



## **Finance Policy 2024/25**

**This policy includes:**

**Academy Reserves & Investments Policy**

**Staff Expenses Policy**

Policy owner	CFO
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# General

1. The purpose of this policy is to ensure that the St Barnabas Church of England Multi Academy Trust (The Trust) maintains and develops systems of financial control, which conform to the requirements of propriety, efficiency, regularity and of good financial management. It is essential that these systems operate in accordance with the requirements of our Funding Agreement and those outlined in the Academies Trust Handbook.
2. The policy - in conjunction with the Scheme of Delegation - acts as a financial framework for our academies to work within. It translates into practical guidance the broad range of policies relating to financial control. This document is approved and updated if required, on an annual basis by the Finance, Audit & Risk Committee (FAR). It applies to the Trust and all its academies. We acknowledge that operational practices will differ within our academy structure, but processes must be set with the parameters set out below.
3. The Trust must comply with the principles of financial control outlined in the academies' guidance published by the DfE/ESFA. This policy expands on that and provides detailed information on the academy's accounting procedures and systems.
4. This policy builds on the financial principles and requirements established and adopted in previous Finance Policies and reflects any organisational changes that have occurred over the last 12 months and includes key amendments outlined in the Academies Trust Handbook.
5. The institution is a multi-academy trust ("the Trust") created under the provisions of the Academies Act 2010, as amended by the Education Act 2011. Its structure of governance is constituted under the Articles of Association and is an exempt charity by virtue of the Charities Act 2011.
6. The purpose of these financial regulations is to provide control over the totality of the Trust's resources and provide management with assurances that the resources are being properly applied for the achievement of the Trust's strategic plan and business objectives on a sustainable basis, including:
  - Maintaining financial sustainability
  - Achieving value for money
  - Ensuring that the Trust complies with all relevant legislation
  - Safeguarding the assets of the trust
  - Arrangements for Financial Administration
  - Financial Systems
  - Documentation of Systems & Procedures
7. Compliance with the financial regulations is compulsory for all staff connected with the Trust. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the Trust's disciplinary policy. Any such breach will be notified to the Trust Board by the FAR committees.
8. Arrangements for the management and administration of St Barnabas finances should ensure that adequate provision is made to maintain a satisfactory level of cover for the absence of key staff. The CEO may delegate to the CFO or Headteachers (as appropriate) the authority to make financial decisions in their absence but only within the limits allowed for the CEO.

9. The CEO shall seek the advice of the Board of Trustees if they have any doubt about the respective responsibility and authority of either party in relation to the scheme of delegation and/or financial administration or management.
10. Where action is urgently required in circumstances where the CEO, or other representatives detailed in paragraph 11 in the absence of the CEO, does not have delegated responsibility to act then the CEO or representative must obtain specific authorisation from the Chair of Board and each such authorisation must be reported to the next meeting of the Board of Trustees.
11. The CEO shall have authority to expend resources from within the budget duly approved by the Board of Trustees provided that such expenditure does not:
  - involve a change in or extension to the Board of Trustees' existing policies and/or service objectives;
  - involve a net increase in expenditure in future years;
  - conflict with any limits/controls over income and expenditure specified by the Board of Trustees;
  - involve a commitment which cannot reasonably be expected to be sustained from future budgets.

## Organisation

### Members

The Members are the ultimate layer of governance and are responsible for appointing/removing the Trustees of the Trust including one of which is regarded as the accounting officer and to notify the Secretary of State of the appointment of the accounting officer. Members can amend the articles and may do so to support stronger governance arrangements (subject to any restrictions in the articles or in the Trust's funding agreement or charity law).

The Members are responsible for appointing the Trust's financial statements and regularity auditor and they have a right to receive the annual report and financial statements.

The Members are responsible for holding an Annual General Meeting (AGM), further (extraordinary) general meetings may be called by the Trustees or Members.

### Trustees

The Trustees (who are also the directors of St Barnabas MAT for the purpose of company law) form the trust board and set the strategic direction and strategy for the Trust. They hold the senior leadership team to account, ensure financial efficiency and probity and ensure the trust is legally compliant. They are also responsible for ensuring that high standards of corporate governance are maintained. The Trust must comply with the principles of financial control outlined in Appendix B.

The Trustees must understand their statutory duties as company directors set out in the Companies Act 2006. These comprise the duties to:

- Act within their powers;
- Promote the success of the company

- Exercise independent judgement
- Exercise reasonable care, skill and diligence;
- Avoid conflict of interest
- Not accept benefits from third parties; and
- Declare interest in proposed transactions or arrangements

The main financial responsibilities are to:

- Appoint the Chief Executive Officer (CEO) and hold him/her to account for the performance of the Trust.
- Appoint an appropriately qualified Chief Financial Officer (CFO) in conjunction with the Chief Executive Officer
- Appoint a governance professional who is someone other than a member of the Trust Board
- Develop strategic plans
- Agree policies for the sound management and administration of the Trust
- Agreeing a development (improvement) plan
- Producing a Scheme of Delegation for the management of the Trust
- Ensuring compliance with legal requirements
- Ensuring sound management of the Trust's finances and resources
- Setting the Trust's standards of conduct and values
- Establishing and maintaining a transparent system of prudent and effective internal controls
- Accounting to parents/carers and other stakeholders for the performance of the Trust
- Avoid any conflicts which may influence their duties as Trustees of the Trust
- Approve the recommended annual report and accounts in accordance with relevant Company Law, Statement of Recommended Practice, and DfE guidance for presentation to members at their AGM
- Comply with obligations to make annual returns to Companies House and the Principal Regulator within the specified deadlines
- To approve the annual budgets

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

The FAR committee is a committee of the Trust Board, it meets at least once a term but more frequent meetings can be arranged if necessary.

The main responsibilities of the FAR committee are detailed in written terms of reference which have been authorised by the Trust Board. The main responsibilities include:

- The initial review and recommendation of the annual budget
- The regular monitoring of the Trust's actual expenditure and income against budget
- Evaluating financial benchmarking and KPIs undertaken by the Trust
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE/ESFA guidance issued to Academies including the ATH
- Authorising the award of contracts in line with the tendering authorisation levels
- Approval for additional senior roles or roles within schools running deficit budgets or new roles that would create a deficit budget.
- Changes to the Trust personnel establishment head-count will be reported on termly.

- Appointing and liaising with the external auditors, responding to the external audit report recommendations, and approving the external auditor's annual plan
- Appointing and liaising with the internal auditors, responding to internal audit report recommendations, and agreeing an annual programme of work to address the risks identified on the internal control functions at the Trust, including all academies
- Ensuring that risks are being adequately identified and managed including maintaining the Trust's risk register which includes a detailed annual review and a review of all key risks and 'never' events at each meeting contentious
- Considering if there are any novel or contentious transactions arising from any Trust agenda items or from the report from the Accounting Officer
- Trustees will seek prior approval from the Education and Skills Funding Agency (ESFA) for any transactions that are novel, contentious or repercussive.

**Novel transactions** are those of which the academy trust has no experience or are outside the range of normal business activity for the trust.

**Contentious transactions** are those which might give rise to criticism of the trust by parliament, the public or the media.

