




# PHMAT FINANCE POLICY

## Document Control Table

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## Document History

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20/06/23	JP	Throughout – Strategic Head of Finance changed to Chief Finance Officer
20/06/23	JP	Throughout – Finance, General Purpose and Audit Committee to Finance Committee
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20/06/23	JP	Throughout – adopt Finance, Pensions & Payroll Manager
20/06/23	JP	Appendices updated for leavers / starters
20/06/23	JP	Section 3 – structure amended for re-named committees
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20/06/23	JP	Section 7 – highlight Cloud as IT back-up

# **TRUST FINANCE POLICY**

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## **1. Introduction**

The purpose of this policy is to ensure that Perry Hall Multi-Academy Trust (hereafter referred to as the MAT) maintains and develops systems of financial control, which conform to the requirements of both propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of each Academy's Funding Agreement with the Department for Education (DfE).

All Academies in the MAT must comply with the principles of financial control outlined in the academies guidance published by the ESFA (Academy Trust Handbook). This policy expands on that guidance and forms the manual detailing information on the MAT's accounting procedures and systems. It should be read by all staff involved with financial systems and accountability.

## **2. Principles**

Each Local Governing Body and Board of Trustees will manage their affairs in accordance with the high standards detailed in 'Guidance on Codes of Practice for Board Members of Public Bodies' and in line with the seven principles of public life

- **Selflessness**

Holders of public office should take decisions solely in terms of the public interest.

- **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 their performance or their official duties

- **Objectivity**

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

- **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 decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interests 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 interests.

- **Leadership**

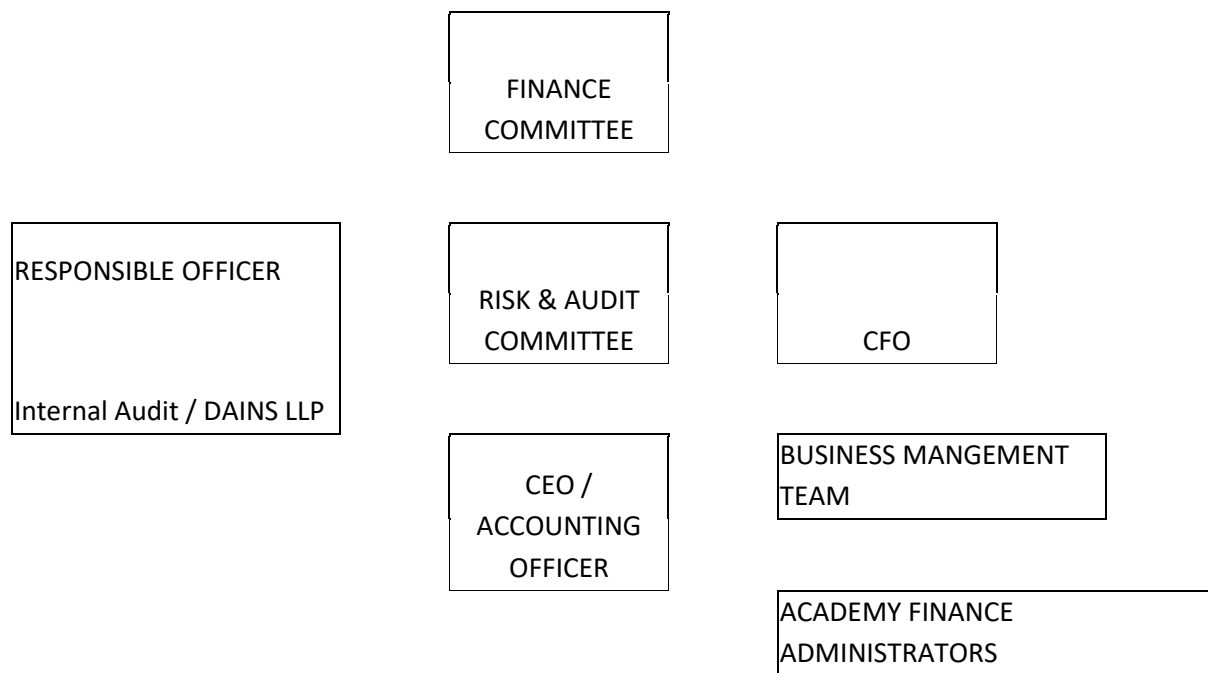
Holders of public office should promote and support these principles by leadership and example.

### **3. Organisation and Responsibilities**

The Board of Trustees have defined the responsibilities of each person involved in the administration of the Trust's finances to avoid the duplication or omission of functions and provide a framework of accountability for governors and staff

#### **3.1 Reporting Structure:**





### 3.2 Finance Committee

This committee has overall responsibility for administration of the Trust's finances, with main financial responsibilities of Local Governing Bodies prescribed in the Funding Agreement between the Academy and the DfE.

