
Finance Policy

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1.0 Introduction

- 1.1 The purpose of this document is to ensure that the Diocese of Hereford Multi-Academy Trust (Trust) maintains and develops systems of financial control, which conform to the requirements of both propriety and good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreements with the Department for Education (DfE)
- 1.2 Each academy within the Trust must comply with the principles of financial control outlined in the academies guidance, published by the Education Skills & Funding Agency (ESFA) in the Academy Funding Agreement and the Academies Trust Handbook.
- 1.3 The Trust will ensure all staff, including the Accounting Officer, the Head of Finance and Resources, Headteachers, Business Managers and members of the Central Finance Team, who deal with financial matters, are trained in the appropriate financial procedures. The Trust's Finance and Resources Committee, a sub-committee of the Trust Board, will be responsible for reviewing all controls and procedures of financial systems operating within the Trust.
- 1.4 The Trust is a company limited by guarantee, with charitable status, and is governed by a Board of Directors. The membership and main responsibilities of the Board are set out in the written terms of reference. The Directors have opted to establish separate committees, to be known as Local Academy Boards/Strategic Task Groups (LAB's/STG's) for each academy and will ensure that, where possible, each LAB/STG shall include at least one elected representative of the parents of pupils attending the relevant academy.

2.0 Purpose of this document

- 2.1 The purpose of these Financial Regulations is to provide control over the Trust's resources, and to provide management with assurances that the resources are being properly applied for the achievement of the Trust's objectives on a sustainable basis including:
 - Financial sustainability
 - Achieving value for money
 - Fulfilling its responsibility for the provision of effective controls over the use of public funds
 - Ensuring that the Trust complies with all relevant legislation; and
 - Safeguarding the assets of the Trust.

3.0 The status of these regulations

- 3.1 These regulations are applicable to all academies, projects, and Central Office service provision.
- 3.2 The Finance Regulations are relevant to the Trust and academy staff at all levels:
- All staff with duties involving financial management and administration should be made aware of the contents of this policy and have access to it.
 - It is the responsibility of each Headteacher to ensure that staff follow the requirements of this policy.
- 3.3 The Chief Executive Officer (CEO) reserves the right to suspend and/or withdraw delegated authorities, in whole or part, where these regulations are not being adhered to, this would effectively withdraw authority to spend on staffing or other resources.
- 3.4 Compliance with these Regulations is compulsory for all staff. A member of staff who fails to comply with the Regulations may be subject to disciplinary action, under the Trust's disciplinary policy. Any such breach will be notified to the Board through the Finance and Resources Committee.
- 3.5 In exceptional circumstances, the Finance and Resources Committee may authorise a departure from the regulations, but such a departure is to be reported to the Board at the earliest opportunity.

4.0 Trust Roles and Responsibilities

- 4.1 The main responsibilities of the Trust are prescribed in the Funding Agreement with the ESFA. The key responsibilities include:
- Ensuring the grants from ESFA are used only for the purpose intended;
 - Approval of the annual budget in line with ESFA guidelines and timelines;
 - Balancing its budget from year to year;
 - Production of an Annual Report and Accounts;
 - Appointment of auditors;
 - Appointment of a Chief Executive Officer (as Accounting Officer);
 - Appointment of the Trust Head of Finance and Resources in conjunction with the Chief Executive Officer (CEO);
 - Ensure regularity, propriety, and value-for-money, in relation to the management of public funds;
 - Executive pay setting by the Board, must ensure decisions follow a robust evidence-based process;
 - Annual letters to the Accounting Officer from the ESFA, regarding the Accountability Framework, are discussed at the Board; and

- To consider and agree the annual programme of internal scrutiny.
- 4.2 Subject to provisions of the Companies Act, the Articles, and to any directions given by special resolution, the business of the Trust will be managed by the Directors, who may exercise the power of the Trust.
- 4.3 The Trust has defined the responsibilities of key committees and staff involved in the administration of the academy finances to avoid duplication or omission of functions, and to provide a framework of accountability for LAB/STG members and staff.
- 4.4 The following sections summarise the responsibilities of those individuals with key roles in the administration and accountability of the Trust finances:

