



Finance and Purchasing Policy (Ref 17 MPTFPP)



# Mosaic Partnership Trust

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### History of most recent policy changes

<b>Version</b>	<b>Date</b>	<b>Page</b>	<b>Change</b>	<b>Origin of Change</b>
V1.0	01/08/2024	Whole Document	Adoption by the Mosaic Partnership Trust and Implementation	New Academy Trust best practise to adopt its own policy



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# Finance and Purchasing Policy (Ref 17 MPTFPP)

## 1.0 Introduction

The Finance and Purchasing Policy is to set out the high-level rules and guidelines for sound and effective financial procedures and compliance with the financial requirements specified in the Trust funding agreement with the DfE.

The Trust and all schools that fall within the Trust aim to operate in a transparent, ethical and accountable way, with integrity and equality which will promote effective financial and resource management.

The Trust will ensure that there are adequate systems of financial control which conform to the requirements of both propriety and good financial management developed and maintained across the Trust.

### Framework

The Trust must comply with the principles of financial control outlined in the academies guidance published by the Department for Education (DfE) including the Education and Skills Funding Agency (ESFA), Academy Trust Handbook (ATH), Academies Accounts Direction (AAD), Academy trust governance guide, the Master and Supplemental Funding Agreements and HM Treasury's "Managing Public Money".

This policy document must be adhered to by **all** schools within the Trust and should be read by all staff involved in financial transactions at least annually.

Changes may be required to Financial Procedures, if improvements are identified through routine practice, internal/external audit or a change in systems, structures or identified risks.

This document has been adopted by the Board of Trustees, as the basis for the administration and management of finances.



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## 2.0 Organisation

Mosaic Partnership Trust is a Multi Academy Trust. The Trust is a company limited by guarantee with charitable status and all schools within MPT are governed by one Trust (the Members) and a Board of Trustees.

There shall be a maximum of 6 and minimum of 4 Members of the Company.

The Members shall appoint up to 12 Trustees.

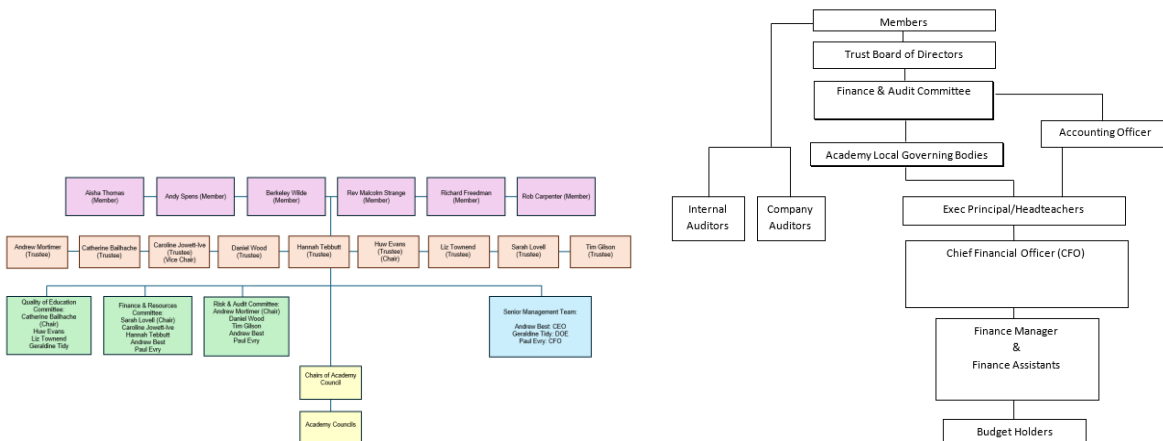
The Trust Board shall operate as specified in the Articles of Association which include Church Articles with the Diocese of Bristol. Trustees shall be appointed by the Members by majority in respect of their skills, knowledge and experience. 50% of the Trustee appointments are approved by the Diocese.

