREFERABLE FOR THE HEADTEACHER TO BE INVOLVED, HOWEVER THIS MAY NOT BE POSSIBLE.

Assistant Curriculum Leaders - A panel of at least 3

- The SLT member with Line Management responsibility for the Curriculum Team
- The Curriculum Leader

- Any member of SLT to deputise for any of the above if necessary
- Other Local Governing Board Member, as invited

All members of SLT will have received 'Safer Recruitment' training

Any Other Promoted Post Within a Curriculum Team Below Assistant Curriculum Leader - A panel of at least 3

- The SLT member with Line Management responsibility for the Curriculum Team
- The Curriculum Leader
- An Assistant Curriculum Leader
- Any member of SLT to deputise for any of the above if necessary
- Other Local Governing Board Member, as invited

All members of SLT will have received 'Safer Recruitment' training

Class Teacher - A panel of at least 3

- The SLT member with Line Management responsibility for the Curriculum Team
- The Curriculum Leader
- An Assistant Curriculum Leader
- Any member of SLT to deputise for any of the above if necessary
- Other Local Governing Board Member, as invited

All members of SLT will have received 'Safer Recruitment' training.

Trainee Teachers

For trainees that are graduates and already appointed in the school, the decision to employ as an unqualified teacher will be taken by the Headteacher in liaison with the appropriate Curriculum Leader.

Non-Teaching Staff - A panel of at least 3

- At least one relevant member of SLT or a Curriculum Leader associated with the management of the post holder
- The Business Manager
- A member of the non-teaching staff that will have day-to-day management of the post holder
- Other Local Governing Board Member, as invited

At least one member will have received 'Safer Recruitment' training.

Appendix 5 Records Management Policy

1. Policy Statement

- 1.1 The Trust recognises that the efficient management of its records is necessary to comply with its legal and regulatory obligations and to contribute to the effective overall management of the Trust. This document provides the policy framework through which this effective management can be achieved.

2. Scope

- 2.1 This policy applies to all records created, received or maintained by staff of the Trust in the course of carrying out its functions.
- 2.2 Records are defined as all those documents which facilitate the business carried out by the Trust and which are thereafter retained (for a set period) to provide evidence of its transactions or activities. These records may be created, received or maintained in hard copy or electronically.
- 2.3 A small percentage of the Trust's records may be selected for permanent preservation as part of the Trust's archives and for historical research.

3. Responsibilities

- 3.1 The Trust has a corporate responsibility to maintain its records and record keeping systems in accordance with the regulatory environment. The person with overall responsibility for this policy is the Trust Chief Executive Officer.
- 3.2 The persons with responsibility for records management, as identified in their job descriptions, will give advice for good records management practice and will promote compliance with this policy so that information will be retrieved easily, appropriately and timely.
- 3.3 Individual staff and employees must ensure that records for which they are responsible are accurate and are maintained, stored and disposed of in accordance with the Data Protection Act 1998 and with other legislation or regulations (including audit, equal opportunities, freedom of information, and ethics) affecting the Trust.

4. Aims

- 4.1 **records are available when needed** – from which the Trust is able to form a reconstruction of activities or events that have taken place.
- 4.2 **records can be accessed** – records and the information within them can be located and displayed in a way consistent with its initial use, and that the current version is identified where multiple versions exist.
- 4.3 **records can be interpreted** – the context of the record can be interpreted: who created or added to the record and when, during which business process, and how the record is related to other records.
- 4.4 **records can be trusted** – the record reliably represents the information that was actually used in, or created by, the business process, and its integrity and

authenticity can be demonstrated.

- 4.5 **records are secure** – from unauthorised or inadvertent alteration or erasure, that access and disclosure are properly controlled, and audit trails will track all use and changes. To ensure that records are held in a robust format which remains readable for as long as records are required.
- 4.6 **records are retained and disposed of appropriately** – using consistent and documented procedures.
- 4.7 **staff are trained** – so that all staff are made aware of their responsibilities for record-keeping and record management.

