



# St Joseph

Catholic Multi Academy Trust

## Financial Management Policy

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Khalil Mohammed, CFOO	SJCMAT Board	Approved	3.0	July 2025

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Role & Responsibilities	Name
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Website:	
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## 1. Introduction

The purpose of this policy is to ensure that St Joseph Catholic Multi Academy Trust maintains effective systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).

The Trust must comply with the principles of financial control outlined in the academies guidance published by the Education and Skills Funding Agency (ESFA), primarily the Academy Trust Handbook (ATH). This policy expands on that and provides detailed information on the Trust's accounting procedures and systems.

This policy should be read in conjunction with the following Trust policies and with individual academy financial procedure notes as appropriate.

- Accounting Policy
- Anti-Fraud, Corruption and Bribery Policy
- Charging and Remissions Policy
- Code of Conduct
- Debt Recovery Policy
- Expenses Policy
- Fixed Assets and Disposal Policy
- Gifts and Hospitality Policy
- Finance Procedures
- Reserves Policy
- Tendering and Procurement Policy
- Treasury Management and Investment Policy
- Whistle Blowing Policy

This policy will be regularly reviewed (at least annually), and any changes must be approved by Trustees.

This policy applies to the Trust and to each individual academy. This policy should be read by all staff involved in financial transactions.

Instances of non-compliance with this policy will be reviewed by the Chief Financial and Operations Officer and if considered serious, will be reported to the Trustees.

## **2. Financial Responsibilities**

The key financial responsibilities within the Trust are outlined in the Trust's Scheme of Delegation. The main areas of responsibility are outlined below:

### **2.1 The Board of Trustees**

The Board of Trustees has overall responsibility for the administration of the Trust's finances. The Board is responsible for managing the financial affairs of the Trust to ensure that the Trust's funds are used in accordance with charity law, company law, the funding agreement, and the ATH. The Trustees are held to account by the Secretary of State, although the Board delegates certain powers to the Accounting Officer. The Board is also responsible for appointing independent specialists, who are engaged to carry out the annual Internal Scrutiny testing. The Audit and Risk committee is responsible for overseeing the internal scrutiny, but the findings are reported back to the Trust Board.

### **2.2 Finance, Estates and Human Resources Committee**

The functions of this committee are performed by a sub-set of the members of the Board of Trustees, meeting at least 3 times per year.

The main purpose of this committee with regard to finance is to ensure that the Trust Board is kept informed of all major financial issues concerning the Trust and its Academies, the overall Trust budget and those of the individual Academies, the management of funds against the budget, the benchmarking of financial performance and the heads of expenditure, the way funds are utilised (including value for money) and the way monies are secured.

The full responsibilities of the committee are detailed in written terms of reference which have been authorised by the Board of Trustees.

### **2.3 Audit and Risk Committee**

The Trust has also established an Audit and Risk Committee to advise and report to the Directors in relation any organisational risks which might impede the development and implementation of a long-term strategy for the success of the Trust. The Directors shall consider any such advice given by this committee.

In addition, the committee will advise the Directors on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes and securing economy, efficiency, and effectiveness (value for money).

To support them in this role, the Committee has commissioned a programme of internal assurance testing to be carried out by auditors. The Committee receives internal assurance reports after audit testing throughout the year. The Audit & Risk Committee also commissions the annual external audit.

The full responsibilities of the committee are detailed in written terms of reference which have been authorised by the Board of Trustees. Staff employed by the Trust may remain in attendance when audit matters are discussed but will not participate as members.

The Audit & Risk Committee will oversee and approve the trust's programme of internal scrutiny, ensuring that risks are being addressed appropriately through internal scrutiny and report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.

The Chair of the Audit & Risk Committee will not be the Chair of any other committee.

## **2.4 The Accounting Officer**

The Trust have appointed the Chief Executive Officer as the Accounting Officer. The Accounting Officer has personal responsibility (that cannot be delegated) for assuring the Board that there is compliance with the ATH, the Funding Agreement and all relevant aspects of company and charitable law.

## **2.5 The Chief Financial and Operations Officer**

The main responsibilities of the Chief Financial and Operations Officer are:

- 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 Board of Trustees.
- implementation and operation of rigorous and robust audits and control
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust
- ensuring the timely submission of external returns to the ESFA, DFE, HMRC and other stakeholders as required
- oversight of monthly and annual management accounts

## **2.6 Financial Controller**

The main responsibilities of the Financial Controller are:

- the production and circulation of school level monthly management accounts
- the oversight of all Trust contracts registers
- the management of budget 'virements' (the transfer of a surplus from one cost centre to cover a deficit in another) and budgetary control

## **2.7 Other Finance Staff**

School Business Managers and other school and central leaders and office staff play a key role in providing day to day support to the Chief Financial and Operations Officer and the Financial Controller.

## 2.8 Other Staff

Other members of staff will have some financial responsibilities and some budgets are delegated to budget holders on the financial management system. All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's financial procedures.

## 2.9 External Audit

Under the Companies Act 2006, academy trusts must appoint an auditor to give an opinion on whether their annual accounts present a true and fair view of the trust's financial performance and position. The Trust will retender their external audit contract at least every five years.

The auditor will carry out a series of tests to enable them to form an opinion on whether the annual financial statements give a "true and fair view" of the academy trust's financial performance and position. The auditor also forms an opinion on whether the financial statements have been prepared in accordance with the reporting framework requirements.