The Trustees shall establish a Quality of Education (QEC), Finance and Resource (FRC), and Audit and Risk Committee (ARC),

The Committees of the Board will provide oversight, monitoring and control of the financial situation, plans and budgets of the Trust and its constituent individual schools, and will oversee the policy frameworks of the Trust, in accordance with the Trust policy matrix.

The financial reporting structure is illustrated below:

**Insert updated Organisation Chart**





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### 3.0 Roles and Responsibilities

The main responsibilities of the Trust are prescribed in the Funding Agreements with the ESFA.

The key responsibilities include:

- ensuring that grants from the ESFA are used only for the purposes intended
- approval of the annual budget
- balancing its budget from year to year
- production of an Annual Report and Accounts
- appointment of auditors
- compliance with the Academy Trust Handbook, ESFA Academies Guidance issued from time to time and specific ESFA Academy reporting requirements
- appointment of a Chief Executive (as Accounting Officer)
- appointment of the Chief Finance Officer in conjunction with the Chief Executive
- ensure regularity, propriety and value-for-money in relation to the management of public funds. All Trustees shall complete a Declaration of Interest form on appointment and annually at the first board meeting of each academic year.

Subject to provisions of the Companies Act 2006, the Articles of Association and to any directions given by special resolution, the business of the Company will be managed by the Board of Trustees who may exercise all permitted powers of the Company.

The Trust has defined the responsibilities of key committees and staff involved in the administration of Trust's finances to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees, members of academy community committees, and Trust staff.

The Committees that have responsibilities relating to the Trust finances are as follows:

- Board of Trustees
- Finance and Resources Committee (FRC)
- Audit and Risk Committee (ARC)

The main responsibilities of these Committees are set out in the Terms of Reference.

The following sections summarise the responsibilities of those individuals with key roles in the administration and accountability of the Trust finances.

The **Chief Executive Officer** has overall responsibility for the Trust's activities including all financial activity. As the Accounting Officer (AO) for the Trust, the Chief Executive Officer is responsible for:

- propriety and regularity of the public finances for which they are answerable. This covers standards of conduct, behaviour and corporate governance
- ensuring that the academy trust's property and assets are under the control of the trustees, and measures exist to prevent losses or misuse
- ensuring bank accounts, financial systems and financial records are operated by more than one person
- keeping full and accurate accounting records to support their annual accounts



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- prudent and economical administration
  - avoidance of waste and extravagance
  - ensuring value for money
  - efficient and effective use of all available resources
  - management of opportunities and risks
  - safeguarding, health and safety and estates management

The essence of the role is responsibility for:

**Regularity** - dealing with all items of income and expenditure in accordance with legislation, the terms of the Trust's funding agreement, this Handbook 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 educational 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 generally and Accounting Officers must also adhere to the "seven principles of public life".

The Trust is required to produce a statement each year within the annual financial statements explaining how the Trust has secured value for money.

In practice, much of the financial responsibility is delegated to the **Chief Finance Officer** but the Chief Executive Officer still retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the Trustees have agreed should be approved by them which are limited to the Chief Executive Officer and Director of Education roles.
- authorising orders and contracts and signing in conjunction with other authorised signatories in accordance with the agreed Scheme of Delegation.
- preparing budget plans in conjunction with the Chief Finance Officer (Chief Finance Officer), Headteachers and School Business Managers.
- implementing expenditure in line with the agreed budgets.
- seeking Board approval for purchase orders or contracts in excess of delegated thresholds.
- submitting financial reports to the Board of Trustees
- ensuring any actions resulting from the annual and internal audit processes are implemented.

The **Chief Finance Officer** works in close collaboration with the Chief Executive Officer through whom he or she is responsible to the Trust. The Chief Finance Officer has direct access to the Trustees, Trust Senior Leaders, School Senior Leaders and Community Councils. This postholder has specific responsibility for finances relating to HR/Payroll, IT, Catering, and Premises/Estates.