**Repercussive transactions** are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

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

The CEO is designated by the funding agreement as the Trust's Accounting Officer and is personally responsible to the Trust Board and Secretary of State for ensuring that the financial administration of the Trust's affairs is in accordance with the Funding Agreement and/or Articles of Association. This responsibility cannot be delegated. Particular responsibilities include:

- Ensuring regularity and propriety
- Ensuring prudent and economical administration
- Avoiding waste and extravagance
- Securing Value for Money through the efficient, effective and economical use of available resources
- The day-to-day organisation, staffing and management of the central Trust
- In this capacity the CEO must advise the Trust Board if, at any time, any action or policy under consideration by them appears to be incompatible with the Funding Agreement and/or Articles of Association.

The CEO is required to complete and sign a short statement each year explaining how the trust has secured Value for Money. This must be sent to the ESFA and be published on the Trust's website. The CEO must share all communications from the ESFA starting 'Dear Accounting Officer' with the Trust Board and other senior leaders.

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

The CFO is responsible to the CEO for the day-to-day financial management and administration of the Trust including ensuring:

- The preparation of medium term/annual capital and revenue budgets and financial plans

- The preparation of accounts, management information, monitoring and control of expenditure against budgets and all financial operations
- The preparation of the Trust's annual accounts and other financial statements which the Trust is required to submit to the DfE/ESFA or other authorities
- The maintenance of satisfactory financial systems
- Professional advice on all matters relating to financial policies and procedures
- Day to day liaison with internal and external auditors in order to achieve efficient processes
- Day to day liaison with the Trust's bankers in relation to the Trust's bank accounts including authority to open/close accounts

## **Audit**

The external auditors will be reappointed annually by the Members on the recommendation of the Trust Board. The Trust Board will be advised by the Finance, Audit and Risk (FAR) Committee. A competitive tendering process will be undertaken at regular intervals (at least every five years).

The primary role of external audit is to report on the Trust's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with the Audit Code of Practice, Academy Trust Handbook and the Auditing Practices Board's statements of auditing standards.

In carrying out their audit work, the external auditors may choose to rely on the work of the internal auditors, in particular in assessing the Trust's control environment. Where this is the case, the external auditors will need to assess the scope and quality of the work programme carried out as part internal audit/check in order to assess whether they are able to rely on that work.

The external auditors need to come to a judgement on the work of those carrying out any internal checks, and for this reason, the internal checking function and external audit function should be clearly separated.

## **Internal Auditor**

The FAR Committee on behalf of the Trust Board will consider how arrangements for independent internal checks will be met as part of a wider assurance framework. This may be through one of the following operations:

- The work of an internal audit service (in-house or bought in)
- The appointment of a non-employed trustee (excluding the Chair of the Trust Board) and who neither charges nor is paid by the Trust for their work
- An independent peer review by the Chief Financial Officer from another academy trust.

The Trust Board will approve arrangements on recommendation of the FAR Committee. Those carrying out the independent check remain independent in their planning and operation but have direct access to the Trust Board, the CEO and the Chair of the FAR Committee.

## **Senior Leaders (Executive Headteachers, Headteachers, Heads of School)**

Senior Leaders are responsible to the Trust Board via the CEO for the financial management for their individual school budget. Senior Leaders are advised by the CFO in executing their financial duties.

The CFO will also supervise and approve financial systems operating within individual schools including the form in which accounts and financial records are kept. Senior Leaders will provide the CFO with such information as he/she may be required to enable:

- Compilation of the Trust's financial statements
- Implementation of financial planning
- Implementation of audit and financial reviews, projects, and value for money reviews

## **Other Staff**

All members of staff throughout the Trust should be made aware of and have a general responsibility for the security of the Trust's property, for avoiding loss and for due economy in the use of resources. Compliance with the financial regulations is compulsory for all staff connected with the Trust. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the Trust's disciplinary policy. Any such breach will be notified to the Trust Board by the FAR committees.

They should also be made aware of the Trust's financial authority limits and the values of purchases for which quotations and tenders are required as set out in the Scheme of Financial Delegation. They shall make available any relevant records or information to the CFO or his/her authorised representative in connection with the implementation of the Trust's financial policies, these financial regulations, systems of financial control, or in order for requirements of the Trust Board to be met.

## **Other Financial Policies**

The following other Financial Policies are also compulsory for all individuals connected with or employed by the Trust to be made aware of and have a general responsibility to safeguard the Trust against instances of fraud, bribery or corruption:

- Whistleblowing
- Conflicts Policy and Register of Business Interests

## **Accounting System**

All the financial transactions, both central and within the Schools, must be recorded on the computerised accounting system (IRIS Financials) and in the agreed format. The Trust has adopted the DfE chart of accounts, processes and procedures that all school's must implement upon conversion.

Only authorised staff will be permitted access to the accounting system which should be securely retained when not in use. Authorisation and supervisory controls are the responsibility of the CFO and should be adequate to ensure transactions are properly recorded or that errors identified.

## **Back-up process**

Back-up procedures are prescribed in the Trust IT policy. Iris Financials is hosted and backed up by the Iris Financials group. The Business Continuity Plan will be enacted in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by the Trust of the major risks to which the Trust and Academies are exposed and the systems that have been put in place to mitigate those risks.

## **Transaction Processing**

The Trust operates a paperless operating system. All transactions must be posted to the computerised accounting system and authorised in accordance with delegated levels of responsibility and authority. Appropriate levels of segregation of duties must be in place and limits of Authority are outlined in the Trust's Scheme of Delegation, which is updated annually.

Detailed information on the operation of the computerised accounting system can be found in the user manuals. Full user training is delivered on the system and Trust requirements via the Trust Finance Manager.

All transactions must be processed in a timely manner. Transactions must be in real time. All academy financial statements and reports are prepared under the accruals basis of accounting which requires that income and expense over £1000 must be recognised in the accounting periods to which they relate rather than on a cash basis.

## **Reconciliations**

The trust finance manager is responsible for ensuring at each month end that all items on the trial balance accurately reflect the current financial position of the Trust. This includes ensuring the following activities are undertaken:

- a bank reconciliation is undertaken between the bank balance on the nominal ledger to the bank statement
- the payroll journal entries are input, and entries and control accounts are reconciled to the latest payroll reports and any differences investigated followed by appropriate corrective action
- review of the balance on the sales ledger control account to ensure it reflects the outstanding income due from debtors and reviewing any aged debtors
- review of the balance on the purchase ledger control account to ensure it reflects outstanding payments due to creditors and reviewing any outstanding payments due
- review of the VAT control account to ensure that it reflects amounts claimed but not yet reimbursed from the HMRC and that appropriate rates of VAT have been applied.
- review of any other control account balances to ensure they are valid balances
- ensure manual accruals are entered to reflect significant (in excess of £1000) debtors, creditors, receipts in advance, deferred income, or payments in advance
- ensure the coding of income/expenditure is reviewed during the month for appropriate coding entries and take corrective action where necessary

The trust finance manager will review and sign off all bank reconciliations and forward a copy to the CFO for review in accordance with the agreed month end timetable.

## Income

The main sources of income for the Trust and associated schools is via grants issued by the ESFA & LA, the receipt of which is monitored by the finance team and is the responsibility of the finance manager for ensuring all grants due to the Trust are collected. These sources of funds will usually be transferred directly to the MAT bank account by BAC's transfer.