5.0 Trust Board of Directors (The Trust)

- 5.1 The Trust is responsible for ensuring that high standards of corporate governance are maintained, addressing such matters as:
- Finance policy development and strategic planning;
 - Ensuring sound management and administration of the Trust and its academies and ensuring that managers are equipped with relevant skills and guidance;
 - Ensuring compliance with general legislative requirements;
 - Establishing and maintaining a transparent system of prudent and effective internal controls;
 - Management of the Trust's financial, human, and other resources;
 - Monitoring performance and achievement of objectives and ensuring that plans for improvement are acted upon;
 - Setting the Trust's standards of conduct and values;
 - Assessing and managing risk (including the preparation of a statement on academy risk management, for its annual report and accounts); and
 - To hold to account the CEO and Trust staff.

6.0 Finance and Resources Committee

- 6.1 The key responsibilities of this committee include:
- Monitor and review the financial position of the organisation and ensure there is proper focus on academies who are struggling with sustainability, or who are non-compliant with this policy;
 - Recommend approval of individual budgets to the Board and act as approver for significant transactions, within the Scheme of Delegation;
 - Agree the financial strategy of the organisation;
 - Monitor capital projects and procurement, pensions and pay; and
 - Ensure the financial governance responsibilities of the Board are being met.

6.2 The Committee also has delegated responsibility for risk management and audit which include:

- Monitoring and evaluating the work of internal auditors, external auditors, and the compliance function;
- Keep under review the adequacy of the effectiveness of internal controls;
- Review the overall risk profile of the organisation; and
- Monitor the integrity of the financial statements.

7.0 Chief Executive Officer/Accounting Officer

7.1 The Chief Executive Officer (CEO) has overall responsibility for the Trust's activities, including financial activities. As the Accounting Officer for the Trust, the CEO is personally responsible for:

- Propriety and regularity of public finances, for which they are answerable; this covers standards, conduct, behaviour, and corporate governance;
- The upkeep of proper accounts;
- Prudent and economical administration;
- Avoidance of waste and extravagance;
- Ensuring value for money;
- Efficient and effective use of all available resources; and
- Management of opportunities and risk.

7.2 The essence of the role is a personal responsibility for:

Regularity – dealing with all items of income and expenditure, in accordance with legislation; the terms of the Trust's funding agreement and this policy and compliance with internal Trust procedures; this includes spending public money for the purposes intended by Parliament.

Propriety – The requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary control. This covers standards of conduct, behaviour, and corporate governance.

Value for Money – This is about achieving the best possible education and wider societal outcomes through the economic, efficient, and effective use of all the resources in the Trust's charge, the avoidance of waste and extravagance and prudent and economical administration. A key objective is to achieve value for money, not only for the Trust, but for taxpayers, more generally.

7.3 In practice, much of the financial responsibility is delegated to the Head of Finance and Resources, but the CEO still retains responsibility for:

- Approving new staff appointments, outside of the agreed staffing structure and budgets, except for any senior staff posts, which the Directors have agreed should be approved by them;
- Authorising orders, contracts and signing cheques/releasing payments in conjunction with other authorised signatories, in accordance with the agreed Scheme of Delegation.
- Preparing budget plans in conjunction with the Head of Finance and Resources, in line with ESFA guidelines, implementing in line with the Trust's budget;
- Seeking the Trust Board's approval for purchase orders or contracts, in excess of delegated thresholds;
- Submitting records to the Trust Board, giving details of income, expenditure, and commitment to date, ensuring any actions resulting from the annual audit are implemented.

8.0 Role of the Head of Finance and Resources

8.1 The Head of Finance and Resources works in close collaboration with the CEO, through whom they are responsible to the members. The main responsibilities of the Head of Finance and Resources are:

- Day to day management of a suitable accounting system
- Financial issues, including the establishment of operating the Trust's central budget and individual management of the academy financial position at a strategic and operational level within the framework for financial control determined by directors;
- Preparation of budget plans in conjunction with the CEO and Headteachers;
- The maintenance of effective systems of internal controls;
- Maintenance of adequate fixed asset registers;
- Liaising with auditors to ensure that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust;
- The preparation of monthly management accounts, including income and expenditure reports;
- Cash flow forecast and balance sheet;