For the regularity review, the same auditor (who undertakes the role of "reporting accountant") will report whether "anything has come to their attention which suggests that in all material respects, expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them". This engagement will draw on the statement of regularity, propriety and compliance prepared by the accounting officer and will be informed by the auditor's testing of the financial statements.

## 2.10 Internal Audit

The Trust will appoint an internal audit service (which will be a different company to the external audit company) who will, through an annually agreed internal assurance programme, evaluate the suitability of, and level of compliance with, financial and non-financial controls.

Internal scrutiny (delivered) must:

- be independent and objective
- be conducted by someone suitably qualified and experienced
- be covered by a scheme of work, driven and agreed by the audit and risk committee, and informed by risk
- be timely, with the programme of work spread appropriately over the year so higher risk areas are reviewed in good time
- include regular updates to the audit and risk committee by the person(s) or organisation(s) carrying out the programme of work.

Whilst the audit and risk committee is responsible for overseeing the internal scrutiny, the findings must also be made available to all trustees promptly.

This includes assessing whether procedures are effective and efficient, checking whether agreed controls and procedures have been followed and offering advice and insight to the board on how to address weaknesses in financial and non-financial controls.

This should act as a catalyst for improvement, without diluting management's responsibility for the day to day running of the trust, ensuring all categories of risk are adequately identified, reported, and managed.

## **2.11 Register of Interests and Related Parties (Companies, Trusts and Other Organisations)**

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise, all members, Trustees, leadership teams and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the Trust MAY purchase goods or services. Close family relationships within the Trust are also declared as per the ATH requirements. The register is open to public inspection and published on the website.

The existence of a register of business interests does not, of course, detract from the duties of Trustees and staff to declare interests whenever they are relevant to matters being discussed at committee meetings and is a standard item on every agenda. Where an interest has been declared, Trustees and staff should not attend that part of any meeting.

Related Party transactions will only be entered into within the restrictions of the ATH and will be subject to approval of the Board.

Related Party Transactions are goods or services provided by individuals or organisations connected to the Trust.

The Trust will keep up-to-date records and make sufficient disclosures in their annual accounts to show accordance with the high standards of accountability and transparency required within the public sector.

The Trust will report all related party transactions made on or after 1 April 2019 to the ESFA in advance of the transaction taking place.

The Trust will obtain prior approval from the ESFA for related party transactions that are novel, contentious and/or repercussive, regardless of value, using the ESFA's enquiry form.

For the purpose of reporting to, and approval by, the ESFA, related party transactions do not include salaries and other payments made by the Trust to a person under a contract of employment through the Trust's payroll.

The Trust will obtain approval from the ESFA using the online form for contracts for the supply of goods or services to the Trust by a related party agreed on or after 1 April 2019, where any of the



following limits apply:

- The contract exceeds £20,000
- The contract, regardless of the value, would exceed £20,000 in the same financial year ending 31 August.
- The contract, regardless of the value, would exceed £20,000 individually or cumulatively with the related party in the same financial year ending 31 August

### **'At cost' requirements**

The Trust will not pay more than 'cost' for goods or services provided

## **2.12 Gifts and Hospitality**

All personal gifts and hospitality, other than those with a token value below £25, received by Trustees and staff should be declared and recorded. This minimises the risk of staff and Trustees being compromised by expectations of reciprocal benefits.

The Chief Financial and Operations Officer, Headteacher or Chief Executive Officer should be consulted before any such gifts or offers of hospitality are accepted. Where one of these staff members is involved, they must consult one of the other nominated staff members.

In line with the Gifts and Hospitality policy, a register of all acceptances and refusals is maintained.

## **2.13 Governance Information**

Key information regarding the governance structure will be kept up to date on the DfE 'Get Information About Schools' system, on Companies House and on the Trust website. This is the responsibility of the Chief Executive Officer.

### 3. Accounting System

#### Key responsibilities of the central Trust

Establish and maintain the accounting system  
 Determine the financial control procedures  
 Determine user access rights  
 Complete control account and reconciliation procedures

#### Key responsibilities of each academy

Process transactions in line with agreed procedures and authorisation limits  
 Keep user access accounts secure and not share log-ins.

All the financial transactions of the Trust must be recorded on the finance system, Access for Education. This system is operated by the Chief Financial and Operations Officer and consists of:

- General Ledger, including Journal transactions
- Purchase Ledger
- Sales Ledger
- Cash Book
- Management accounts and reporting

#### 3.1 System Access

Access to Access for Education is determined by the Chief Financial and Operations Officer. The Chief Financial and Operations Officer and Financial Controller have access to amend the system, set up any controls and determine appropriate levels of access for users of the system.

User access to Access for Education is controlled through secure user accounts and passwords. It is the responsibility of all system users to keep their password secure. Access to the system is password protected with password changes automatically implemented on a regular basis.

A multiuser licence is operated across the Trust. System access must ensure that there is adequate separation of duties in the process and that a user may not both initiate and approve the same transaction (*the so-called 'four eyes' principle – a minimum of four eyes on every transaction*)

Approved users will be the Chief Financial and Operations Officer, School Business Managers, members of the central team and office staff with finance responsibilities. Budget holders also have online access to their budget reports and purchase requisitioning. In addition, the Chair of Trustees, Chair of the Finance, Estates and Human Resources Committees, the CEO and Headteachers will have access to authorise orders and invoices as per the Trust Scheme of Delegation.