The academy will also secure income from other sources for various purposes. These should follow the standard income policy and full receipt recorded within the finance system. Income could be in relation to:

- Trips
- Wraparound care
- Catering income
- Letting of facilities
- Fundraising / Donations / Sponsorship
- Miscellaneous income

The standard income policy arrangements for dealing with income should incorporate suitable controls designed to record income fully: -

- (a) adequate records are maintained to substantiate all income transactions;
- (b) receipts are issued for all cash income received;
- (c) invoices are raised in respect of all credit income and all such income is collected in accordance with approved instructions;
- (d) all income received at St Barnabas's premises is held securely and banked promptly and intact;
- (e) amounts due are calculated in accordance with approved policies which include provision for annual review of charges;
- (f) where special conditions apply to the use or receipt of income, such conditions are adhered to;
- (g) income is not withheld for any purpose, including personal use;
- (h) all income transactions are recorded promptly and accurately in St Barnabas's financial information system;
- (i) income due is not written off unless the write-off is properly authorised in accordance with approved policies.

All Schools are to be cashless and must use the ParentPay online system for trips and dinner money. New Schools should be cashless within 12 months of conversion. Only in exceptional circumstances, where the alternative would lead to financial loss to the school, should cash be accepted.

## **Individual School Trips**

A lead teacher will be appointed for each trip. They must take responsibility for budgeting the trip to ensure a breakeven position is established rather than profit or loss. The expected costs should be submitted via the trip costing spreadsheet to the finance department for approval. Once the trip has been authorised and costs agreed, the trip is uploaded to parent pay and each school assigns pupils to the trip as necessary.

Each school is then responsible for making sure that all the children attending the trip pay upfront and to chase any outstanding debts. The lead teacher should be checking the records on a weekly basis to ensure prompt payments are made and action is taken to chase payments.

## **Lettings**

Letting tariffs are reviewed by the CFO & Estate Manager as and when requested. Each tariff must have due regard for VAT legislation, Health and Safety and the need to cover the full cost of the letting (e.g. energy, caretaking/cleaning and maintenance costs). Any additional overtime incurred beyond the initial booking agreement will be met by the hirer. A let may be subsidised but at no time may the costs be borne by the grant funded budget. Discretion regarding subsidised lets may apply to:

- charitable organisations
- small recreational groups affiliated/associated with St Barnabas

Organisations or individuals making a charge for admission and/or holding a profit-making function are not usually eligible for subsidy

The CFO for St Barnabas has delegated authority to approve lettings. Requests for concessionary charges must be considered by the CFO.

The central office will provide a booking form which clearly states all responsibilities and legal requirements to which the hirer must adhere.

Upon authorisation the central team will ensure invoices are raised through the accounting system to all persons/organisations using the facilities unless payment is made at the time of booking.

The CFO and Finance team monitor income generated through lettings and the procedures for the collection of income.

## **Debt Management**

St Barnabas will take all reasonable measures to collect debts as part of its management of public funds. When the academy raises an invoice, it is expected to be paid on demand. No credit facilities are provided by the Trust. The CFO is responsible for reporting aged debt to the Trust Board at regular intervals during the year.

The Board of Trustees has approved that debtors' arrears, i.e. for invoices raised by St Barnabas, under the value of £1,000 can be written off by the CFO where the debt remains unpaid for 6 months

and all attempts of recovery have been exhausted. This should be reported to the board via the FAR Committee. Any debt over £1,000 must be approved by the FAR committee and reported back to the Board. For any transactions above 1% of annual income or £45,000 per single transaction prior approval is required from the ESFA.

In regards to parent debts, headteachers should ensure debts are not accrued by parents for school meals, trips, wraparound care and other chargeable activities. Outstanding accounts should be reviewed and followed up on a weekly basis. When deemed appropriate a hold should be placed on any chargeable activities when debts remain unpaid.

## Payments

The CFO, and those delegated by them, has authority, subject to the provisions of the scheme of delegation, to make payments on behalf of the Board of Trustees from Academy budgets. In the exercise of the authority the CFO shall ensure that arrangements for the making of payments comply with the schedule of financial limits as per Appendix A.

The Trust will aim to achieve best value for money for all its purchases ensuring that services are delivered in the most economical, efficient and effective way, within available resources, and with independent validation of performance achieved wherever practicable. A large proportion of Trust purchases will be paid for with public funds and the Trust needs to maintain the integrity of these funds by following the general principles of:

- **Achieving value for money:** including the cost of goods and services, the quality of goods or services and administrative costs, and the whole-life cost of the goods or services
- **Ensuring fairness:** ensuring that all parties are treated in a fair and equitable manner
- **Establishing accountability:** Each academy is ultimately responsible for its expenditure, using its resources efficiently to maximise outcomes for pupils and the conduct of its staff in the procurement process. The Core Team will procure on behalf of the whole Trust in certain instances normally to secure greater value for money, but any purchase/contract that exceeds £50,000 must be referred to the Core Team and go out to a competitive tendering process.
- **Allowing probity:** in all dealings in the purchasing and procurement process, Trust staff should abide by and preserve the highest standards of honesty, integrity, impartiality and objectivity; and should never seek to make private gain from the Trust's financial affairs

### Routine Purchasing Procedures

Budget holders will be informed of the budget available to them at the start of the academic year. It is the responsibility of the budget holder to manage their budget and to ensure that the funds available are not overspent. A report detailing actual expenditure against the budget will be supplied on a monthly basis in the form of management accounts and can be requested throughout the month if necessary. Alternatively they can retrieve the report from the web portal within IRIS Financials. Budget holders are encouraged to keep their own records of orders placed but not delivered or paid for.

A Purchase Order Form (PO) should be raised by the School Administrator using the automated system contained within the IRIS Financials accounting system (My Portal) for all proposed orders wherever possible. It should contain details of the proposed supplier, the item/s description, quantity, unit cost and total cost ex VAT. It should also include details of the nominal code along with the cost centre. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Core Finance team. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list, the reasons for this decision must be discussed and agreed with the Finance Manager and a new supplier form filled in.

The PO will be authorised electronically by the budget holder and approved by the designated approvers (in accordance with the financial scheme of delegation set out in Appendix A). Budget holders and designated approvers should check (review budget on web portal) adequate budgetary provision exists before completing the order. Any proposed order that would result in a budgetary provision being exceeded if placed must be brought to the immediate attention of the Finance Manager.

No goods or services should be ordered without an approved Purchase Order. If an invoice is presented, a Non order should be raised and reported monthly to head's on a monthly basis.

The administrator must make appropriate arrangements for the delivery of goods or services to the Trust. On receipt the administrator (or his/her delegate) must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay. Administrators are then required to confirm receipt of the delivered goods or services by completing the GRN electronically via the portal. The checks should be completed without undue delay and in any case within 7 days of the goods receipt. Budget holders should only GRN a service once they are satisfied the service has been delivered as per the agreed terms.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance team should be notified immediately.

All invoices should be sent to [accounts@stbarnbasmat.com](mailto:accounts@stbarnbasmat.com), referencing the school to which they relate, the invoice receipt will be matched by the Finance team to the original PO and the GRN to identify any discrepancies in price and/or quantity received.

Any unreasonable discrepancies identified by the Finance team on the invoice must be addressed with the budget holder at this point, and the budget holder must confirm their acceptance of any invoice that does not agree with the original purchase order.

The Finance team will input the invoice onto the accounting system posting it to the purchase ledger in the appropriate VAT accounting period date to ensure VAT accounting and credit terms are met.

Payment ahead of receipt of any goods should be avoided where possible. In the instance where a pro forma invoice is received, approval from the CFO must be obtained prior to payment for amounts greater than £5,000.

At the end of every month the Finance team should generate a list from the accounting system of outstanding purchase orders that remain unfulfilled from more than 30 days of order, and check their status with the budget holder and supplier.