- Ensuring forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance additional roles, some of which are not directly finance related, as outlined in the Head of Finance and Resources' job description; and
- Consideration of novel, contentious or repercussive transactions before they are entered into and reported to the ESFA

9.0 Role of the Central Finance Team

9.1 The duties of the Central Finance Team are to provide support for all academies and the Central Team, in the following areas:

- PS Financials;
- HCSS Budget planning software
- Year-end accounts
- Annual Accounts Return
- VAT and tax returns
- ESFA returns, such as Land & Buildings, Asbestos
- Due diligence reports; any other financial responsibility; and
- Support to new academies joining the Trust.
- Insurance Claims
- Any other statutory/regulatory requirement e.g., Gender Pay Gap, Streamlined energy and carbon report (SECR).

10.0 The role of the Local Academy Board/Strategic Task Group (LAB/STG)

10.1 The role of the LAB/STG in academy financial administration is:

- To plan the overall budget, including priorities for future expenditure;
- To submit the budget plan to the Trust Board for approval;
- To maintain a register of pecuniary interests for Governors and staff.

11.0 Role of the Headteacher/Executive Headteacher/Head of Academy

11.1 The day-to-day operation of the budget is delegated to the Headteacher, who will be responsible for:

- Preparing the School Improvement Plan and academy budget, in accordance with the priorities agreed by the LAB/STG members and submission of these plans to the Academy Board for approval;
- Managing internal control systems and internal financial transactions in accordance with the Trust's Financial Policy;
- Maintaining adequate financial records in accordance with Academies Trust Handbook;

- Ensuring procurement limits and authorisations, as identified in the scheme of delegation, are correctly followed;
- Providing monthly budget monitoring report to LAB/STG members; this should report any variations in expenditure against the approved budget plan;
- Ensuring that information required for returns to ESFA and the Trust are submitted according to published deadlines;
- Access to accounting and other relevant records to Audit, including academy fund(s), and implementing auditor recommendations, where necessary;
- Checking that the academy inventory is maintained as accurately and up to date as possible and ensuring that an independent check of the inventory is made at least once a year;
- Recommending to Central Finance Team equipment to be written off or disposed of;
- Ensuring that, the disposal of any such equipment is adequately recorded.
- Ensuring that stolen items are reported to the Finance and Resources Committee, before formal approval to delete the item from the inventory/asset register is given and reported to the Trust, to report to ESFA as per audit requirements;
- Ensuring that adequate procedures are in place for the prompt security marking of all items of a portable and desirable nature;
- Ensuring that adequate controls are in place to ensure that all responsibilities delegated are monitored; and
- To maintain a central file of all submitted applications for grant funding and counter sign all submissions for audit purposes.
- Ensure that Motor Insurance is in place if required by the academy.

12.0 The role of the School Business Manager (SBM)/Finance Lead

12.1 Subject to individual job descriptions, the Headteacher may delegate financial procedures to the SBM. For academies without an SBM the Central Finance Team will support school-based administration staff to cover this role. The SBM's roles may include:

- Reviewing the monthly salary reports, signing, and dating these to confirm they are accurate and noting any queries;
- Providing budget monitoring/out-turn monthly reports for the Headteacher to present to the LAB/STG members, and submission as requested, to the Head of Finance and Resources;
- Ensuring that invoice checking procedures are followed:

- Ensuring that, in conjunction with the Headteacher, authorisation of orders, invoices and schedules are in accordance with this Financial Policy and the Academies Trust Handbook;
- Prompt and intact banking of income and associated recording of income in accordance with the Academies Trust Handbook;
- Where relevant, operating the local expenditure bank account as per the Academies Trust Handbook;
- Where relevant, administering the recording of income received and payments made from the academy fund;
- Retention of all documents, such as collection records and receipts to support the transactions;
- Preparation of the year end summary of transactions for inspection, in accordance with the Academies Trust Handbook;
- Assisting with the maintenance of an accurate inventory and associated security procedures; and
- Assist in the preparation of the three-year budget.

13.0 The role of Staff in academies

13.1 The role of Staff in academy financial administration is:

- To familiarise themselves with this policy;
- To conduct all financial transactions relating to the Trust in accordance with this policy;
- To manage any budget delegated to them by the Executive Head/Headteacher, after due consultation with relevant staff;
- To actively see 'best value' on all work, goods, materials, or services procured on behalf of the academy;
- To ensure that all relevant documents (delivery notes, invoices, etc.) are promptly passed to the SBM/Finance Led for processing;

14.0 Delegated Authority/Declaration of Interest

14.1 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, Directors, LAB/STG members and staff, who can influence financial decisions, 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.