The main responsibilities include:

- Ensure the grant from the DfE and other Restricted funding is used for the purposes intended
- Ensure a Scheme of Delegation is in place
- Ensure assets are managed
- Ensure accurate accounting records are maintained
- Ensure the budget monitoring statements i.e. management accounts are a true and accurate record of income and expenditure

The main financial responsibilities of the Finance, General Purposes and Audit Committee are detailed in the terms of Reference, these include:

- Regular monitoring of actual expenditure and income against budget;

- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- Authorising the award of contracts up to the amount stated in the Scheme of Delegation (Appendix 1)
- Reviewing the reports of the Responsible Officer at Audit & Risk Committee on the effectiveness of the financial procedures and controls. These reports must also be reported to the governing body.
- To review the financial policies for the Trust and where necessary make recommendations to the Local Governing Body

### **3.3. Trustees**

In addition to tasks held by the Finance, General Purpose and Audit Committee and mentioned above, Trustees are responsible for the following:

- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- Approving the annual statutory accounts.
- Approval of the annual budget and any changes via re-forecast during the year e.g. BFRO (which is now included within the BFR exercise)

### **3.4. CEO**

The CEO has overall executive responsibility for the Academies under the MAT and is the named Accounting Officer for each Academy. The CEO retains responsibilities for:

- Approving new staff appointments within the authorised establishment (after agreement has been sought from the MAT/Governing Body for recruitment to occur).
- Authorising contracts up to the amount stated in the Scheme of Delegation (Appendix 1), reporting these decisions to the Finance Committee.
- Signing cheques when no other signatories are available (although this is now minimal), as detailed in the scheme of delegation.

- Charge Card Holder

The funding agreements identify the CEO as the Accounting Officer who is personally responsible to the Trust Board for:

- Ensuring regularity and propriety
- Prudent and economic administration
- Avoidance of waste and extravagance
- Efficient and effective use of available resources; and
- The day-to-day organisation, staffing and management of the academies

The Accounting Officer has the duty to take action if any Local Governing Body or Chairman is contemplating a course of action, which he or she considers an infringement of propriety or regularity. Objections should be put in writing to the Local Governing Body and details should be sent to the Permanent Secretary and the academy's external auditors. The Accounting Officer may delegate, or appoint others to assist in these responsibilities.

### **3.6. Chief Finance Officer**

The Chief Finance Officer works in close collaboration with the CEO through whom he or she is responsible to the Board of Trustees. The Chief Finance Officer and Business Administration also has direct access to the Finance Committee.

The main responsibilities of the Chief Finance Officer are:

- The day-to-day management of financial issues including the establishment and operation of suitable accounting systems;
- The management of the academies' financial position at strategic and operational level;
- The maintenance of effective systems of internal control;
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of each academy;

- Preparation of monthly management accounts and presentation to Chair of Trustees via monthly telecon
- Ensuring forms and returns are sent to the DfE in line with their reporting deadlines.
- Signing cheques, although now minimal (as detailed in the scheme of delegation) / authorising BACS in accordance with the Bank Mandates.
- Liaison with payroll, preparation of staff claims and reconciliation of payroll data from the Academies' payroll service provider.
- Management of the Academies' Service Level Agreements
- Authorising requisitions and the award of contracts up to the amount stated in the Scheme of Delegation (**Appendix 1**)

### **3.5. Responsible Officer**

Checks and balances need to be put in place to ensure that the financial management arrangements within the MAT are monitored. The DfE (Department for Education) requires a Responsible Officer (RO) to be appointed to fulfil this role.

The Responsible Officer is appointed by the Trust Board and is intended to provide an independent oversight of the Academy's financial affairs. The main duties of the RO are to provide the Trust Board with on-going independent assurance that:

- The financial responsibilities of the Trust Board/Finance, General Purposes and Audit Committee are being properly discharged;
- Resources are being managed in an efficient; economic and effective manner;
- Sound systems of internal financial control are being maintained; and
- Financial considerations are fully taken into account in reaching decisions.

The MAT has appointed Dains LLP and 80/20 (Rainbow) Financial Management Ltd Internal Audit to act as an external body to independently undertake the duties of the Responsible Officer across the MAT. A programme of checks will be agreed and the auditors will carry out financial reviews in order to provide the Trust Board and indirectly the Department for Education with the required assurance. These reviews

will be undertaken termly. The RO will undertake the checks and balances in line with recommended practice and any checks that the Trust specifically requires.

General areas for review will cover the following:

- Review that bank reconciliations have been carried out at least each month
- Review of monthly payroll to ensure that any changes have been appropriately authorised and agreed (refer to Finance, Personnel committee and SLT minutes)
- Check sample orders to delivery notes and invoices to ensure that the documentation is complete and has been appropriately checked and authorised.
- Check of sample payments back to invoices, orders and delivery notes to confirm they are bona fide purchases.
- Review a sample of expense claims to ensure the appropriate documentation to support the claim and that the claim is appropriately authorised.
- Review returns to Department for Education to ensure the information supplied is consistent with the underlying records and internal management reports.
- Review all major contracts and ensure formal tender procedures exist and are being followed.