The Finance team will tag invoices approved for payment in the purchase ledger and the Trust Finance Manager will generate the BACS batch. The CFO will check the BACS payment on the bank against the approved IRIS Financials BACS list and provide authorisation on Lloyds bank.

Wherever possible, the Trust will make all payments using BACS. In exceptional circumstances, faster payments, Charge cards or cheques may be used however should be approved by the CFO.

## **Direct Debits**

All purchases should have an authorised purchase order with the exception of direct debits before being placed. The Finance Manager & CFO are the only employees who are able to authorise direct debits.

Direct Debit mandates must be authorised by two approved bank signatories in accordance with the bank mandate. Direct debits generally cover utilities, rates, telecommunications, payroll and lease charges. Full supporting documentation must be obtained to support transactions i.e. invoices and payment schedules. The invoice should be authorised for payment as per the scheme of delegation/summary of financial limits Appendix A. Direct debit paperwork should be filed separately, ideally in supplier order, including copies of the original/amended DD mandate documentation.

## **New suppliers**

A new supplier form is to be completed in full by the requestor and submitted to the Finance Team. The Finance Team will independently research the company's details from website/phone books etc. and contact them directly to confirm the bank sort code, account number and account name are correct.

For existing suppliers we will contact using our existing records. **Details are not to be taken from the email/letter of request to change.**

The form is electronically signed by the person contacting the supplier to confirm that the check has taken place and retained on the system. The supplier is then added to IRIS. If the account name is not a business account; a self employed declaration is to be completed by the supplier and IR35 check to be undertaken. The results are to be printed and retained within the file. Monthly, the Finance Manager will run a report of changes made to bank details and will sample test against evidence saved down in the supplier changes folder.

**No payments are to be made until all checks have been undertaken satisfactorily.**

## Purchase of Alcohol

The Trust's funds must not be used to purchase alcohol for consumption, except where it is used in religious services.

## Authorisation limits

The CFO has the delegated authority to proceed with projects up to £10,000 (subject to the rules concerning quotes and tenders below)

Any project estimated to be over £10,000 must be referred to the FAR Committee for consideration. The approval to proceed, together with any conditions, will be recorded in the minutes. If it is not practical to obtain approval from a full meeting of the FAR Committee, an email trail with ratification at the next meeting is acceptable.

For quotes and tenders, the following limits will apply unless the purchase forms part of an existing contract:

- Low value procurement up to the value of £2,500, one verbal quote is required
- Procurement between £2,500 and £5,000, a minimum of one written quote should be obtained from the supplier. The PO form will specify the service, supplies or works to be provided and set out the price and terms of payment.
- At least two competitive quotations will be obtained for all purchases over £5,000 and up to £10,000. Written details of quotations obtained should be prepared and retained for audit purposes. Telephone quotes are acceptable if these are evidenced and scanned/emailed confirmation of quotes has been received before the purchase decision has been made.
- At least three written quotations will be obtained for all purchases over £10,000 and up to £50,000. Written details of quotations obtained should be prepared and retained for audit purposes.
- All goods and services ordered with a value of over £50,000, or for a series of contracts, which total over £50,000 must be subject to formal tendering procedures and a DfE framework is recommended for this.

## Forms of Tender

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below. The Estates manager and CFO have the authority from the board to decide on the type of tender most suitable for the situation. This should be decided at the beginning of the process.

**Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Premises Manager how best to advertise for suppliers 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. The trust would be looking at no more than five tenders.

**Restricted Tender:** This is where suppliers are invited specifically to tender. Restricted tenders are appropriate where:

- There is a need to maintain a balance between the contract value and administrative costs
- More than 4 suppliers would come forward or because the nature of the goods or services are such that only specific suppliers can be expected to meet the trust's requirements
- 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 is appropriate in certain specific circumstances such as:

- The above methods have resulted in no acceptable tenders
- Only one or very few suppliers are available
- Extreme urgency exists
- Continuation with the existing supplier is justified

A proforma will be completed at the end of the tender with the following information:

- Dates of site meetings with contractors
- Date taken to the board
- Quotes and recommendations, along with minutes of meetings held with Estates Manager and CFO regarding discussion of tenders and outcome.
- Response from the Board with date of the minutes of the meeting

### **Preparation for Tender**

Full consideration should be given to:

- Objective of the project
- Overall requirements
- Technical skills required
- After sales service requirements
- Form of contract

It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

### **Invitation to Tender**

If a restricted tender is to be used 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.

An invitation to tender should 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

### **Tender Acceptance Procedures**

The invitation to tender should state the date and time by which the completed tender document should be received by the trust. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline can be declined.

### **Tender Opening Procedures**

All tenders submitted should be opened at the same time in the presence of two people, one of whom should be a senior representative from the Finance Team. A record should be made of the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

### **Tendering Procedures**

The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

The following points will be considered when deciding which tender to accept:

#### *Financial*

- Like for like quotes should be compared and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision;
- The tender price is the total price and that there are no hidden or extra costs;
- Is there scope for negotiation or valued engineering whilst ensuring the process remains fair to other tenderers?

#### *Technical/Suitability*

- Qualifications & experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers

#### *Other Considerations*

- Customer Service & After sales care
- H&S record, CDM regulations and safeguarding issues related to working on a school site
- Financial status of supplier.
- Sustainability of the company

Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the Finance Committee highlighting the relevant issues and recommending a decision. For contracts under £50,000 the decision and criteria should be reported to the Finance Committee.

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

The Trust must comply at all times with the Public Contracts Regulations 2015 (will be superseded by the Procurement Act 2023 when it goes live on 28th October 24) and any relevant Procurement Policy Notice (PPN) issued by the Government from time to time which will take precedence over any procedure referred to in this policy. When tendering, the Trust should use the Contracts Finder or Find A Tender service where relevant.

## Financial Planning

### Annual Budget

Budgets and financial plans are recorded on the Trust's financial planning system - IMP. The CFO is responsible for establishing a timetable to ensure that the approved budget is reported to the ESFA by the required date and is accurately completed. They are also responsible for reporting draft balanced budgets along with 3 year high level budget plans on the overall Trust. Once these are approved, the annual budget is uploaded each August and updated forecasts are prepared each month.

The senior leadership within each school is responsible for the preparation of the annual budget for their setting prior to it being formally recommended to the Trust Board (via the FAR Committee) for its approval in accordance with the Trust Budget Timetable.

If deficits are identified, budget plans will need to be revised until income and expenditure balance. An in-year deficit budget may be approved by the board taken on a case by case basis. The board should consider the policy on reserve levels of balances required to manage future risks and investment priorities.

Approval of a cumulative deficit budget should only be agreed in exceptional circumstances by the board which could not be avoided or managed without a detrimental impact on the educational performance of the school and would include a repayment plan over no more than three years.

Budgets will be prepared: -

- (a) in accordance with the provisions of the Academies Handbook;
- (b) within the limit of the overall grant funding received that year and approved reserve levels as appropriate;
- (c) in accordance with properly approved and clearly stated plans and policies for St Barnabas and its Schools activities;

- (d) in a format which will meet managerial needs and be readily intelligible to users;
- (e) in accordance with sound accounting principles; these imply that financial estimates should:
  - be based on the most up-to-date and reliable information available;
  - pupil led income based on anticipated pupil numbers
  - be in line with historical review of past performance against budgets
  - include provision for all approved activities;
  - include provision for contingencies;
  - be arithmetically correct;
  - be consistent with recognised accounting practice;
  - meet requisite time limits;
- (f) in such a way as to facilitate the subsequent monitoring and control of actual expenditure;
- (g) in such a way that they can be related meaningfully to relevant non-financial information;
- (h) A recharge to fund central service.