Appendix 8 Financial Planning Timetable

	Who	When
Closure of Ledgers	Trust	18th of month
Bank Reconciliation	School	4th of month
Balance Sheet Reconciliations	School	10th of month
Salary Journal	School	10th of month
VAT Returns-School	School	10th of month
VAT Returns-Trust	Trust	30th of month
Accrual, Prepayments, Deferred/Accrued Income	School	10th of month
Monthly Management Accounts Pack-Schools	School	20th of month
Monthly Management Accounts Pack-Trust	Trust	25th of month
Proposed Long Term Plans-Proposed by schools	School	30th April of month
Revised Long Term Plans by School	School	30th November
Proposed Long Term Plans-approved by the Trust	Trust	30th May
Revised Long Term Plans reviewed by the Trust	Trust	31st January
BFR	Trust	30th June
BFRO	Trust	30th May
Responsible Officer Report	Trust	31st March
Responsible Officer Report	Trust	30th September
Land and Buildings Return	Trust	31st Oct
Trial Balance for Year End Accounts	Trust	30th Sept
Annual Accounts-Companies House	Trust	20th Dec
Annual Accounts Return-ESFA	Trust	25th Jan
School Resource Management Self-Assessment	School	20th Dec
Dear Accounting Office Letter shared with Trustees	Trust	with 15 days of receipt of letter
Revised Financial Manual approval by Trustees	Trust	31st Aug

Appendix 9 Month End Checklist

	Date Completed	Initial
PAYROLL		
Processed payroll onto Access produced journal and checked the payroll details to ensure no errors. Principal and SBM Sign Payroll Journal		
File Journal with supporting evidence.		
BALANCE SHEET RECONCILIATIONS		
All Bank Accounts		
Ensure all transactions that appear on bank statements are entered onto Access		
All bank accounts reconciled up to the month end.		
Debit /Credit card account reconciled up to the month end.		
Notes		
Petty Cash		
Petty cash balance reconciled between Cash in Tin, Control Spreadsheet and Access		
Sales Ledger Control Account		
Aged Debtors Report printed		
Balances over 30 days old investigated		
Difference between Aged Debtors report and Trial Balance investigated		
Purchase Ledger Control Account		
Aged Creditors Report printed		
Balances over 30 days old investigated		
Difference between Aged Creditors report and Trial Balance investigated		
All Direct Debit Invoices and Payments Processed		
Any Creditors account in credit is reviewed		
Payroll Control accounts		
Balance on Pay Control Accounts reconciled to payroll reports		
Other Balance Sheet Accounts		
All other balance sheet accounts reconciled and action planned were necessary.		
BUDGET MONITORING		

Trial Balance or Cumulative Expense Analysis Report at the month end downloaded from HCSS and linked to Budget Monitoring report		
Budget monitoring report completed and forecast outturn updated		
Budget monitoring report signed off by Head and SBM		
NOTES/ISSUES		
Outstanding Items		

Reconciliations Prepared by _____
Date xx/xx/xx

Reconciliation Authorised by _____
Date _____

Appendix 10 Further Guidance

ESFA – Academy Trust Handbook

<http://www.education.gov.uk/aboutdfe/executiveagencies/ESFA/ESFAfundingfinance/b00212647/external-assurance/academies-financial-handbook>

ESFA – Academies Accounts Direction

<http://www.education.gov.uk/aboutdfe/executiveagencies/ESFA/ESFAfundingfinance/b00212647/external-assurance/academies-accounts-direction>

Charity Commission – Internal Financial Controls

<http://www.charitycommission.gov.uk/publications/cc8.aspx>

21 Questions MATS should ask itself

[https://www.nga.org.uk/getmedia/fbee69de-e2e9-408d-a369-d4274f5b99fc/21-Questions-for-Multi-academy-Trusts-FINAL-\(1\).pdf](https://www.nga.org.uk/getmedia/fbee69de-e2e9-408d-a369-d4274f5b99fc/21-Questions-for-Multi-academy-Trusts-FINAL-(1).pdf)

Setting Executive Pay

<https://www.gov.uk/government/publications/setting-executive-salaries-guidance-for-academy-trusts/setting-executive-salaries-guidance-for-academy-trusts>

Integrated Curriculum Financial Planning

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/828603/7_steps_for_clearance_logo.pdf