Dains LLP and 80/20 (Rainbow) Financial Management Internal Audit will produce a full report after each RO visit to the relevant committee and these will be reported back to the Board of Trustees.

### **3.6 The Business Management Team and the Finance Administrators**

The Business Management Team and the Finance Administrators work in close collaboration financially and are responsible to the Chief Finance Officer and Business Administration for finance duties.

The main responsibilities include:

- Day to day financial transactions

- Cash and debt collection and reporting
- Weekly banking and reconciliation
- Order and invoice processing
- Payroll processing including transacting overtime and additional hours

### **3.7 Headteacher**

The Headteacher at each Academy will assume the financial responsibilities if the Executive Headteacher or CEO is absent for a long period of time.

### **3.8 Other Staff**

All staff are responsible for the security of Academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and conformity with the requirements of the MAT's financial procedures.

### **3.9. Register of Business Interests**

It is vital that Trustees, governors and staff act, and are seen to act, impartially. All members of each governing body and staff are therefore required to complete a declaration of business interests. All staff are also required to complete declaration of additional employments.

Declarations should include all business and pecuniary (monetary) interests such as directorships, shareholdings and other appointments of influence within a business or other organisation. They should also include interests of related persons such as a parent, spouse, child, cohabitee and business partner where that person could exert influence over a governor or member of staff.

Academies must pay no more than 'cost' for goods or services provided to it by persons with an interest in the MAT, ('services' do not include services provided under a contract of employment).

The existence of a register of business interests does not of course detract from the duties of Trustees, Governors and staff to declare interests whenever they are relevant to matters being discussed by the Governors, Trustees or a Committee. Where an interest has been declared, Governors and staff should not attend that part of the

meeting. It is the role of the Business Team and Clerk to the Governors to ensure the Register of Business Interests is up to date.

#### **4. Financial Planning**

The Chief Finance Officer and Business Administration will prepare both medium and short-term financial plans for the MAT and each Academy within it. These plans are prepared to inform the MAT's strategic development planning processes for the next 3 years.

Each Academy's Strategic Plan identifies the development plan priorities over the medium term and the expected level of resources available. Each Academy's Annual School Improvement Plan provides the framework for the annual budget. The Annual budget is a detailed statement of the expected resources available to each Academy and the planned use of those resources during the year.

#### **5. Annual Budget**

The Chief Finance Officer and Business Administration, in liaison with the CEO is responsible for the preparation and obtaining approval for the annual budget from the Board of Trustees.

The approved budget must be submitted to the DfE by the published timetable each year. The Chief Finance Officer is responsible for establishing a timetable which allows sufficient time for the approval process and ensures the submission date published by the DfE is met.

The annual budget will reflect the best estimate of the resources available to each Academy for the forthcoming year and will detail how those resources will be utilised establishing clear links to support the objectives identified in the School Improvement Plan.

The budget planning process will incorporate the following elements:

- Forecasts of likely pupil numbers to estimate the amount of DfE grant receivable
- Review of other income sources
- Review of past performance against budgets

- Identification of potential efficiency and budget containment actions
- Annual review of expenditure headings to reflect known changes and expected variations in costs e.g. pay increases, inflation or other anticipated changes.

The draft budget should be presented to the CEO, the Finance, General Purposes and Audit Committee together with a supporting report for approval and then ratified by the Board of Trustees. Once the budget is agreed this should be communicated to all responsible budget holders to ensure they are aware of the overall budgetary constraints and should be input on the Academy finance system (currently Access Education Finance). The budget should be seen as a working document which may need revising throughout the year as circumstances change. Any revision should be reported to the relevant Committee through the Chief Finance Officer's Report to Trustees. Any substantial changes must be approved in accordance with the Scheme of Delegation – **Appendix 1**.

## **6. Budget Management**

The Chief Finance Officer will ensure reconciliation of all Bank Accounts at least monthly and produce detailed management accounts by establishment and consolidated monthly.

The CEO, Finance, General Purposes and Audit Committee and Headteachers of each Academy will receive at least half termly budget monitoring reports from the Chief Finance Officer on current spend against budget and forecast outturn expenditure. Recommendations will be suggested regarding appropriate action to be taken to correct any significant over or under spending and plans formulated for consideration at the Finance Committee.

The Chief Finance Officer will ensure consolidated Trust finance reports with supporting narrative are presented to the Chair of Trustees monthly.

The CEO or Heads of School may delegate elements of the budget to staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the Academies as a whole. Delegated budget holders will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are accountable to their Headteacher who is

responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored and managed. Any potential overspends against the budget must in the first instance be discussed with the Chief Finance Officer. The accounting system will not permit payments to be made against an overspend budget without the approval of the Chief Finance Officer.