Arrangements for the control of budgets will seek to ensure that: -

- (a) expenditure is maintained within approved budgetary provision and is the responsibility of the designated budget holder.
- (b) funds are expended for approved purposes only.

In terms of good operational practice, the Board of Trustees recognises the legal requirements detailed within the Academies handbook and aim to discharge their duties over resource management in St Barnabas. The following framework has been set up to:

- (a) Ensure that the Board of Trustees retains ultimate responsibility for the management of the academy budgets.
- (b) Provide procedures whereby the CFO can manage the budget within the parameters laid down by the Board of Trustees.
- (c) Ensure that all parties concerned are aware of their roles and responsibilities in the financial management of St Barnabas MAT.

When preparing its annual budget, the Board of Trustees work within the following aims and objectives: -

- (a) To ensure that spending priorities match educational priorities at each school and that both reflect St Barnabas's aims. These include maintaining teaching and non-teaching staff levels incorporating the remedial teaching allocation; updating and replacing resources to support new initiatives and curriculum development.
- (b) To manage financial resources so that priorities in each School's development plan can be effectively accomplished within a framework that will meet the professional needs of staff through in-service training and purposeful appraisal.
- (c) To ensure that Health and Safety requirements are met.
- (d) To maintain and create a pleasing working environment in each School including a good state of decor and repair, adequate heating and lighting.
- (e) To support effective management and administrative needs.
- (f) To have due regard for the achievement of economy, efficiency and effectiveness with the finances of St Barnabas and its School's in order to maximise value for money.
- (g) To ensure that the budget stays within the financial allocation.

The Budget Planning Procedure is complementary to all appropriate development plans in the short and long term, and this is crucial in the planning and preparation stages of the individual budgets in the Summer Term.

- (a) School sites will review curriculum needs on an annual basis and ensure spending profiles are not excessive to ensure budget funding is sustainable for the full academic year. Items of one-off high value/capital nature must receive other detailed analysis and approval.
- (b) Each School must review the programme of building and other development works outstanding or of priority and, the CFO will incorporate provisional estimates of budgetary needs for consideration.
- (c) In consultation with staff, the CFO and the finance team will prepare and submit a draft set of budgets for discussion with the Board of Trustees during the summer term. This includes an analysis and review of staffing needs, both teaching and non-teaching and their costs for all sites.
- (d) When the Board of Trustees has set the budgets for the next financial year the Education & Skills Funding Agency is notified by the deadline date.

### **Central costs**

Due to the size of trust and variety of schools we have within the trust the central costs are reviewed annually. A central charge of 11.13% in relation to GAG income has been charged to each school.

Other costs that are not central costs, however paid centrally are recharged based on the invoice split.

Expenses related to staffing such as payroll are divided proportionally across the schools, based on the staffing model as at 1 September and reviewed annually.

### **Budget monitoring & reporting**

All budgets shall be continually monitored by the CFO and the local accounting and payments system will assist in this matter. In addition, the CFO will manage the reconciliation and analysis of the monthly management accounts produced directly from the accounting system. This will be normally undertaken once the payroll data for the corresponding month has been reconciled. All background papers are stored electronically on a month by month basis in case of future reference.

The CFO will present a sufficiently detailed budget monitoring report to the CEO and Board of Trustees on at least a half-termly basis via the FAR committee. This enables the Board of Trustees to ensure that their agreed terms of reference regarding financial matters, and especially expenditure is adhered to.

A monthly budget monitoring report, cash flow forecast and balance sheet will be sent to the Chair of the Board and chair of the FAR Committee.

The latest financial review will always be a key matter of the Board of Trustees meetings although the level of debate and consultation may vary depending on the time of year and extent of relevant issues.

## Annual accounts and audit

### Annual accounts

As a Charitable company the Trust must comply with company law as set out in the Companies Act 2006. This includes a requirement to prepare financial statements ('annual accounts') and for these to be independently audited by a registered auditor. Financial Statements should be prepared for the period to 31st August each year.

The Annual accounts must be submitted by 31st December to ESFA and by 31st May to Companies House (9 months after the end of the accounting year), a copy of the report should be published on the trust website.

### Audit

The CFO must make appropriate arrangements to facilitate the financial audit of St Barnabas and shall, on behalf of the Board of Trustees, ensure that audit reports are dealt with promptly. Audit's will be undertaken periodically through the year by the appointment of an Internal Audit Service, and on an annual basis by St Barnabas's approved External Auditor. The auditors shall have authority to:

- Access all premises at reasonable times
- Access all assets, records, documents, and correspondence relating to any financial and other transactions of the Trust
- Require and receive such explanations as are necessary concerning any matter under examination
- Require any employee of the Trust to account for cash, stores, or any other Trust property under their control.
- Access records belonging to third parties. Such as contracts, when required

The Board of Trustees will maintain a general overview of audit activity by making arrangements, appropriate to their own local needs and the CFO will report promptly on the results of each audit and the CEO's response.

The Board of Trustees have approved the function of an Audit Committee included within the FAR committee. These Trustees will not have any involvement in day to day financial activities and will act as a scrutiny committee on behalf of the Board.

The primary role of the external audit is to report on the Trust's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statement and to report on the appropriate use of funds. Their duties will

be in accordance with advice set out in the Academies Handbook, Annual Accounts Direction and the Auditing Practice's Board's statement of auditing standards.

## Academy reserves and investments

### General

Academy reserves are reviewed at least annually - this normally being at the budget setting time i.e. June, although in practice close observation is kept on reserve and other balances throughout the year. The Academy will produce an annual Reserves Statement as part of the annual accounts.

The Trust will regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met and ensure that the current account has adequate funds to meet forthcoming commitments. In practice, a working balance of one month's operating costs is likely to be maintained.

### Pooling reserves

All schools within the trust and any school joining the trust will sign up to the Reserves policy and the management of reserves. Where the joining school has specific requests pertaining to their reserves, this would be discussed and agreed upon prior to the conversion by the Board of Trustees.

All fund reserves will be pooled and held centrally apart from the following fund reserves which instead will be held and reported on at school level. This includes:

- Pupil Premium
- Sports Premium
- SEN Funding
- any other restricted funds which have been allocated to the school for a specific purpose, for example a bequest or donation.

Any surplus restricted balances at the year end will remain allocated to the school in line with the policy. If a school leaves the trust any restricted reserve balances as stated above will be returned to the school. All other reserves will remain with the trust. Internal records will be kept year on year to ensure restricted figures can be reconciled and will also be detailed in the end of year accounts.

Where a school generates an approved revenue deficit, it will be taken from the central reserve and repayable over 3 years unless outlined differently when approved. Where an unapproved deficit arises, the cause for the deficit will be examined by the senior leadership team and if required be dealt with through performance management.

Prior to approval, any expenditure from brought forward reserves will be formally agreed by the FAR Committee. When the trust is operating at or above the required reserves level, the trust will operate a bidding system for reserves expenditure which will take into consideration the school and trust development plan, Ofsted position and in-year management of the budget.

Unapproved overspending will be reported to the FAR Committee via the monthly management reports. Continued overspending without authorisation may lead to financial delegation amounts being lowered for that particular school.

## **Investments**

### **General**

The trust's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academy Trust Handbook. In accordance with the Academy Trust Handbook they are used in a way that commands broad public support where value for money (economy, efficiency and effectiveness) is achieved and financial exposure is managed and tracked.