Monthly management accounts will be prepared on an accruals basis and will be uploaded to the GovernorHub secure site by 25th of the following month, with full access to all Trustees.

Month end control accounts will be reconciled at the end of each month and signed off by the Headteacher/ Financial Controller or CFOO, as appropriate.

### **3.2 Back-up Procedures and Business Continuity**

It is the contractual responsibility of Access for Education to maintain adequate system back-up and disaster recovery procedures.

The Chief Financial and Operations Officer together with the Executive Leadership Team will also prepare a Business Continuity Plan in the event of loss of accounting facilities or financial data. This should be included in the annual assessment made of the major risks to which the Trust is exposed.

### **3.3 Journal Processing**

All nominal journal entries must be documented appropriately and authorised by the Chief Financial and Operations Officer or the Financial Controller, who will review all journals monthly.

### **3.4 Reconciliations**

The Financial Controller is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

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

At school/service level, the School Business Managers will review and reconcile the sales and purchase ledger, outstanding orders and petty cash and credit card. The Headteachers will sign the month end checklist and reconciliations.

All other monthly reconciliations will be prepared by Financial Controller and reviewed, in a timely manner, by the Chief Financial and Operations Officer and signed as evidence of that review.

## 4. Financial Planning

### **Key responsibilities of the central Trust**

Determine the overall financial strategy for the Trust

Oversight of the Trust Finances

Oversight of compliance with funding agreement and statutory responsibilities

Production of management accounts

Production of annual financial statements

### **Key responsibilities of each academy**

Budget management

Maintenance of accounting records in line with the procedures in this policy

### 4.1 Medium term financial plan

The medium-term financial plan is prepared as part of the development planning process. The Strategic Development Plan indicates how the Trust's educational and other objectives are going to be achieved within the expected level of resources over the next three to five years. The Trust uses Integrated Curriculum Financial Planning (ICFP) to inform this financial plan.

The Strategic Development Plan and the School Development Plans provide the framework for the annual budget and three-year forecast. The budget is a detailed statement of the expected resources available to the Trust and the planned use of those resources for the following year. The development planning process and the budgetary process are described in more detail below. This forecast is updated monthly with any known changes and shared with Trustees via the GovernorHub portal as part of the management accounts pack. The Trust maintains reserves (and liquidity) of at least 1 months' salary, as documented in the Treasury Management, Investment and Reserves Policy.

### 4.2 Annual Budget

The Chief Financial and Operations Officer is responsible for preparing and obtaining approval for the annual budget and three-year forecast. The budget must be approved by the full Board.

The Chief Financial and Operations Officer is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that ESFA requirements regarding budget returns can be met.

The annual budget will reflect the best estimate of the resources available to the Trust for the forthcoming year (and subsequent two years) and how those resources are to be utilised. There should be a clear link between the Strategic Development Plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- forecasts of funding depending upon the funded places from the ESFA and Local Authority.
- review of other income sources available to the Trust to assess likely level of receipts.
- review of past performance against budgets to promote an understanding of the Trust cost base.
- Review of approved staffing structure.
- identification of potential efficiency savings.
- review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g., pay increases, inflation, and other anticipated changes.

#### **4.3 Balancing the Budget**

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where efficiencies can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need, or to support the Trust Capital Plan. The funding agreement allows for revenue reserves be carried forward without time limit.

#### **4.4 Reserves**

The Trust will determine the appropriate level of reserves that will be prudent to hold, and this will be considered as part of the annual and longer-term budget setting. This is detailed within the Reserves Policy and is reviewed annually.

#### **4.5 Finalising the Budget**

Once the different options and scenarios have been considered, a draft budget is prepared by the Chief Financial and Operations Officer and approved by the Chief Executive Officer, Finance, Estates and Human Resources Committee and then the Board. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

#### **4.6 Budget holders**

It is the responsibility of budget holders to take all reasonable steps to not exceed budget allocations. The financial management system will not allow orders or invoices to be processed where budgets have been exhausted.

#### **4.7 Monitoring and Review**

Regular school level reports will be prepared by the Financial Controller and reviewed by the Chief Financial and Operations Officer. The reports will detail actual income and expenditure against budget at a summary level for the Headteachers and Local Governing Bodies. The Financial Controller will prepare the consolidated management accounts pack which will be reviewed by the Chief Financial and Operations Officer, Chief Executive Officer and Trustees. Budget holders and Headteachers can access Budget vs Actual reports online.

Any potential under or overspend against the budget must in the first instance be discussed with the Chief Financial and Operations Officer and then approved by the Chief Executive Officer.

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated, and action taken where appropriate. If a budget overspend is forecast, it may be appropriate to vire money from another budget or from the contingency.

#### **4.8 Budget Virements**

The Scheme of Delegation does not cover budget virements. However, the Chief Financial and Operations Officer may vire allocated funds between budget headings within the overall approved budget.

Any budget change impacting on reserves must be approved by the Finance, Estates and Human Resources Committee.

#### **4.9 Write-offs**

Debt write-offs may be approved for a variety of reasons. The most common reasons include:

- Insufficient legal proof of the debt or liability for the charge
- The likely expense of legal actions exceeds the likely recovery
- The debtor cannot be traced
- The debtor is unable to pay
- The debt represents the outstanding balance after a final dividend has been paid in cases of bankruptcy or insolvency

Any debt write-off will need to be approved by Trustees, except for debts below £1,000 which can be approved by the CEO. A written record of reasons for write off must be maintained.