14.2 The register is open to public inspection and should include all business interests, such as directorships, shareholdings, or other appointments of influence, within a

business or organisation which may have dealings with the Trust. The disclosures should also include any business interests of relatives, such as parent, spouse, or business partner, where influence could be exerted over a Member, Director, LAB/STG member or a member of staff by that person. It is also important to identify any connected parties or related parties with any other charity, company, or organisation with which it operates in the pursuit of charitable activities.

14.3 The existence of a register of business interests does not, of course, detract from the duties of Members, Directors, LAB/STG members and staff to declare interests whenever they are relevant to matters being discussed by the Board, committees, and LAB/STG's. Where an interest has been declared, Members, LAB/STG members, Directors and staff should withdraw from that part of any committee or other meeting.

15.0 Investigation of fraud & irregularity and cyber-crime

15.1 The personal responsibilities of the Accounting Officer extend to the prevention of loss through fraud and irregularity. However, in addition to the Accounting Officer's responsibilities, the Members of the Trust are also responsible for preventing such losses of public funds, this means that Members, Directors and LAB/STG members, must be aware of the risk of fraud and irregularity to occur within their organisations and they must, as far as possible, address this risk in their internal control and assurance arrangements, by putting in place proportionate controls. The Trust is also responsible for ensuring appropriate action is taken where fraud and irregularity is suspected or identified.

15.2 All instances of fraud or theft committed against the Trust, whether by employees, LAB/STG members or third parties above £5,000 (individually or cumulatively over a financial year) must be reported by the Trust to ESFA. Any unusual or systematic fraud, regardless of value, must be reported.

15.3 ESFA reserves the right to conduct or commission its own investigation into actual, or potential, fraud, theft, or irregularity, in any academy, either as a result of a formal notification from the Trust or as a result of other information received.

15.4 ESFA publishes guidance on fraud, and Trust's should refer to this guidance and to the findings of ESFA investigative reports as part of its risk management approach.

15.5 Academy trusts must also be aware of the risk of cybercrime, put in place proportionate controls and take appropriate action where a cyber security incident has occurred.

15.6 Trusts must obtain permission from ESFA to pay any cyber ransom demands. ESFA supports the National Crime Agency's recommendation not to encourage, endorse, or condone the payment of ransom demands. Payment of ransoms has no guarantee of restoring access or services and is likely to result in repeat incidents.

16.0 Appointment of External Auditors

16.1 The Trust is required to submit the accounts for annual audit. This means that external auditors need to be appointed. The appointment should be for a reasonable period and should be re-tendered every 5 years.

16.2 The auditors are required to give an opinion on whether:

- The financial statements have been prepared in accordance with Charity Commission's statement of recommended practice (SORP) and the Annual Accounts Directions issued by ESFA;
- Proper accounting records have been kept by the Trust throughout the financial year
- Grants made by ESFA have been applied for the purposes intended.
- The accounts present a true and fair view of the trust's financial performance and position.
- There is a satisfactory regularity assurance conclusion.

16.3 The Trust should arrange on-going monitoring of the performance of the auditors to be undertaken by the Finance and Resources Committee.

17.0 Accounting Systems

17.1 All the financial transactions of the Trust must be recorded on the PS Financials accounting systems, operated by the SBM/Finance Lead in each academy, as well as the Central Finance team.

17.2 Financial records are required to be kept for at least six years; this is a requirement laid down by Her Majesty's Revenue and Customs (HMRC)

18.0 System Access

18.1 The PS Financials accounting system is protected by access permissions to authorised staff. Access permissions should be strictly controlled, and individual logins and passwords should not be compromised. Access to PS Financials should be restricted, and the Head of Finance and Resources is responsible for determining the access levels for all members of staff using the system.

18.2 All leavers with previous access to PS Financials must have their access permissions formally removed.

19.0 Back-up Procedures

19.1 The Head of Finance and Resources is responsible for ensuring that there are effective back up procedures for the system. The Head of Finance and Resources should also prepare a disaster recovery plan, in the event of loss of accounting facilities or financial data. This should link with the annual assessment made by the Directors of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks.