### **Role and responsibility**

#### **Academy Trustees**

Academy trustees will ensure that investment risk is properly managed. When considering whether to make an investment, trustees will:

- Act within their powers to invest, as set out in our articles of association
- Exercise caution in all investments, reducing risk and ensuring that the trust acts with the utmost integrity
- Take investment advice from a professional adviser, as appropriate
- Ensure that exposure to investment products is tightly controlled so security of funds takes precedence over revenue maximisation
- Ensure that all investment decisions are in the best interests of the trust and command broad public support

#### **Finance committee**

Academy trustees delegate responsibility for the trust's investments to the finance committee. The finance committee delegates the day-to-day responsibility of managing and implementing the investment policy to the CFO and Finance Manager to ensure investments are managed in accordance with this policy and monitor regularly how the Trust's investments are performing. The CFO is responsible for:

- Controlling and tracking financial exposure
- Reviewing the trust's investments
- Reporting to finance committee on investments

#### **Investment Principles**

We only invest funds in low risk and easily-accessible accounts. Funds will be placed in bank accounts with a withdrawal notice of no more than 12 weeks. If placed in deposit accounts the maturity date or notice period should be within the next 12 months unless authorised by the committee based on clear rationale of benefits to the trust.

Risk is managed through diversification of investments, ensuring that the security of funds takes precedence over revenue maximisation.

In order to maximise interest on its account, St Barnabas, through the CFO, may transfer funds into accounts approved by the Board of Directors. These are currently:

- Overnight (instant access / easy access)
- Notice accounts (typically from 30-days to 100+ days)
- Fixed term deposits (typically from 1 month to 12 months)
- Investment maturity dates should not exceed 12-months in term.
- If appropriate a reputable third party investment provider

Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA), have a UK banking licence and have a good credit rating. Deposit facilities in use by the Trust must be restricted to 'dual control' for the opening of a deposit, placing funds and withdrawing funds. A third party provider is acceptable to use in line with the ESFA guidelines and can prove value for money based on management costs.

The Finance Manager will review interest rates and compare them with other investment opportunities regularly. Any investment decisions must be supported by a cashflow forecast to show the trust has mitigated risk and still has liquidity required to carry out its day-to-day activities.

When there are funds surplus to immediate cash requirements in the current account, we will transfer these to an account with a higher interest rate. We are aware that only the first £85,000 of an investment is protected by the Financial Services Compensation Scheme however; the trustees have decided a maximum of £250,000 can be placed with 1 financial institution. This is because it has been agreed only to use low risk bank accounts. It is recognised that the Trust's current account balance(s) may exceed the deposit limits stated above. For the purpose of this investment policy, current account balances are excluded from the counterparty limits detailed above.

Funds, and any interest earned on those funds, will be automatically reinvested unless money is required for immediate or anticipated expenditure.

## Cash Management

### Bank Accounts

The CFO will, on behalf of the Board of Trustees, operate St Barnabas MAT bank accounts in which official monies are held, in accordance with agreed arrangements.

- (a) Official bank accounts will be held in the name of St Barnabas and must not be opened in the name of any individual.
- (b) The authorised signatories to accounts are currently limited to:
  - (i) CEO
  - (ii) CFO
  - (iii) COO
  - (iv) Trust Finance Manager
  - (v) Chair of Trust Board
- (c) Access to online banking is currently limited to:
  - (i) CFO
  - (ii) COO
  - (iii) Trust Finance Manager
  - (iv) Trust Finance Administrator

- (d) The opening of all accounts must be authorised by the CFO and the Finance Committee who must approve the arrangements covering the operation of accounts.
- (e) Instructions to the bank concerning the account should be conveyed in writing and authority to give instructions should be restricted to the CFO or, in his/her absence, an approved deputy.
- (f) The balance of money per the bank's official statement should be reconciled with St Barnabas's finance records weekly; the results of each reconciliation should be recorded and reported for any irregularities.

## **Payments & Withdrawals**

All BACs, cheques and other instruments authorising withdrawal from the Trust bank account must bear the signatures of two of the authorised signatories as per the approved staff listed in point (b). Authorised signatories must not sign a cheque or authorise a payment relating to goods or services for which they have also authorised the expenditure.

The BACs process is managed by the finance team using Lloyds Commercial.

Cheques should only be used in exceptional circumstances and the process of cheque issue is as follows: -

- All cheques are stored in a locked safe in a locked store, access to which is further protected by locked doors outside of normal opening times. Only a small stock is retrieved each time and unused stock is returned to the safe immediately after use. For security purposes no cheques will be pre-signed.
- All cheques drawn on St Barnabas MAT Account are crossed "account payee only"

No cash withdrawal should be completed unless in exceptional circumstances.

## **Monitoring Cash Flow**

The CFO, aided by the trust finance manager, is responsible for forecasting and monitoring cash flow during the year to ensure that the MAT bank account has sufficient funds available to pay for day-to-day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds in low risk short term bank deposits. Any other form of investment must be pre-approved by the Trust Board. Similarly plans should be made to transfer funds from another bank account or to reprofile investments to cover potential cash shortages.

## **Petty Cash**

No school within the trust should operate a petty cash fund.

## **Corporate purchasing cards**

The CFO is responsible for the approval and financial limits set for each purchase card within each school and this will be reviewed annually. The card holder is responsible for the security of their own

card at all times. The pin number should not be shared with any other members of staff. Staff must follow the practice guidance below:

Cards are **not** to be used as the first option instead of full orders and invoicing etc. All corporate cards have limits (single item and total card) and once either is reached the card is blocked for use.

Cards should only be used when the saving on the purchase is significant and standard ordering procedures would not facilitate the same result (however see VAT reference below). Cards should not be used for staff/student rewards or hospitality unless prior authorisation is given via a PO.

Official invoice paperwork including full supplier VAT registration information (often provided at the time goods are delivered, or are issued as email confirmation when goods are ordered on-line) must be received. VAT invoices are required as a minimum - supplier name, address, VAT number, VAT rate applied, Net amount and VAT amount shown. Any member of staff who is found to be misusing their card in any way will have the card removed and disciplinary action taken.

Budget holders must make sure that the goods are the best value i.e. look into at least three different suppliers and check whether there are postal/delivery charges on top. These can sometimes be significant. Budget holders must keep copies of any comparisons with the purchase request paperwork to satisfy Auditors that best value is being achieved.

Once a best value supplier is identified, enquiries should be made as to whether official orders rather than corporate purchasing cards can be used.

Budget holders must satisfy themselves about the reliability and trustworthiness of suppliers including matters like warranty and returns options in case goods are faulty or not as expected. Once suppliers have taken payment it is not easy to get it back. Standard ordering procedures allow us to retain control for payment of goods and services supplied.

No personal purchases are to be made on the card and cash withdrawals are not permitted. If a card becomes lost or stolen, the cardholder should report this immediately to the central team who will notify the bank and cancel the card.

A monthly statement will be generated for each card holder and it is the responsibility of the school to upload receipts as soon as the transaction has been completed. The central team will reconcile the monthly statement and will send it to the card holder for signature.

The provision of purchasing cards will remove the need for any employee to use their personal debit/credit cards to make purchases on behalf of the school.

The Trust will take any misuse or fraudulent use of the corporate credit card very seriously. Misuse or fraudulent use of the corporate credit card will constitute gross misconduct. The Trust reserves the right to require the person responsible for the misuse or fraudulent use to repay any sums relating to the misuse or fraudulent use of the card and to invoke the Trust's Disciplinary Procedure.