The Board of Trustees 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 Trust)

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

Beyond these limits the Trust must seek and obtain explicit and prior approval of the Secretary of State (through the ESFA) to the transaction

#### **4.10 Novel, contentious, and repercussive transactions**

The ESFA defines novel payments as those in which the Trust has no experience or are outside the range of normal business activity for the Trust. Contentious payments are defined as those which might give rise to criticism of the Trust by the public or the media. Repercussive transactions are those which are likely to cause pressure on other Trusts to take a similar approach and hence have wider financial implications.

Novel, contentious, or repercussive payments must always be referred to the ESFA for explicit prior authorisation. If there is any doubt about the propriety of a payment the Trust must ask the ESFA in advance.

## 5. Payroll

### **Key responsibilities of the central Trust**

Appoint all executive and central Trust posts in line with HR policies.

### **Key responsibilities of the Chief Financial and Operations Officer & Financial Controller**

Ensure payroll control accounts are reconciled and updated in Access for Education.

Check and authorise the central monthly payroll reports and enter the payroll data on the financial ledger.

### **Key responsibilities of each academy**

Headteachers to appoint staff within approved staffing structure in line with HR policies and the Scheme of Delegation.

Notify payroll amendments to the Trust payroll and ensure that the payroll reports is accurate for academy staff each month

Maintain accurate HR files and records.

### **5.1 Staff Appointments**

Headteachers have authority to appoint staff within the authorised staffing structure and budget for the academy, subject to the limitations of the Scheme of Delegation.

The Chief Executive Officer has authority to appoint central Trust staff and Headteachers (the latter is subject to the approval of the Trustees). Trustees must appoint the Chief Executive Officer and Chief Financial and Operations Officer.

Each academy and the central team maintain online personnel files for all relevant members of staff. Contracts of employment are held on the online HR system.

### **5.2 Payroll Administration**

All members of staff are paid monthly, on 20th of the month, by BACS transfer.

The Trust payroll processing is administered through a contractual arrangement with an external payroll team. The payroll team will also determine monthly payroll timetables for key processing dates, and these will be shared with relevant staff.

Each academy is responsible for notifying the payroll team of sickness and other absences during the month. New appointments or terminations are completed on a monthly basis and authorised by the Headteacher (within the approved structure) and the CFOO or central team if outside the approved structure before they are passed to the payroll team for processing. Payments will only be made to a personal bank account.

Claims for overtime, additional hours and supply cover are manually recorded and approved by the signature of Headteacher, approved line manager or Chief Executive Officer. These must be approved



in advance, considering budgetary pressures and potential alternatives to incurring such costs. These amendments are then submitted to the payroll team.

The payroll team processes the payroll and sends detailed staffing payment reports for approval in advance to each academy. The reports should be checked as per the Payroll and Transactional HR Manual.

All transactions are checked at school level, including the variance report and detailed spot checks are also completed by the central team. The reports are then passed to the Headteachers for review and final approval. Both the reviewer and the approver will sign a payroll approval summary report and the upload the signed summary and all payroll reports to the shared payroll folder to evidence these checks.

In the event of a holiday or remote working, the approval process can be done by email. Schools are to inform the central team of any leave which may impact the payroll process and key milestone deadlines, along with details as to how the key deliverables will be met.

The payroll team makes all payroll payments via BACS bureau to employees (net pay) and external bodies for statutory and non-statutory deductions made and payments are deducted straight from the Trust bank account.

After the payroll has been processed the nominal ledger will be updated by the Trust finance team. Postings will be made both to the payroll control account and to appropriate cost centres. The Financial Controller will review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

### **5.3 Mileage Claims**

Claims for mileage are made on the appropriate form, signed by the employee, and approved by the Headteacher or Chief Executive Officer before payment. Mileage payments are based on the shorter of the distance between home and the location travelled to or the Trust's main office to the location travelled to.

NB if employees, Trustees, Members and Governors use their own vehicle for Trust business, they will be required to provide appropriate documentation to ensure that:

- the vehicle
  - is insured for business purposes
  - has a current MOT certificate (where applicable)
  - is suitably modified to carry children with physical disabilities, if applicable
- the proposed drivers
  - have a current full clean driving licence (any points or driving convictions must be highlighted to the relevant School Business Manager/Headteacher) are covered to drive that type of vehicle, without supervision

- have the owner's permission a) to use the vehicle and b) to use the vehicle for Trust business

The School Business Managers in each academy will be responsible for maintaining a record of the checks carried out to verify these requirements, the central staff claims will be checked by the Chief Executive Officer's PA. or the Financial Controller.

Mileage claims submitted by the Headteachers should be approved by the Chief Executive Officer. Claims by the Chief Executive Officer will be approved by Chair of the Board, or the Vice Chair in her absence.

#### 5.4 Staff Severance Payments

Non-contractual payments at the end of employment will only be paid if the Trust has concluded that the payment represented the best value for money compared to other options. The business case for such payments would be fully documented and the guidance issued by the ESFA will be followed.

The Board of Trustees **will** consider the following issues:

- Whether the proposed payment is in the interests of the Trust;
- Whether the payment is justified, based on a legal assessment of the chances of the Trust *successfully* defending the case at employment tribunal;
- Where a legal assessment suggests that the Trust is likely to be successful, a settlement will not be offered;
- If the settlement is considered to be justified, then the Board of Trustees will consider the level of settlement

Staff severance payments will not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance. The only acceptable rationale in the case of gross misconduct would be where legal advice is that the claimant is likely to be successful in an employment tribunal claim because of employment law procedural errors.