The Finance Committee will continually monitor the quality of the financial information presented to the Committee to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative. The original Budget must be set in the Access Budgeting software system. Formal virements are not monitored now following the move from FMS6 – moreover variances are discussed as part of the management accounts reporting process

## **7. Accounting Systems**

### **7.1 Financial Accounting System**

The MAT uses Access Education Finance Systems and all financial transactions must be recorded using this system. Access rights within Access Education Finance are defined for each user with a unique ID and password. Users are detailed in the Scheme of Delegation (Appendix 1).

- All financial transactions relating to each Academy's budget must be recorded using Access Education Finance.
- There must be a clear audit trail for all financial transactions from the original documentation to accounting records. Finance records must be stored for 6 years in accordance with the Companies Act.
- Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.
- Authorisation and supervisory controls should be adequate to ensure transactions are properly recorded or that errors are identified.
- All records should be protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.
- The finance systems must be protected by robust back up procedures. Each system is backed up automatically via Cloud (previously on server disc space)

held on site) and also held off site which can be accessed remotely through each academy's normal back-up routines.

## **7.2 Transaction Processing**

- All journal transfers and transactions in the Nominal Ledger will be processed by the Chief Finance Officer or a nominated member of staff.
- Cash Book entries will be made by the Chief Finance Officer or nominated member of staff.
- Fixed Asset transactions will be made by the Chief Finance Officer.
- Orders on requisitions authorised in accordance with the scheme of delegation (**Appendix 1**) will be raised by the Central Business Team.
- Invoices will be processed ready for payment by the Accounts Payable Resource within the Business Team.
- Sales Ledger & Purchase Ledger transactions will be processed by the Business Team.
- BACS or Manual Payments should be raised by the Chief Finance Officer and countersigned in accordance with the Bank Mandate as per Scheme of Delegation (**Appendix 1**).
- The Chief Finance Officer will obtain and review system reports to ensure only regular transactions are posted to the accounting system.
- The Chief Finance Officer will ensure monthly reconciliations in respect of the sales ledger; purchase ledger, payroll, nominal ledgers and cash book.

## **8. Payroll**

The main elements of the payroll system are:

- Staff Appointments
- Payroll administration
- Payments and monitoring

### **8.1 Staff Appointments:**

Each Local Governing Body approves a personnel establishment for their Academy which is known as the Staffing Structure and forms part of the Pay Policy. Material changes to the Staffing Structure of the Academy may only be approved by the Finance, General Purposes and Audit Committee who must ensure that adequate budgetary provision exists for any established changes and after the required period of consultation with unions and staff. Any Trust-wide appointments must be approved by the MAT Board of Trustees, after consultation with each Local Governing Body. The CEO has the authority to appoint staff within the authorised staffing structure, whilst following the appointment process as set by each Local Governing Body every Autumn Term.

The MAT Business Team will maintain personnel files for all members of staff, which include contracts of employment.

## **8.2 Payroll Administration**

The MAT's payroll is now outsourced to SGW Payroll Ltd (SGW).

All Payroll transactions relating to staff, permanent or casual, will be processed through the payroll system. Payments for employment will not be made to staff via any other mechanism.

All new appointments, leavers, changes to contracts or personal details are to be notified to SGW using New Starter / Employee Change / Leaver forms.

System changes will be made by the Chief Finance Officer and signed by the CEO or if they are made by the Payroll & Pensions Manager, they must be authorised by the Chief Finance Officer, where it is reasonable to do so. In the case of changes to the CEO's salary, forms should be signed by the Chair of the MAT Pay Committee as per the Scheme of Delegation (**Appendix 1**).

Copies should be retained on the employee's personnel file.

All personnel files shall be stored in a lockable cabinet or by a password protected individual folder held on Sharepoint. Only the CEO and Business Team members will have access to staff files but individuals can request to see their own files in line with latest data protection policies.

The Finance, Payroll & Pensions Manager and HR Advisor are responsible for keeping the staff personnel database up-to-date via Access People system.

Absence records are maintained by the Business Management Team. Both paid and unpaid leave is notified to payroll using a spreadsheet which is sent to SGW.

Staff claims for overtime must be signed by individual line managers and checked by the HR Operations Manager. Claims for overtime / variance of grade of duties, casual claims and supply claims will be entered on to the spreadsheet provided monthly to SGW Payroll. It will be countersigned by the Chief Finance Officer and sent to payroll in line with their cut off timetable.

### **8.3 Payments and Monitoring**

All salary payments are made by BACS. SGW submit payroll reports prior to salary payments being dispatched detailing costs and individuals' payment details. A BACS report is also submitted for the Trust. The Chief Finance Officer will undertake a sensibility check on gross pay to prior month whenever possible to ensure the data does not contain major errors prior to salaries being paid.

The Chief Finance Officer will undertake a reconciliation of all claims for additional hours / unpaid leave and investigate any differences between the previous months' gross salary against the current months.

The payroll system automatically calculates the deductions due from salaries to comply with current legislation.