Consideration will also be given to cancelling credit card usage and limiting or revoking the employees purchasing authority. This may also result in criminal prosecution for theft or fraud.

'Misuse' is defined as using the card for any expenditure that is non-business related, including being unable to produce receipts for purchases. 'Fraudulent use' is defined as using the card for any dishonest purposes, including the incorrect reporting and claiming of expenditure.

Employees should report any suspected misuse or fraudulent use to the CEO, CFO or Director immediately.

## Fixed assets

### Capital expenditure

All individual items costing more than £1,000 and with an expected useful life exceeding one year are capitalised and must be entered into the asset register.

The asset register helps to ensure that staff take responsibility for the safe custody of assets, enables independent checks and acts as a deterrent for theft, manage effective utilisation of assets and to plan for their replacement. Finally, it helps to support insurance claims in the event of fire, theft, vandalism or other disasters.

IT equipment should be asset tagged, recorded and monitored by the central team (ICT Department).

### Depreciation

The depreciation rates approved by the board of Trustees are as follows:

- |                                   |                                  |
|-----------------------------------|----------------------------------|
| ● Freehold building               | 2 % p.a.                         |
| ● Leasehold Land                  | Straight line over term of lease |
| ● Leasehold buildings             | 50% p.a.                         |
| ● Building improvements           | 10 % p.a.                        |
| ● Land                            | no depreciation                  |
| ● Assets under construction       | no depreciation                  |
| ● Motor vehicles                  | 25% p.a.                         |
| ● Furniture and equipment         | 20% p.a.                         |
| ● Computer equipment and software | 33% p.a.                         |

Where fixed assets have been acquired with the aid of specific grants, they are included in the balance sheet at cost and are depreciated following the same rates as above. The related grants are credited to a restricted fixed asset fund (on the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Leased assets - rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

Proper security should be maintained for all buildings, vehicles, stocks, stores, furniture, equipment, money and other valuables; with only authorised staff having access.

Assets coming into the ownership of St Barnabas, by purchase or otherwise, should, so far as is reasonably practicable be effectively marked to identify them as academy property. They should not be removed from St Barnabas premises otherwise than in the ordinary course of official business except in accordance with a policy approved by the Board of Trustees.

## **Disposals**

Where assets become obsolete or are damaged so as to render further use, for any reason, inappropriate they should be written off, provided they have no net resale value. Adequate arrangements should be made for the recording and reporting of write-offs which should be certified by two authorised persons and all write-offs to be reported to the Board of Trustees via the FAR committee.

Safe and efficient arrangements should be made for the disposal of surplus goods, materials, vehicles and equipment which have a net resale value. The precise arrangements for disposal will depend on the nature and value of the assets involved, the state of demand for them and the cost of their disposal. However, arrangements for the disposal of any asset should meet the following requirements: -

- (a) they should be legal and in conformity with any Government requirements from time to time in force;
- (b) they should promote scope for competition among potential purchasers;
- (c) they should ensure that appropriate steps are taken to establish properly the value of the items to be disposed of;
- (d) they should be demonstrably fair and open and should avoid creating an unfair advantage for any interested party;
- (e) they should be appropriate having regard to the nature, value and current state of demand for the item(s) involved;
- (f) no asset should be disposed of without offering internally to all academies within the Trust first.

The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other trust assets.

## **Key Inventory**

The Key inventory is the responsibility of the senior leaders within the school to maintain and will be kept up to date at all times. It is the responsibility of staff to report all lost and stolen keys to enable new security measures to be put in place and for the inventory to be updated.

Key holders should never enter the school alone unless you have authorisation from the Headteacher or Estates Team. No keys are to be duplicated without the permission of headteacher and Estates Team.

The school and grounds must be fully secured when leaving the premises including the setting of the security alarm at final exit.

All Site/ School keys that are removed from the site must be signed for and accurate records to be kept of all keyholders.

## Taxation & Other Statutory Adjustments

The CFO on behalf of the CEO shall ensure that St Barnabas's financial system produces adequate information to account properly for taxation and other statutory adjustments and that the requirements of the appropriate Government departments or agencies are satisfied in a timely fashion.

## Payroll

### Staff Appointments

Annually the Board of Trustees approves a staffing establishment profile. In-year changes within the approved budget can be approved by the CEO/CFO/COO. Any proposed SLT within a school must be referred to the CEO for approval. Any vacancy that is outside the approved staffing profile or increases costs by more than £5,000 must be approved by the FAR committee who should consider sustainability and need of the role. Any new central senior leadership posts must be approved at the FAR committee. A business case should be collated to demonstrate need and funding sources.

Prior to advertising a post or making any variations to employee contracts, the senior leader will consider the financial implications before submitting a request on My New Term.

Contracts of employment and personnel files are the responsibility of the HR administrator and are checked by the COO.

### Payroll Administration

The Board of Trustees has outsourced the payroll to a provider called Edupay (Orovia), the administration of St Barnabas payroll to be undertaken by St Barnabas's Core HR and Finance team.

To ensure that payments are made only to those employed by St Barnabas the following procedures are established:

1. The HR/Payroll Team coordinates entering information on the portal for the appointment and termination of all staff posts. All contract variations and changes are made directly in the Edupay portal so live data pulls through to the payroll system.
2. Overtime claims, additional and casual payments are input onto the portal via the staff member with approval from the line manager necessary before payment can be made.
3. Sickness/absence is reported by the individual school secretaries and approved by the line manager.

4. Paid/unpaid leave & annual leave are submitted on Edupay directly by the individual staff member to be approved by the individual line manager.
5. There are deadlines for data entry that are agreed with the payroll provider in advance and communicated to all involved in advance to ensure a smooth process.
6. The payroll providers payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions.
7. The Payroll is signed off by the finance manager and CFO before Edupay makes any payment.
8. All salary payments (including payments to staff, HMRC, pension providers and any other sums due) are made by the payroll provider by BACs in accordance with the terms outlined in the service level agreement.
9. St Barnabas receives, via electronic data and pdf reports, monthly payroll reconciliation information concerning salary payments made to staff during the previous month. This data is used to update the accounting system and payroll reconciliation completed by the Finance Manager in IMP, signed off by the COO. Full procedures notes on this exercise are held by St Barnabas.
10. Salary advances should only be made in exceptional circumstances, these must be approved by the CEO. No other loans of any kind may be made to staff in any circumstances unless expressly approved by the Trust Board.
11. The HR and Finance departments are fully aware of the IR35 requirements of HMRC. Employment status checks are undertaken by the engaging staff member and passed to the HR/Finance department for administration with the worker invoice.

## **Staff expenses and Subsistence Claims**

All staff travel and subsistence are claimed, authorised and paid through payroll. Subsistence should be used as a last resort, PO's and school credit cards should be used in the first instance. In emergency situations or where this is not practicable, subsistence claims should be preauthorised by employees line manager.

Employees who undertake travel as part of their job role **must have business insurance**. This must be shown to the secretary at their school or the HR administrator to be able to claim. Staff travel claims are certified by the employee's line manager and by a member of the finance team. If the claim is for a Headteacher, then the CFO must approve the travel claim.

Normal home to academy mileage must be excluded from any claim for days of travel where the start and/or finish is the claimant's home.

The Board of Trustees is able to claim travel expenses. These should be authorised by the CFO for values up to £100. Trustees may be paid directly out of St Barnabas bank account. The agreed mileage is 0.45p per mile and will be paid for the first 10,000 miles.