The Chief Executive Officer can approve contractual severance payments up to £15,000. The Trust Board may approve contractual and non-contractual payments up to £49,999; the calculation of payments will be verified by the Chief Financial and Operations Officer to ensure compliance with the ATH.

Non-contractual payments over £49,999 require approval in advance from HM Treasury.

## 6. Purchasing

### **Key responsibilities of the central Trust**

Manage all quotation and tendering procedures as per the financial Scheme of Delegation

Manage the supplier database

Prepare and manage VAT returns

### **Key responsibilities of each academy**

Process transactions in line with agreed procedures and authorisation limits and the financial standards in this policy and the Financial Scheme of Delegation.

Comply with the Tendering and Procurement Policy

The Trust wants to achieve the best value for money from all its purchases. A large proportion of purchases will be paid for with public funds and they need to maintain the integrity of these funds by following the general principles of:

- Probity: it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust
- Accountability: The Trust is publicly accountable for its expenditure and the conduct of its affairs
- Fairness: that all those dealt with by the Trust are dealt with on a fair and equitable basis

### 6.1 Routine Purchasing

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 the budget and to ensure that the funds available are not overspent (the Access system will not allow overspends on individual cost centres). Reports detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget are available online for all budget holders.

### 6.2 Leasing

The Trust does not enter into any form of finance lease as a means of purchasing goods, as this is a form of borrowing. The Trust is not permitted to borrow. Operating leases are permitted. The Trust does occasionally enter into operating leases for the rental of equipment. All agreements are carefully reviewed and considered and approved by the CEO (see the Financial Scheme of Delegation for further information).

### 6.3 Authorisation Limits

The authorisation limits for procurement (orders and invoices) are detailed in the Trust's Scheme of Delegation. The Trust financial management system will only allow orders to be placed within the approved budget limits.

## 6.4 Procurement Process

Purchases across the whole Trust must be processed in accordance with the following financial standards:

- Official orders must be created for all purchases other than utility payments, purchasing card transactions, emergency repairs and those purchases controlled by a centrally procured contract or agreement such as insurance etc.
- All orders must be made, or confirmed, in writing using an official order form produced by Access for Education. Requisitions must be via the Access for Education purchase requisition system from the budget holder, or a paper requisition form.
- Approved orders, authorised as per the above authorisation limits, will be recorded in the purchase order module of Access for Education which will allocate an order number. Orders will be despatched online from the system.
- Incoming deliveries will be despatched to departments accordingly and the goods will be checked against the goods received note. Any discrepancies should be recorded and discussed with the supplier without delay.
- If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the academy finance staff should be notified.
- Invoices will be uploaded to the Access Finance System and authorised (or rejected) as per the above limits. Once approved, the BACS payment will be run weekly by the central finance team for payment.
- All invoices must be approved in accordance with the Scheme of Delegation
- Invoices and any goods receipts notes will be uploaded and saved to the Access system.

## 6.5 Payments

An Access for Education report will be produced listing all individual invoices to be paid by BACS. The Finance Manager will review the listing and will complete spot checks back to source documentation and raise any queries with the individual academy. The Chief Financial and Operations Officer will undertake spot checks of the BACS run prior to its approval.

The process and controls regarding payments are detailed in section 8 of this policy.

## 6.6 VAT

It is the responsibility of the central finance team to prepare the Trust VAT return across the whole Trust.

## 6.7 Supplier Master-file

Changes to supplier bank account details are carefully controlled, as the Trust is aware that this is an area that is vulnerable to fraud. Supplier details will not be amended until the changes have been verified as being valid.

Each new or amended supplier bank account/payment details will be documented on a template form (see appendix 1) which will document the evidence received and the method of verifying this information. The form will be checked by the finance staff completing the checks and then passed to the central finance team, together with supporting documentation for authorisation prior to the supplier being set up. The central finance team will contact all suppliers by telephone (using internet search to verify their contact details) and speak to credit control staff to ensure that the bank details are correct. This will be documented.

## 6.8 Competitive Purchasing Requirements and Limits

This is documented in the Tendering and Procurement Policy. The value of purchases is calculated as the value, excluding VAT, **for the full duration of the contract including any extensions or options.**

The following limits apply: -

Threshold	Approval	Form
Up to £2,500	Budget Holder	Simple procurement requisition form or online purchase requisition
£2,501 - £10,000	HT	3 Quotes requisition Form
£10,001 - £50,000	CFOO	3 Quotes requisition Form
£50,001 - £100,000	CEO	Full Business Case
Above £100,000	Trust Board	Full Business Case

## 6.9 Orders up to £2,500

In purchasing all goods and services, budget holders should ensure that they review the use of existing resources and consider the cost, quality, reliability, and availability. Fixed prices should be obtained for all purchases before orders are placed. Value for money should be demonstrated.

### **6.10 Orders over £2,500 but less than £50,000**

Three written quotations should be obtained for all orders between £2,501 and £50,000 to identify the best source of the goods/services. A three quotes requisition form should be completed for each purchase. Written details of quotations obtained should be uploaded to the order placed, along with the form for audit purposes. Telephone quotes are acceptable if these are documented and evidenced, and confirmation of quotes has been received before a purchase decision is made. If appropriate, government or local procurement frameworks (e.g., Buying for Schools, CPC, YPO) can be used as an alternative to obtaining quotes.