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The main financial responsibilities of the Chief Finance Officer are:

- oversight of the day-to-day management of Trust finances including the establishment and operation of a suitable accounting system
- management of the Trust's schools' financial position at a strategic and operational level
- management of the Trust Central Finance Team
- preparation of budget plans in conjunction with the Chief Executive Officer, Headteachers and School Business Managers.
- the maintenance of effective systems of internal control
- verification of BACS payments in conjunction with another electronic signatory and signing the report in confirmation
- approve the trust's monthly payroll and disbursements to HMRC, pensions, and third parties
- liaising with the external auditors to ensure that the annual accounts are properly presented and adequately supported by the financial records of the Trust
- liaising with internal auditors to assist with the approved scheme of internal scrutiny
- carrying out recommendations raised by auditors and internal auditors.
- the preparation of regular management accounts, including forecast outturns and variance against approved budgets
- ensuring forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance
- undertake procurement across the Trust to achieve Value for Money
- contract management and alignment to ensure Value for Money
- management of Capital, Fixed Assets and Asset Management Planning

The **Headteacher (Executive Headteacher)** has overall delegated responsibility for the school's activities, including the financial activities.

The **Headteacher (Executive Headteacher)** main responsibilities include:

- the school's financial position at a strategic and operational level
- authorising orders with a cumulative value up to £10,000
- approving new staff appointments within the approved staffing structure, and approved by completing a recruitment authorisation
- proper and adequate financial systems and controls are adhered to
- is responsible for internal management and discipline

Other members of staff, primarily the **Trust Finance Manager, School Business Managers**, and **Finance Assistants** will have some financial responsibilities, and these are detailed in following sections of this policy.

All staff, irrespective of the post held, are responsible for the security and condition 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 Finance and Purchasing Policy and its procedures. Compliance with this policy is fundamental for all staff connected with the Trust. A member of staff who fails to comply with the Finance and Purchasing Policy may be subject to disciplinary action under the Trust's **Disciplinary Policy**.





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### 4.0 Financial Planning

The Academy Trust Handbook requires the Board to approve a balanced budget for the financial year. Budget forecasts must be accurate, based on realistic assumptions and reflective of lessons learned from previous years. The Trust must notify ESFA within 14 days if proposing a deficit revenue budget for the current financial year which it cannot address after taking into account unspent funds from previous years.

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

The medium-term financial plan is prepared as part of the strategic and improvement planning process which includes the Risk Register. The Trust Strategic Plan (3 years) and School Strategic Plans (annual) indicate how the educational objectives (and other objectives) are going to be achieved within the expected level of resources.

These plans provide the framework for the annual budget. 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 strategic planning process and the budgetary process are described in more detail below.

#### Trust Strategic Plan

The Trust prepares a strategic plan every 3 years (reviewed annually), setting out key educational plans for the next 3 years, in line with the overall vision and values, and demonstrates how this plan is resourced through an integrated curriculum and financial plan (ICFP). Plans should be kept relatively simple and flexible. They are the “big picture” within which more detailed plans may be integrated.

The context for the strategic plan is set by the Trust Board, with due regard given to the matters included within the guidance to Academies and any annual guidance issued by the DfE and ESFA. This plan could include educational priorities, pupil needs, assumptions on growth, changes in the balance of central, shared and delegated functions and knowledge of the areas for strategic investment and the management of key risks.

Each year the Chief Executive will propose a planning cycle and timetable which allows for a review of past activities, aims and objectives.

#### School Strategic Plans

The School Strategic Plans help provide the framework for the annual budget and should be read in conjunction with the school risk registers. The school strategic plans follow agreed Trust objectives annually, with the opportunity of schools setting an additional objective in the context of their school. Any additional objectives are agreed with the Chief Executive Officer and the Director of Education. The budget is a detailed statement of the expected resources available to the school and the planned use of those resources for the following year. The completed School Strategic Plans will include detailed objectives and are school improvement focused.

Any budget implications for the delivery of the school strategic plan or in managing risk through the risk register should include any estimated resource costs, both revenue and capital, and be assessed to ensure that financial resources are available to meet each objective.