SGW are authorised to make BACS payments from the designated bank account (currently Perry Hall Primary) by direct payment for the amounts of the deductions to the following agencies: Local Government Pension Schemes, Teachers Pensions, The Peoples Pension, Unison & GMB and Paycare by the 7th of the month following the pay run and to HMRC by the 19<sup>th</sup> of the month following the pay run.

The Chief Finance Officer will enter the payroll data into Access Education Finance via Journal Transfer upload at the earliest opportunity following month end.

Each year the Chief Finance Officer will check each member of staff's gross pay against the payroll system to the contract of employment and budgets.

## 9. Value for Money (VFM) Procedures

All orders for goods and services are subject to the following rules concerning quotes and tenders below:

<b>Class 1 Contracts – Low value transactions</b>	£0 - £2,000	Headteacher to authorise requisition and forward to central team for order placement. Due regard <b>must</b> be paid to the desirability of securing value for money by verbal enquiry and written confirmation.  Any file notes <b>must</b> be kept to indicate the action taken.
<b>Class 1a Contracts – low to intermediate value transactions</b>	£2,001 - £15,000	Head of Finance/CEO to authorise requisition. (Facilities & Estates Manager can authorise up to £15,000)  Any file notes <b>must</b> be kept to indicate the action taken.
<b>Class 2 Contracts – Intermediate value transactions</b>	£15,001- £50,000	At least three written quotations <b>must</b> be invited where practical and reasonable to do so before a purchase order is placed or contract is entered into, specifying the goods, materials, equipment, services or works and setting out prices, terms and conditions of contract and terms of payment.  Governor approval must be sought prior to placing a purchase order or entering into a contract.
<b>Class 3 Contracts – Tender procedures for high value transactions (not over the EU threshold)</b>	£50,001 – EU threshold	A formal tender process <b>must</b> be conducted in the manner outlined in the requirements for Class 3 Contracts.
<b>Class 4 – Procedures governed by EU Directives</b>	Over EU threshold	Full tendering and EU procurement procedure <b>must</b> be conducted. NB: The thresholds for Class 4 contracts are subject to revision every two years and schools will be notified accordingly.

- Note although the Chair of Trustees has an approval limit of £15,000 he still wishes to be notified of any transactions in excess of £10,000. This includes at order stage and once any singular item is paid in weekly BACS runs.

## **10. 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:

### **10.1 Open Tender:**

This is where potential suppliers are invited to tender. The budget holder must discuss and agree with the Chief Finance Officer to advertise for suppliers. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

### **10.2 Restricted Tenders:**

This is where suppliers are specifically invited to tender and are appropriate where:

- There is a need to maintain a balance between the contract value and administrative costs,
- A large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy requirements,
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

### **10.3 Negotiated Tender:**

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

- The above methods have resulted in either no or unacceptable tenders,
- Only one or very few suppliers are available,
- Extreme urgency exists,
- Additional deliveries by existing supplier are justified

## **10.4 Preparing for Tender**

Full consideration should be given to:

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

It will be necessary to rank all the requirements and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

## **10.5 Invitation to Tender**

**An invitation to tender should include the following:**

- Introduction/background
- Scope and objectives of the project
- Technical requirements
- Implementation of the project
- Terms and conditions of the tender
- Form of response

## **10.6 Aspects to consider**

### **Financial**

- Comparison of like with like cost and if a lower price means a reduced service or lower quality this should be borne in mind when reaching a decision
- Hidden costs – care should be taken to ensure tender price is the total price.
- Is there scope for negotiation?

### **Technical**

- Qualifications of contractor
- Experience
- Descriptions of technical and service facilities
- Compliance to CDM
- Certificates

- Quality control procedures
- Details of previous sales and references

### **Other considerations**

- Pre sales demonstrations
- After sales service
- Financial status of supplier

## **10.7 Tender Acceptance Procedures**

The tender invitation will state the time and date by which the completed tender document should be received by the relevant Academy. Tender submissions should be:

- received in plain envelopes clearly stating they contain tender documents they must be
- Date stamped and marked with the time of receipt
- Store, unopened, in a secure place prior to tender opening
- Tenders received after the deadline should not normally be accepted

## **10.8 Tender Opening Procedures**

All tenders should be opened at the same time and tender details should be recorded and signed. Two persons should be present at the opening of the tenders this would normally be from the Facilities & Estates Manager, Chief Finance Officer and the CEO. In some circumstances this could be delegated to an agent who has been employed by the Academy to undertake the tendering process i.e. a facilities management company.

## **10.9 Tender Evaluation Procedures**

The evaluation process should involve at least two people. Those involved should disclose all interests, which may influence their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

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

Full records should be kept of all criteria used for evaluation and for contracts over £25,000; a report should be prepared to the Finance, General Purposes and Audit Committee.

The accepted tender should be one that is economically most advantageous unless it can be demonstrated that this is not the best option for the Academy and other factors outweigh any monetary savings.