### **6.11 Orders over £50,000**

All expenditure over £50,000 should firstly be documented in a business case which should be submitted to the CFOO prior to the commitment of any expenditure, including recruiting staff outside of the agreed structure. The Business Case should highlight the need for the resource (with evidence), the business and financial impact of not investing in the resource, the cost of the resource and the impact on the budget.

A specification of requirements and evaluation criteria will be drawn up in advance and the central Trust Team will follow the Procurement and Tendering Policy

If appropriate, government or local procurement frameworks (e.g. Buying for Schools, CPC, YPO) can be used as an alternative to obtaining quotes.

If competitive quotes cannot be sought, a report will be taken for approval of the purchase, documenting the reasons why and how value for money has been otherwise assured.

### **6.12 Procurement Thresholds**

Purchases over PCR 2015 Regulation limits may fall under Government procurement rules which requires advertising on the 'Find a Tender' framework. When the Trust is likely to award such contracts, further guidance should be sought.

The Procurement and Tendering Policy explains the process for managing tenders.

## 7. Income

### Key responsibilities of the Trust

Determine the financial control procedures  
Determine accounting treatment  
Process and reconcile income transactions

### Key responsibilities of each academy

To receive and bank income in line with agreed procedures and meet the financial standards in this policy.

The main sources of income for the Trust are funding from the ESFA and local authorities. The receipt of these sums is monitored by the Chief Financial and Operations Officer.

Bids for capital and other additional funding are subject to the approval of the Chief Financial and Operations Officer.

The Trust and individual academies also obtain income from:

- school meals
- school trips
- uniform sales (a small amount)
- recharges to other school and Local Authorities/ Trusts for services provided

### 7.1 Custody and Cashless Income Systems – General

Each academy has procedures to deal with income that is received via the school online payment system and via cash and cheques. These procedures must ensure that:

- All cash and cheques must be kept in the safe prior to banking
- Safe key holders are identified, and keys are held securely held
- Banking should take place monthly
- Monies collected must be banked in their entirety in the appropriate bank account or receipted as income into the relevant petty cash. This must be adequately documented as income
- Two members of staff must verify each banking
- Banking must be reconciled to source records of income received
- Income received via the school online banking system should be receipted the following working day by school admin staff

See the Trust Charging and Remissions Policy for further details.

## **7.2 School Meals**

Schools either have in house catering facilities or outsource the catering provision. In each case, income should be received for meals using the cashless catering system. This should be receipted daily by the school office staff and reconciled to the records received from the kitchen.

## **7.3 School Trips**

Schools can request voluntary contributions for parents and carers for trips and offsite activities. It is important to note that no child should be excluded from an activity simply because his or her parents or carers are unwilling or unable to pay. The Trust and/or its academies must make sure that they make this clear to parents and carers. If a parent/carer is unwilling or unable to pay, their child must still be given an equal chance to go on the visit.

Schools must keep detailed records of all trip income and expenditure and must ensure that individual trips do not make a 'profit'. Parents and carers should pay for these trips through the online payment systems.

## **7.4 Sales – School Uniforms etc**

Each academy has procedures to deal with income received. These must ensure that

- Records of stock held are maintained
- Stock is periodically counted and checked
- Income is reconciled against sales and stock records

## **7.5 Lettings & Hire of Facilities**

When dealing with income from lettings, schools must ensure that: -

- Adequate records are maintained of all bookings made
- Payment should be made in advance wherever possible
- Sales Ledger accounts are raised through Access for Education
- Debts will be monitored and promptly chased up
- Approval to write off debts must be obtained from Trustees

## **7.6 Recharges to Other Trusts**

Each academy/central Trust team has procedures to deal with income received. These must ensure that: -

- Adequate records are maintained of all services provided
- Payment should be made in advance where possible and invoiced monthly
- Sales Ledger accounts are raised through Access for Education
- Debts will be monitored and promptly chased up



- Approval to write off debts must be in line with the Scheme of Delegation

## **7.7 Income Reconciliation**

The Trust finance team is responsible for preparing reconciliations between the sums deposited at the bank/via the online payment system and the sums posted to the accounting system.

The reconciliations must be prepared promptly.

For direct bank receipts such as ESFA GAG payments etc, these should be entered as a cash book journal on Access for Education, checked to the funding schedules, and the remittance advices should be filed with the record.

## 8. Cash Management

**Key responsibilities of the central Trust**

Determine the financial control procedures  
Manage cash deposits and investments in line with the policy  
Reconcile bank accounts  
Process payments through on-line banking  
Monitor the Trust cash flow

**Key responsibilities of each academy**

Operate cash and bank procedures in line with this policy

### 8.1 Bank Accounts

The opening of all accounts must be authorised by the Finance, Estates and Human Resources Committee, via the Chief Financial and Operations Officer, who must set out the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

### 8.2 Deposits

Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

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

### 8.3 Payments and withdrawals

Cheques from Trust bank accounts must bear the signatures of two of the following authorised signatories:

- Chief Executive Officer
- Chief Financial and Operations Officer
- Financial Controller / Finance Manager

This should be in line with the Scheme of Delegation

## **8.5 On-Line Banking System**

Access to the system is controlled via user accounts, passwords, and smartcards. It is the responsibility of each individual to maintain security of their passwords and cards.