20.0 Transaction Processing

20.1 All transactions input to the accounting system, must be authorised in accordance with the procedures specified. Detailed information on the operation of PSF 100 system can be found in the user manuals.

21.0 Transaction Reports

21.1 The Head of Finance and Resources will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The reports obtained and reviewed will include:

- Monthly payroll reports;
- Monthly bank statements reconciliations;
- Monthly credit card statements;
- Monthly VAT returns; and
- Management accounts summarising expenditure and income against budget, at budget holder level.

22.0 Reconciliations

22.1 The Central Finance Team, and individual school business managers, where relevant, are responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- Payroll;
- Bank balance per the nominal ledger to bank statement (carried out by Central Finance Team on behalf of the academy);
- Credit card;
- VAT;

22.2 Any unusual or long outstanding reconciling items must be brought to the attention of the Head of Finance and Resources as evidence of their review if material.

23.0 Annual Budgets

- 23.1 Annual budgets will reflect the best estimate of the resources available to each academy for the forthcoming year, and how those resources are to be utilised by each academy. There should be a clear link between the School Improvement Plan objectives and the budgeted utilisation of resources.
- 23.2 The budgetary planning process will incorporate the following elements:
- Forecast of the likely number of pupils, to estimate the amount of ESFA grant receivable;
 - Review of other income sources available to the individual academy within the Trust, to assess likely level of receipts;
 - Review of past individual performance against budgets, to promote an understanding of the Trust's cost base;
 - Identification of potential efficiency savings;
 - Review of the main expenditure headings in light of the strategic plan objectives and the expected variation in cost, e.g., pay increase, inflation, and other anticipated changes; and
 - Liaising with external agencies, including major suppliers, to ensure that the Trust's best financial interests are met.
- 23.3 Individual academy plans and budgets will need to be revised until income and expenditure are in balance. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding.
- 23.4 If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available.
- 23.5 If a potential surplus is identified at an individual academy within the Trust, this may be held back as a contingency or alternatively will be added to the academy's accumulated surplus (or to offset any accumulated deficit) at year-end.
- 23.6 It will be the responsibility of each LAB/STG to recommend an annual budget for submission to the Trust Board. Such recommendation should be clearly minuted, in good time, to allow prompt submission of aggregated plans to the ESFA and should be accompanied by a statement of assumptions and explanations behind the plan, so that if circumstances change, it is easier for all concerned to take remedial action.

- 23.7 The Head of Finance and Resources, in conjunction with the Chief Executive Officer, are responsible for preparing and obtaining approval for the Trust's annual budget, which aggregates the budgets of each academy in the Trust. The Directors must approve the budget.
- 23.8 The approved aggregated budget must be submitted to ESFA by end of August each year, or at a date specified by ESFA. The deadline date for submission of the academy budget is the 1st June, which allows sufficient time for the approval process.
- 23.9 Budgets should be seen as a working document which may need revising throughout the year, as circumstances change.
- 24.0 Budgeting Software**
- 24.1 All the budget information for the Trust must be recorded on the HCSS Budget systems, operated by the SBM in each academy, or the Central Finance Team.
- 25.0 System Access**
- 25.1 The HCSS Budget system is protected by access permissions to authorised staff. Access permissions should be strictly controlled, and individual logins and passwords should not be compromised. Access to HCSS should be restricted, and the Head of Finance and Resources is responsible for determining the access levels for all members of staff using the system.
- 25.2 All leavers with previous access to HCSS must have their access permissions formally removed.
- 26.0 Monitoring and Review**
- 26.1 Budget monitoring reports have been developed in which variances are highlighted for discussion as appropriate. The central finance team will produce monthly budget packs for each academy, including budget monitoring reports. The reports will detail actual income and expenditure against budget, both for budget holders and at a summary level for the Headteacher.
- 26.2 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. Any potential overspend against budget must, in the first instance, be discussed with the Head of Finance and Resources.
- 26.3 Each academy should present monitoring reports to the LAB/STG at least three times a year.
- 27.0 Cash handling**
- 27.1 The receipt of cash and handling of cash should be avoided. The Trust will enable access to on-line payment systems for all academies. Academies should inform all parents & carers that cash cannot be used to pay for goods & services.