## **11. Purchasing**

The MAT 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. The CEO is responsible for ensuring procedures are in place for testing the market, placing of orders and paying for goods and services by following the general principles

of:

- Probity – an approach to all interested parties in the disclosure of information that lends itself to necessary scrutiny.
- Accountability – the process whereby individuals are responsible for their actions and decisions.
- Fairness – that all those dealt with by the MAT are dealt with on a fair and equitable basis.

The Chief Finance Officer will ensure that there is a clear separation of duties within the Business team, which would, if combined, enable one individual transaction to record a complete transaction.

### **11.1 Orders for goods and services**

Academy staff should raise a request to order goods or services using a requisition form (**Appendix 2**) available from each front office or on Sharepoint.

Where the value of an order is over £2000, the requisition must be submitted to the appropriate Executive Headteacher for authorisation. Orders will be processed formally in the system only if the documentation and suitable authorisation limits are

present and correct. Advice about suppliers or obtaining best value is available from the Chief Finance Officer.

- Upon receipt of a requisition form the requisition must be authorised by a signatory in line with the Scheme of Delegation (Appendix 1).
- Official orders will be raised through Access Education Finance and scanned / e-mailed or posted to the supplier by the Central Business Team.
- Telephone/direct verbal ordering will be permitted only in situations where raising an official order is not practicable and always with prior approval from the Chief Finance Officer. In such cases, a confirmation order will be raised as soon as possible, normally within 24 hours.
- Requisition forms must be attached to the Access Education Finance generated order.

## **11.2 Delivery of Goods and Services**

- On receipt of goods a member of the relevant Academy's office staff (preferably a member of staff who did not raise the requisition) will check the goods received, match the delivery note and sign the note to confirm this.
- The office staff will check the delivery note against the original requisition to ensure the correct goods have been dispatched and then attach the delivery note to the original requisition form in the file
- The member of staff will raise any discrepancies with their Finance Administrator for investigation
- The office staff will despatch goods to the staff who requested the goods
- The member of staff who requested the goods must ensure that the goods received are of acceptable quality, any goods that are rejected must be notified to their Finance Administrator within 2 days of delivery.
- The signed delivery note should be sent to the Business Team for checking and the invoice should be submitted directly to the business team in physical copy or preferably electronically to [t.invoices@perryhallmat.co.uk](mailto:t.invoices@perryhallmat.co.uk).

## **12. Payment of Accounts**

## **12.1 Processing of Invoices**

Payment for supplies and services will be paid upon receipt of an invoice when:

- It is confirmed that goods or services have been received and are of the quality expected as per section 11
- The invoice is arithmetically correct
- Prices are correct
- VAT has been treated correctly

Any copy invoices will be checked thoroughly before processing for payment, in order that duplicate payment can be avoided.

At least two people must be involved in the process of agreeing invoices and authorising payment. The Business Team Accounts Payable resource will do the above checks and pass to the Chief Finance Officer for authorisation. The Chief Finance Officer will authorise the payment of the invoice. All invoices are to be processed through Access Education Finance, payments generated via BACS / FPO or cheque (in limited cases) and authorised in accordance with the Bank Mandate.

## **12.2 Payments to individuals**

Payments can be only made to individuals on production of proof that they are self-employed. They should produce proof of their Unique Tax Reference. (UTR). If they cannot provide proof of this, payment cannot be made to the individual via an invoice and they can only be paid via payroll and therefore must complete all the normal pre-employment checks.

## **13. Other Purchases**

The MAT recognises that there are instances when it is not possible to process orders for goods and services in the normal way and items such as ingredients for cookery may have to be purchased and claimed back. Staff must always obtain prior approval before making any purchases that they require reimbursement for.

### **13.1 Internet Purchases & Charge Card Purchases**

Internet & charge card purchases should be authorised before a purchase is made.

- Requisitions are required as per '*ordering goods and services*' procedures above.
- The CEO and the Chief Finance Officer hold charge cards for orders placed over the internet, in addition to local Finance Administrators and certain Central Team members.
- The charge cards should be held securely by named card holders at all times and the PIN codes not disclosed to any other party.
- Once the charge card statements arrive, costs are journalled appropriately into the accounts by the Business Team.
- All receipts should be reconciled by front office administrators and missing receipts will be highlighted to the appropriate Academy for explanation.

### **13.2 Reimbursements to individuals**

For reimbursement of cash transactions:

- Requests for reimbursement to individuals are to be made on the Expenses Claim Form and MUST be supported by receipts for the goods/services received.
- Reimbursement may be refused if the Chief Finance Officer considers maverick purchasing methods have been used, or the member of staff did not seek prior approval.
- The person being reimbursed signs for receipt of the reimbursement
- The reimbursement is recorded in Access Education Finance as soon as possible and the transaction number recorded on the documentation
- Further detail can be found within the separate Chargecard Policy

## **14. Income**

The main sources of income for the MAT are the grants from the ESFA and the Local Authority. The receipt of these funds is monitored by the Chief Finance Officer who is responsible for ensuring all grants due to the Academies within the MAT are collected.