All payments made via online banking must be approved as per the authorisation limits. A member of the central finance team is responsible for uploading the BACS file, once it has been checked and the following staff are approved to authorise payments on the system: -

- Chief Executive Officer
- Chief Financial and Operations Officer
- Financial Controller / Finance Manager

At least two of the above are required to authorise a payment.

## **8.6 Bank Reconciliation**

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

- all bank accounts are reconciled to Access for Education
- adjustments arising are dealt with promptly
- The reconciliation statements will be prepared and signed by central finance staff and reviewed and signed by the Chief Financial and Operations Officer

## **8.7 Petty Cash - approved procedures**

Each academy has established procedures to deal with petty cash, where applicable. These procedures must ensure that:

- Petty cash must be locked in a locked secure tin and held in the safe where possible or locked filing cabinet
- VAT receipts supporting payments from petty cash are submitted to the finance office to enable the appropriate nominal code to be charged
- Petty cash is reconciled and reimbursed regularly
- Staff will sign on receipt of funds

Maximum funds held on site is £200.

## 8.8 Credit Cards

The overall limit for the Multipay credit card system is £200,000 although the limits by role are currently capped as follows:-

- Chief Executive Officer: Up to £2,000 limit
- Chief Financial and Operations Officer: Up to £2,000 limit
- Headteacher Secondary: Up to a £2,000 limit
- Headteacher Primary: Up to £1,000 limit
- School Business Manager: Up to £1,000 limit
- Central Team: Up to £1,000 limit
- Premises Officers: Up to £500 limit

New credit cards must be approved by the Chief Financial and Operations Officer.

Academies have established procedures to deal with debit and credit cards usage. These procedures ensure that: -

- Cards are stored safely
- Requests for new cards are made through the Chief Financial and Operations Officer
- Cards are only used for academy business
- Cards are held securely by card holders, PINs kept secure not shared etc.
- Supporting documentation is held for all transactions
- Statements must be reconciled by the School Business Managers and reviewed by central finance as part of the month end procedure
- Records of the reconciliation and approval are maintained

Credit cards will only be used for business (not personal) expenditure, and balances cleared before interest accrues.

## 8.9 Cash Flow Forecasts

The Chief Financial and Operations Officer is responsible for the completion of monthly cash flow forecasts to ensure that the Trust has sufficient funds available to pay for day-to-day operations. If significant liquid balances can be foreseen, steps should be taken to consider holding funds in cash 'notice' accounts (or similar eg fixed term deposits) with reputable institutions to maximise interest income at an acceptable level of liquidity risk and default risk (noting the limit of FSCS recoveries in event of bank failure). Any such investment must be discussed with the Finance Estates and HR Committee prior to any cash transfers taking place. If necessary, this could be undertaken outside of the meeting with the written permission of the Chair of the Committee

Similarly plans should be made to transfer funds from another bank account or to re-profile income and expenditure to cover potential cash shortages.

### 8.10 Investments and Cash Deposits

Low Risk Investments and deposits must be made only in accordance with written procedures approved by the Finance, Estates and Human Resources Committee (see Investment and Treasury Management Policy).

## 9. Fixed assets

### Key responsibilities of the central Trust

Determine the financial control procedures  
Determine accounting treatment

### Key responsibilities of each academy

Maintain adequate security over assets as per the policy  
Maintain asset register and inventory lists  
Perform asset checks

See also the Assets and Disposal Policy, as adopted by the Board of Trustees for more detailed procedures

### 9.1 Asset register

All items purchased with a value over the Trust's capitalisation limit of £1,000 must be entered in the asset register. See the Fixed Asset and Disposal Policy for further detail.

The Asset Register helps:

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

### 9.2 Inventory of Assets

In addition, an online record of all material (over £100) non-capitalised, attractive, portable assets will be maintained, and security controls operated in order to safeguard the Trust's property.

### 9.3 Security of assets

All fixed assets are to be recorded – see above on capitalisation limits. The asset register is to be kept up to date and reviewed regularly. Items used by the Trust but not owned by the Trust should be

recorded as such. Physical counts against the register are undertaken annually at or about the end of the financial year. This count is to be performed by someone other than the person responsible for the asset register. Differences between counts and the register are investigated promptly and significant differences are reported to the Board. Stores and equipment are secured by means of physical and other security devices. Only authorised personnel may access secure storage areas.

## **9.4 Disposals**

All requests for disposal must be submitted to the Chief Financial and Operations Officer for review and then approved by the Chief Executive Officer (net book value up to £1,000) or the Finance, Estates and Human Resources Committee (net book value over £1,000) in line with the Fixed Assets and Disposal Policy. The best possible value must be obtained in the disposal of assets.

Acceptable methods of disposal are detailed in the Assets and Disposal Policy.

## **9.5 Land and Buildings**

Disposal of land and buildings must be agreed in advance with the Secretary of State.

## **9.6 Loan of Assets**

Items of Trust property must not be removed from the premises without the authority of a member of the individual academies' Head teacher. A record of the loan must be recorded in a loan book and booked back in when it is returned.

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Trust's external auditors.

## 10. Delegated Authorities

### Key responsibilities of the central Trust

Determine compliance to ATH requirement the financial control procedures.

Determine accounting treatment.

Ensure ESFA disclosures have been made and where necessary, advance approval has been sought.

### Key responsibilities of each academy

Inform central finance of all related party transactions.

Maintain asset register and inventory lists.

Perform asset checks.

### 10.1 Borrowing

The Trust will seek the ESFA's prior approval for borrowing (including finance leases and overdraft facilities) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, and regardless of the interest rate chargeable.