- 27.2 Where cash payment is received as a last resort, for instance catering or trips, this must be reconciled on a daily basis, by a member of the academy office team (not a person involved in cash collection) to the receipts and signed as evidence of reconciliation. The cash totals need to be entered onto a banking sheet.
- 27.3 Cash should be banked as soon as possible and can be kept in a safe for no longer than one month prior to banking. Cash must be banked at the end of each half term, and not left in the safe over academy holidays. The SBM/Finance Led must reconcile the banking sheet to actual receipts.
- 27.4 Executive Head/Headteachers will need to carry out a risk assessment on the banking of cash. If the academy does not have access to a cash collection service, then, for safety reasons two members of the office staff will be required to take the cash to the bank.

28.0 Payroll

- 28.1 The main elements of the payroll system are:
- Staff appointments; and
 - Payroll administration payments.
- 28.2 The payroll is managed by the Central Finance Team, in conjunction with a payroll bureau.

29.0 Staff Appointment

- 29.1 The LAB's/STG's approve a personnel establishment for each academy in the Trust, and the Headteacher at each academy must ensure that adequate budgetary provision exists for any establishment changes. As set out in the scheme of delegation, permanent and temporary increases to the establishment list must be within agreed budget limits. No unbudgeted changes to the establishment can be made without approval from the Head of Finance & Resources.
- 29.2 Directors of the Trust have the authority to appoint the Chief Executive Officer and the Executive Head/Headteacher, at each academy. The appointment of the Head of Finance and Resources must be approved by the Directors of the Trust.
- 29.3 The Chief Executive Officer is responsible for ensuring that the Trust's pay policy is implemented.
- 29.4 The Chief Executive Officer is responsible for ensuring that the statutory obligations around Safer Recruitment policy and procedures are administered, and Academy Business Managers/Office Managers will be responsible for maintaining accurate records of all staff employed at their academy in a Single Central Record.

30.0 Payroll Administration

- 30.1 The Trust payroll is outsourced and administered by Inspire to Learn. Amendments to payroll data, e.g., appointments, resignations, pay changes and overtime, should be correctly authorised in line with the scheme of delegation and a record kept in personnel files.
- 30.2 All supply teachers, casual working and overtime claims must be checked and confirmed by a budget holder and must be forwarded promptly to the academies Business Manager/ Office Manager.
- 30.3 Any additional payments to staff must be correctly authorised and within agreed budget levels. Where additional hours will lead to an overspend these should be referred to the central team and Head of Finance & Resources for authorisation. Permanent increases to staff pay, outside of performance management and contractual incremental progression, must be authorised by the Head of Finance & Resources.
- 30.4 Authorisation of additional hours must always be made in line with the scheme of delegation. Staff cannot approve additional hours, expenses claims and any other payments for themselves. Advice should always be sought from the central team.

31.0 Payroll Payments

- 31.1 All staff are paid monthly by bank credit transfer to their bank accounts.
- 31.2 The Inspire to Learn payroll system automatically calculates the deductions due from payroll, to comply with legislation. The major deductions are for tax, National Insurance contributions and pensions.
- 31.3 SBM/Finance Lead/Central Finance Team should undertake a monthly reconciliation between the current month's actual expenditure and the budgeted payroll costs. Any variations should be investigated and reported to the Headteacher, and queries made immediately with Central Finance Team. Both the SBM/Finance Lead /Central Finance Team and the Executive Head/Headteacher should sign the reconciliation to verify the accuracy of the payments made.
- 31.4 The Trust has a responsibility for ensuring that all payments to individuals are subject to tax and National Insurance deductions, where appropriate. In order to achieve this, the following guidelines should be followed:
- An assessment must be made as to whether the individual is providing a contract of service (i.e., employed). If considered to be a contract of service, the individual shall be set up as an employee of the academy, before receiving payment through the payroll;

- Where an individual seeks payment from the academy for a contract of services, this must be in the form of an invoice.

Careful attention should be paid to repetitive payments to individuals.