### **14.1 Income collected by the MAT Academies**

Each Academy collects income from parents or the public for:

- School Meals
- Trips and residential visits
- Breakfast & After School Club
- Terrific for Two's
- Other miscellaneous income including school fund donations

Each Academy's Finance Administrator is responsible for the day to day administration and collection of income.

#### **14.2 Trips / Activities**

A lead teacher must be appointed for each trip. For every trip or activity an On / Off Site Activities form must be completed. The relevant Academy's Finance Administrator is responsible for budgeting for the trip and collecting the sums due and liaising with the Lead Teacher over amounts outstanding. There must be evidence that there is no intention to make a profit from any trip or activity via review with the Business Team. Cash/cheques sent in via pupils must be placed in the class collection boxes which are taken to the office each morning. Parents may also pay at reception although this is discouraged as we drive to be cashless via Parent Pay, the use of which is being increased across the Trust. All payments are recorded in the class payments book and on the relevant income spreadsheet.

#### **14.3 Lettings**

Lettings across all MAT sites are currently administered via the Business Management Team and invoiced accordingly each month.

#### **14.4 Custody**

All cash and cheques must be held in each Academy's Finance Office safe prior to banking. Banking will take place monthly as a minimum. Monies are collected by Security Plus monthly due to the increased use of Parent Pay and banking reports are submitted to the Chief Finance Officer via Lloyds for cross referencing.

Each Academy's Finance Administrator is responsible for preparing paying-in documentation. A summary of the weekly banking should also be recorded in the school office. The Finance Administrator should input the banking amounts into Access Education Finance and the Business Team should complete reconciliations between sums collected, the sums deposited at the bank and the sums posted to the accounting system during routine month end procedure.

#### 14.5 Debtors

Debts under £50 may be written off by the CEO/Chief Finance Officer.

Debts over £50 may be written off only with the approval of the Finance, General Purposes and Audit Committee. Write-off 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** for any academy trusts that have not submitted timely, unqualified financial returns for the previous two financial years. This category includes new academies that have not had the opportunity to produce two years of financial statements; and
- cumulatively, 5% of **total annual income** in any one financial year per **category of transaction** for any academy trusts that have submitted

Debts above the level as detailed in the funding agreement must be submitted to DfE for approval to be written off.

The following debt recovery policy will be applied to invoiced amounts:

- If payment has not been received 30 days after invoice a reminder will be sent asking for payment within 7 days.
- If payment is not forthcoming, a further reminder will be sent, requesting immediate payment or contact to arrange repayment by instalment.

- If payment is still not forthcoming, for debts over £100, a letter will be issued to put the matter into the hands of a nominated Solicitor if payment is not received within the next 7 days.
- If not received after 7 days, the nominated Solicitor will be asked to pursue the debt and the debtor will be notified accordingly.
- Debts of £100 and less will be pursued without reference to the nominated Solicitor and will be reported on at Resources Committee meetings where members will decide on action to be taken.
- A separate Debt Policy is in place for debts including dinners, trips, residentials and extended school services.

## **15. Cash Management**

### **15.1 Bankers**

The MAT have appointed Lloyds as their bankers for all funds. The opening of all bank accounts must be authorised by the Trustees who must set out in the Scheme of Delegation the arrangements covering the operation of accounts. This should include any transfers between accounts, cheque signing arrangements and the operation of systems such as BACS which must also be subject to the same level of control.

### **15.2 Deposits**

Particulars of any bank deposit must be entered on a paying-in slip and should include:

- The amount of the deposit
- Breakdown of cash
- Cheques must have a separate paying-in slip

The copy of the slip retained in the paying-in book should include:

- The amount of the deposit
- Details and ledger code for the type of income
- The Security Plus Collection Bag Reference Number
- Signature of person preparing the banking

Summary of monthly banking must include:

- Bag numbers and the amount
- Security Plus collection receipt attached

### **15.3 Payments and withdrawals**

All cheques and other instruments authorising withdrawal from any of the Academies' bank accounts must bear signatures / electronic signatures in line with the scheme of delegation. Cheque requests are sent into the Central Business Team and raised accordingly.

### **15.4 Bank Reconciliations**

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

- All bank accounts are reconciled to Access Education Finance system
- Adjustments and queries are dealt with promptly.

### **15.5 Charge Cards**

Charge cards are issued to personnel under the Scheme of Delegation for the purposes of paying for goods and services when the normal ordering processes are not possible.

Charge card holders will:

- Ensure cards are held securely on their person (or within school safe if preferred)
- Ensure PIN numbers are not disclosed to any other persons
- Report any instances of unauthorised card use to their Finance Committee
- Report the loss of card or PIN details to the Bank immediately via the Chief Finance Officer.
- Additional detail can be found in the separate Chargecard Policy

### **15.6 Cash Flow Forecasts**

The Chief Finance Officer is responsible for preparing cash flow forecasts to ensure that each Academy has sufficient funds available to cover day-to-day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds.