### 10.2 Special Payments

Special payments are transactions that fall outside of the Kite Academy Trust's planned range of activities which include:

- Staff severance payments (see 5.4).
- Compensation payments.
- Ex gratia payments.

### 10.3 Compensation Payments

The Trust will make appropriate compensation payments to provide redress for loss or injury, for example: personal injuries; traffic accidents; or damage to property.

If the Board of Trustees is considering making a compensation payment it will base its decision on a careful appraisal of the facts, including legal advice where relevant, and ensure that value for money will be achieved.

The Trust has delegated authority to approve individual compensation payments provided any non- statutory/non-contractual element is under £50,000. Where the Trust is considering a non- statutory/non-contractual payment of £50,000 or more, ESFA's prior approval **will** be obtained.

Where a compensation payment has been necessitated by an event that reveals concerns about the effectiveness of internal control systems, the Board of Trustees will take any necessary steps to put failings right.

### 10.4 Ex gratia payments



Ex gratia payments are a type of transaction that goes beyond statutory or contractual cover or administrative rules e.g., payments to meet hardship caused by official failure or delay, and payments to avoid legal action on the grounds of official inadequacy. Ex gratia transactions will always be referred to the ESFA by the Board of Trustees for prior authorisation.

### 11.0 Sign Off

<b>Presented &amp; Approved by Trust Board</b>	05.07.23
<b>Signed by Chair of Trust Board</b>	<i>A Connor</i>
<b>Name of Chair of Trust Board</b>	Ann Connor OBE
<b>Date</b>	05.07.23
<b>Version</b>	3.0
<b>Date of Review</b>	July 2025

## Appendix 1 – New Supplier Form

*This form is to be used if Supplier details need to be updated or if a new supplier needs to be added onto Access for Education*

### Request to Approve New Supplier Form

**Please complete this form fully to request that a new Suppliers or Customer be added to Access Education (HCSS) or to amend a suppliers or customers details.**

**Do not order works, good or services from them until approved.**

**Approval may take up to 5 working days.**

Name of Supplier:	
Address of Supplier incl. Postcode: Registered Office, if different Tax compliance/avoidance: If registered office not in the UK, please explain:	
VAT Number: Company/Charity Registration Number if applicable:	
Contact Name/Position Alternate contact	
Telephone Number + Mobile for emergencies (if relevant)	
Email Address for Purchase Order ( <i>only Applies to suppliers</i> ):	
Email Address for Remittance Advice:	
Website:	
Name of Bank Account Holder +Branch Address	
Anti-Money Laundering:	

If Supplier Name is not the same as the Bank Account name, please explain:  If Branch address is not in the UK please explain:	
Sort Code: / IBAN etc	
Account Number:	
Account Currency (e.g GBP) If not GBP, please explain:	
Type of goods provided: (if it is premises related, please clear with Trust Estates Manager who will complete a contractor's checklist to check for accreditation, further insurance etc.– this should be attached to this form)	
Check public liability cover is minimum £2m	
If the supplier is working with children, have you checked their DBS?	
Have you checked if IR35 applies? If it does, please attached IR35 form.  Tax Compliance: Any IR35 contracts (either inside or outside of IR35) must be approved by Audit & Risk Committee in advance	
Reason for not using existing approved supplier:	
Anti-Money Laundering: companies house check, major shareholders, persons of significant control	
Is this supplier related/in a relationship with or named on the interest form of a member of staff, Local Governing Board or Trust? If so, please name the person related or with declared interest and check with CFOO before taking this any further	

Is the supplier a counterparty (i.e., a government funded body?):	
Date information received to warrant change:	
Change Information received i.e., letter from supplier, must be attached to this form and retained for audit purposes.	
To be completed by the central team	
Date Phoned Supplier to confirm details or change and initials:	
Input on system by & Date:	
Authorised by CFOO Date:	
In case of rejection, reason why:	
SBM informed:	
If supplier is related to a member of staff, Governor or member of the Trust, check related party, if approved, tick the related party box on Access	
If the supplier is a government funded body, tick the counterparty box on Access	

### IR35 Information

The off payroll working rules can apply if a worker (sometimes known as a contractor) provides their services through their own limited company or another type of intermediary to the client.

An intermediary will usually be the worker's own personal service company, but could also be any of the following:

- a partnership
- a personal service company
- an individual

The rules make sure that workers, who would have been an employee if they were providing their services directly to the client, pay broadly the same Income Tax and National Insurance contributions as employees. These rules are sometimes known as 'IR35'.

The client is the organisation who is or will be receiving the services of a contractor. They may also be known as the engager, hirer or end client. The client will be responsible for determining if the off-payroll working rules apply.

Get help on the off-payroll working rules (IR35) with [webinars, guidance and resources from HMRC](#).

You may be offered schemes that wrongly claim to get around the off-payroll working rules. Find out how to recognise [tax avoidance schemes aimed at contractors and agency workers](#).

If the rules apply, Income Tax and employee National Insurance contributions must be deducted from fees and paid to HMRC. In addition, employer National Insurance contributions and Apprenticeship Levy, if applicable, must also be paid to HMRC. You can use the [Check Employment Status for Tax](#) service to help you decide if the off-payroll working rules apply.

## Appendix 2 – Financial Organisation

The following diagram represents the usual accountability structure.

Refer to Trust Scheme of Delegation for detailed financial decision-making accountability.