32.0 Procurement

32.1 The Trust must be able to show that public funds have been used as intended by parliament. The Trust must ensure:

- Spending has been for the purpose intended and there is propriety in the use of public funds including any actual or perceived conflicts of interest
- Spending decisions represent value for money
- Appropriate internal delegation levels are applied
- Procurement rules and thresholds in the public contract regulations 2015 are observed
- Professional procurement advice is obtained where appropriate.
- For the avoidance of doubt, purchase of alcohol using school funding and Trust payment facilities is strictly prohibited.

32.2 The DfE provide a number of on-line resources to support academies in undertaking correct and effective procurement. This includes 'get help buying for schools'.

<https://www.gov.uk/guidance/buying-for-schools> SBM's should use these on-line services and access the available support as appropriate when undertaking procurement.

33.0 Routine Purchasing

33.1 Budget holders will be informed of the budget available to them as soon as the budget is formally ratified and approved by the Trust's Board. It is the responsibility of the budget holder to manage their element of the budget and to ensure that the funds available are not overspent.

33.2 It is essential that all of the following controls are adhered to:

- Orders should not be entered into verbally;
- The use of official requisition forms through the local system automatically updates the financial records and enables committed expenditure to be included in the monthly management information;
- Orders should only be approved in accordance with the authorised limits within the Scheme of Delegation;
- In exceptional circumstances (e.g., emergency repairs), orders may be placed by telephone; in such circumstances a confirmation order should be generated as soon as possible. Orders may be emailed/scanned to suppliers, in order to reduce timelines.

- Requests for prices for more one piece of work to be complete **must** be on separate quotations.
- 33.3 **Orders under £5,000** – can be ordered by budget holders, provided it is within their allocated, remaining budget levels. Budget holders will be responsible for ensuring that reasonable steps have been taken to achieve Best Value.
- Best Value should be achieved by:
- Supplier chosen from a list of approved suppliers;
 - Negotiating discounts;
 - Taking advantage of sale seasons; and
 - Obtaining alternative quotation, wherever possible.
 - Using the ‘buying for schools’ service <https://www.gov.uk/guidance/buying-for-schools>
- 33.4 **Orders over £5,000** – at least three written quotations should be obtained for all orders greater than £5,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and submitted to central finance team for review and subsequently retained by SBM/Finance Lead /Office Manager for audit purposes.
- 33.5 **Orders over £25,000** –must be approved by the CFO and will be subject to tendering to mitigate the risk of a potential breach of European procurement regulations where similar types of expenditure across several academies are aggregated together.
- 33.6 The academy budget holder, or the SBM/Finance Lead /Office Manager, must make appropriate arrangement for the delivery of goods and services to the academy. On receipt of goods and services, there must be a detailed check of the goods and services received, against the purchase order (or equivalent in exceptional circumstances). All discrepancies should be discussed with the supplier of the goods and services without delay.
- 33.7 All invoices should be sent to the SBM/Finance Lead /Office Manager or the Head Office to be checked against PS Financials numbered order (or equivalent in exceptional circumstances), and the delivery note to evidence the following:
- Invoice arithmetically correct;
 - Goods/services received;
 - Goods/services as ordered; and
 - Prices correct.

33.8 Invoices will be authorised for payment by the relevant budget holder and then passed to the SBM/Finance Lead/Office Manager or Head Office, for recording and payment through PS Financials.

34.0 Business Credit Cards

34.1 Business credit cards are held by named cardholders, in each academy or Central Office. Any cards held by anyone, other than the Accounting Officer, Headteacher or the School Business Manager/Finance Lead, will be linked to a specific cost centre, and should only be used to purchase goods from that cost centre.

34.2 Each cardholder is personally responsible for the safe custody of their card. The card should be held securely at all times and any loss of cards should be reported immediately. Both the cardholder and the budget house are jointly liable for the integrity of all transactions and proper controlled use of the credit card.

34.3 All receipts must be produced and reconciled monthly, to the monthly statement, by the SBM/Finance Lead or Central Finance Team and reviewed and signed off by the Executive Head/Headteacher.

35.0 Linked Policies

35.1 There are a number of policies that should be considered alongside this policy, which are:

- Procurement Policy;
- Income Policy;
- Budget and Financial Planning Policy;
- Pay Policy;
- Credit Card Policy; and
- Financial Probity.