The agreed mileage rate for staff is 45p per mile for the first 10,000 miles, thereafter 25p per mile will be paid. Along with 5p per mile per passenger.

Subsistence for meals (excluding alcoholic beverages) that staff are entitled to reclaim will be reimbursed on the production of a receipt up to a maximum of (subject to prior authorisation and completion of the appropriate claim forms):

Breakfast - £10.00

Lunch - £5.00

Dinner - £15.00

Subsistence for hotel accommodation that staff are entitled to reclaim will be reimbursed on the production of a receipt up to a maximum of £150 per night for Bed and Breakfast or the cost for a room at the nearest Premier Inn whichever is the lower, however staff should always ensure that best value is obtained.

Second class rail travel is permitted if required, and is a cheaper method of transport compared to car travel and convenient to the destination required. This must be pre-booked by using the academy purchase card.

## Insurance

Insurances, however arranged, should be managed so as to: -

- (a) provide adequate cover for the risks insured
- (b) maintain cover up-to-date at all times;
- (c) ensure compliance with the insurers' requirement;
- (d) enable incident reports and claims to be processed promptly and effectively;
- (e) enable claim proceeds to be reimbursed and banked promptly;
- (f) ensure regular review of the need to insure risks, the cost and suitability of the policies maintained and the adequacy of the cover selected.

Senior leaders must inform the CFO/Estates Manager immediately of any new potential risks, additional property and equipment that may require insurance and any alterations affecting existing risks. They must advise the CFO/Estates Manager, immediately of any event that may give rise to an insurance claim.

A nominated person at each site is responsible for keeping suitable records of the plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.

The CEO through the Estates Manager will annually review the risks to which St Barnabas is exposed, including but not exclusively:

- |   |                                  |
|---|----------------------------------|
| - Buildings and Contents                      | - Hirers Liability               |
| - Business Interruption – Additional expenses | - Legal expenses                 |
| - Business Interruption – Loss of Revenue     | - Fidelity Guarantee             |
| - Business Interruption – Loss of data        | - Personal Accident              |
| - Money                                       | - Motor                          |
| - Public liability                            | - Occasional Business Use        |
| - Employer's liability                        | - Engineering Inspection         |
| - Libel and slander                           | - Engineering Insurance          |
| - Director's Liability                        | - School Journey/Business Travel |
|   | - Professional Indemnity         |

Cover is purchased via a policy provided by **RPA** and a range of excess limits apply.

Claims -

- (a) In the event of a claim arising RPA should be notified without delay. Any delays can hinder RPA in their handling of the particular matter in question.
- (b) If a claim is made by a third party, no admission of liability should be made and the claimant should be advised that the matter is being investigated and dealt with by the appropriate officer.
- (c) RPA are entitled to receive all information or assistance they may require to enable them to deal with a claim and when requested this should be provided as quickly as possible.

Although there is a comprehensive package of insurances there is nevertheless an obligation on the part of every employee and Trustee to take all reasonable precautions to prevent accident, loss, damage or injury. To this end all Trustees may periodically tour a school site note any factors that might constitute a hazard and take action as appropriate. The Estates manager, as the nominated Health and Safety officer, takes day to day responsibility for minimising risk and dealing with incidents.

## Dispensation from financial regulations

The procedures set out in the Financial Regulations approved by the Trust Board should be followed at all times. However, there may be exceptional circumstances where a dispensation from the regulations are permitted including:

### **Emergency Action**

In the event of an emergency, the CEO and/or Chair of the Trust Board are empowered to authorise all necessary actions. The CEO and/or Chair of the Trust Board shall notify the CFO, in writing, of the circumstances and the estimated financial impact and report formally to the earliest Trust Board Meeting.

### **Operational Issues**

Where the CEO considers there are justifiable reasons for dispensing with Financial Regulations, they may do so, in consultation with the CFO provided that they obtain the agreement of the Chair of the Trust Board. The circumstances must be reported formally to the earliest Trust Board Meeting.

The Company Secretary will ensure that a dispensation register is maintained and records all the reasons and circumstances of dispensations granted under dispensation from financial regulations.

# Appendix A

## Scheme of delegation - Financial Limits

### Summary of financial limits

Delegated Duties	Value	Delegated Authority	Method
Quote limits for goods and services			
Sensible prudence should be applied to all procurement decisions and 3 quotes are recommended for all purchases, however, minimum requirements are:	Up to £2,500	Finance Manager	One verbal quote
	£2,500 to £5,000	Finance Manager	One written quote
	£5,000 to £10,000	Chief Financial Officer	Two written quotes
	£10,001 to £50,000	FAR Committee	Three written quotes
	> £50,000	FAR Committee	Formal tender process Subject to OJEU limits
Ordering goods and services within the agreed budget	up to £5,000	Budget Holder & Trust Finance Manager	In line with the Trust's contract procedure rules
	over £5,000	Chief Financial Officer	
Authorisation of "goods received" for ordered goods and services within the agreed budget as per the order value	Any	A nominated member of the school who ordered the goods or services	The finance department should be made aware of department signatories

Operating & finance leases or contracts over 1 year	Any	Chief Financial Officer	Report back to the Board of Trustees at the next meeting, refer to ESFA as appropriate
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Authorisation of goods received for non-ordered goods and services	Any	Chief Financial Officer	
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Signatories for cheques	Cheques up to £20,000	Must be signed by two authorised signatories	All invoices must be authorised correctly before payment can be made
BACS, and other bank transfer	up to BACS Limit of £200,000	Must be signed by two authorised signatories	

<b>Corporate Purchase Card</b>	Must be signed by the person requesting the goods and authorised member of the Leadership Team.		
<b>Name of Card holder</b>	<b>Values</b>		
Chief Financial Officer	£5,000		
School Cards	£250		
Trip Cards	£1,000		

Direct Debit Mandates	Any	2 signatories - the CFO plus one other	As delegated by the Board
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Debt Write off	up to £1,000	Chief Financial Officer	approve the write off but must be reported to the Finance Committee
	over £1,000	FAR Committee	
	Transactions above 1% of annual income or £45,000 per single transaction	ESFA prior approval is required	

Disposal of Assets	Assets above £500	Senior Leader & Chief Financial Officer	approve the disposal of assets but must be reported to the Board of Trustees
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Signatories for ESFA Grant claim forms and ESFA returns	Any	As required CEO, CFO, Chair of Board	
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Travel - mileage	0.45p per mile	Headteacher (CEO if Headteacher)	First 10,000 miles
	0.25p per mile	Headteacher (CEO if Headteacher)	Over £10,000 miles per year
Passenger miles	0.05p per mile	Headteacher (CEO if Headteacher)	Must name passenger
Trustees - Mileage	0.45 per mile	Headteacher (CEO if Headteacher)	

Subsistence	£10	Maximum	Breakfast
	£5	Maximum	Lunch
	£15	Maximum	Dinner
	£150	Maximum	Bed and Breakfast

Gifts	up to £100	Maximum	Discretion of Head teacher
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# Appendix B

## Seven Principles of public life

### **Selflessness**

- Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

### **Integrity**

- Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

### **Objectivity**

- In carrying out public business, including making public appointments, awarding contracts and recommending individuals for rewards and benefits, holders of public office should make choices on merit.

### **Accountability**

- Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

### **Openness**

- Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

### **Honesty**

- Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### **Leadership**

- Holders of public office should promote and support these principles by leadership and example.