### **15.7 Investments**

Investments – generally moving excess funds to deposit accounts - must be made only in accordance with approval by the Finance Committee via Chair / Vice Chair under a separate Investment Policy.

### **15.8 Reserves**

The Budget is managed in line with the MAT's Balances and Reserve Policy which is reviewed annually.

## **16. VAT**

### **16.1 VAT Claims**

The MAT is registered for VAT. Under legislation VAT claims can be made on expenditure supporting the Trusts' core business purposes. Claims will be made to HMRC by Dains LLP on a quarterly basis with consequent cash transfers and postings transacted by the Strategic Head of Finance & Business Administration.

## **17. Fixed Assets**

The treatment of Fixed Assets is detailed in the MAT's Fixed Assets Policy.

## **18. Academy Inventory**

The inventory detailing the 'portable' and 'desirable' items e.g. laptops will be kept up to date at all times by Academy Finance Administrators via the Parago system with central reporting and control co-ordinated by the Central Business Team.

Local reporting and control is via the front office administrators. Other stock e.g. stationery although not reported as a Balance Sheet item is maintained via the front office staff in each academy.

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## **19. Computer Systems**

Systems should be in place to protect key computer data and control features will include:

- Back-up Procedures
- Passwords
- Disaster recovery plans

## **20. Reporting to the DfE**

Each new Academy is required to submit reports to the DfE in the following areas:

- Financial Management and Governance

## Appendix 1 – Schemes of Delegation for all schools within the Trust

### Scheme of Delegation

#### Authorising Orders for Goods and Services, Authorising Payments & Entering into Contracts

Position	Name	Limit / Restriction
Finance Committee	Chair	All expenditure over £15,000 – Decision recorded in minutes
CEO	Amarjit Cheema	Up to £15,000
Chief Finance Officer	Jeremy Parkes	Up to £15,000 – Weekly summary to be provided to Chair of vendor payments of over £10,000
Facilities and Estates Manager	Marc Webb	Up to £15,000
Executive Headteacher Headteacher / Head of School	D Asbury / R Kohli Various	Up to £5,000 Up to £2,000

#### Authorisation to Make Virements from Reserves or Between Cost Centres

Position	Name	Limit / Restriction
Finance Committee	Chair	All expenditure over CEO's limit of £15,000 – Decision recorded in minutes
CEO	Amarjit Cheema	Up to £15,000
Chief Finance Officer	Jeremy Parkes	Up to £15,000 – Weekly summary to be provided to Chair of vendor payments of over £10,000

### Users of Access Education Finance Financial Management System

<b>Position</b>	<b>Name</b>	<b>Limit / Restriction</b>
Chief Finance Officer	Jeremy Parkes	System Administrator
Business Management Team	Sue Abbotts, Kayleigh Nicholls, Jessica Evans, Raj Tunday, Katie Doran	Full Access
CEO	Amarjit Cheema	On request
Financial Administrator	Front Office Staff	Enter & Authorise only

### Certification of Payroll Documents

<b>Position</b>	<b>Name</b>	<b>Limit / Restriction</b>
Pay Committee	Chair	To authorise pay awards (with the exception of the CEO) once approved by committee
CEO	Amarjit Cheema	Change of contract etc. if input by CFO
Chief Finance Officer		Reports re new starters, change of contract etc. if input by Payroll & Pensions Manager of monthly claim forms, once authorised by phase leaders

### Certification of Travel Claims

<b>Position</b>	<b>Name</b>	<b>Limit / Restriction</b>
Chief Finance Officer	Jeremy Parkes	£50 per claim
CEO	Amarjit Cheema	Claims over £50 and any CFO claims
Finance Committee	Chair	Travel claims of CEO over £50

### Authorisation to Write Off Bad Debts

<b>Position</b>	<b>Name</b>	<b>Limit / Restriction</b>
CEO	Amarjit Cheema	Up to £50
Finance Committee	Chair	Over £50 recorded minutes
Secretary of State		Detailed in Funding agreement

### **Completion of VAT Returns**

<b>Position</b>	<b>Name</b>	<b>Limit / Restriction</b>
Dains LLP		Quarterly Return

### **Opening of Tenders**

**This will be agreed on an individual tender basis by the Finance, General Purposes and Audit Committee or the Local Governing Body**

## Appendix 2 – Goods/Services Requisition Form

<b>e.g. PERRY HALL PRIMARY</b>  Order Request Pro Forma				
<b>Supplier :</b>		Please explain why / how these purchases fit into your subject / phase plan -		
<b>Address :</b>				
<b>Budget :</b>				
<b>Catalogue / Ref No.</b>	<b>Quantity</b>	<b>Item Description</b>	<b>Net Price Per Item</b>	<b>Total Net Price</b>
<b>ORDER TOTAL</b>				
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <b>Authorised</b>            .....            .....         </div> <div style="width: 35%;"> <b>Date</b>            .....         </div> </div>				