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For each objective the lead responsibility for ensuring progress is made will be assigned to an appropriate member of staff who will monitor performance in line with the milestones set out throughout the course of the year. The progress against both the school strategic plan and the risk register are shared on a termly basis with the Academy Community Councils and through the scrutiny of the Chief Executive Officer and the Director of Education who have central oversight.

### Annual Budget Plans

The annual budget is prepared in the context of the strategic plan, across eight main strands:

1. **Pupil projections**
2. **Funding** forecast – the GAG funding for each academy
3. **Employees** – teachers, education support staff and all other non-curriculum staff
4. **Top-Slice** Contribution for delegated central services
5. Review of **other income** sources available to the Trust and constituent schools within the Trust to assess likely level of receipts
6. Review of the main **expenditure** headings considering the strategic plan objectives and the expected variations in cost, e.g. pay increases, inflation and other anticipated changes
7. **ICFP** (integrated curriculum financial planning), matching educational needs of the pupils by assessing the affordability of the curriculum
8. **Benchmarking** - Identifies Trusts and schools that are similar or with similar challenges to compare spending and structures.

### Process

Budgets will be prepared at ledger code level, aggregated into cost centres.

Ledger codes will be used for accounting for the use of specific grants or donations (especially where there are reporting or audit requirements) – the budget will demonstrate how funding conditions are to be met.

Cost centres will also be used to aggregate expenditure where that improves budget management and accountability. Activity where there is an expectation that income is sufficient to cover planned expenditure, such as out of hours and extended provision, school lunches and educational trips – the budget will identify any planned surplus or subsidy.

All budget lines will be assigned a profile, based on the flow of income or expenditure during the year. The main profiles are annual, quarterly, termly or monthly but additional profiles can be specified where appropriate.

The Chief Finance Officer (and Chief Executive) will work with Headteachers and School Business Managers to review all income and expenditure, reflecting on trends from the past and anticipating developments in the future. This process begins in the autumn term with a focus on teaching and learning, allowing the finance team to focus on the annual accounts and audit. The early start ensures that deadlines for staffing changes from September can be managed in advance of finalisation of detailed plans.

During the spring term these plans are reconciled with the funding forecasts and assumptions About pay awards, cost inflation and efficiency savings that have been reviewed by the Finance and Resource Committee (FRC).

The Chief Executive and Chief Finance Officer will make proposals for centrally managed activity, requiring a contribution from core funding from schools (Top-Slice), mindful of the essential educational spending requirements. In considering these proposals, the Chief



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Executive Officer, the Chief Finance Officer and the Director of Education will consider any feedback from schools before submitting proposals for recommendation to the Trust Board.

The employee scenario will be developed in accordance with the integrated strategic plan and reviewed by the Chief Executive and Chief Finance Officer. The approved employee scenario will serve as the foundation for the Staffing Establishment. Any changes during the year will require appropriate approval, considering the specific circumstances of each school.

Individual school plans and budgets will need to be revised until income and expenditure are in balance, and if this is not possible, a detailed summary and recovery plan will be required from the school for the Chief Finance Officer and Chief Executive.

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 savings can be made. This may entail prioritising tasks and deferring projects until more funding is available. Scope for efficiency savings through Trust wide procurement initiatives and local action will also be explored.

If a potential surplus is identified at an individual school within the Trust, this may be held back centrally within the Trust as a contingency or alternatively carried forward in the Trust to invest in the future.

The Chief Finance Officer will assess the financial risk associated with the proposed annual budget and make recommendations to the Finance and Resources Committee (FRC) in respect of mitigation and maintaining the appropriate level of Trust reserves.

The 03 MPT Reserves Policy details the approach the Trust takes towards retained surplus balances (free reserves).

Final budget proposals, implementation plans and appropriate engagement with key stakeholders takes place during the summer term and action is taken once the Trust Board has approved a recommendation from the Chief Executive, Chief Finance Officer and FRC.

### **Capital**

The programme of capital investment for the coming year and the medium term is prepared alongside the strategic plan and approved by the Trust Board prior to the start of the financial year.

The Capital Programme will set out the plans and priorities for bidding for, and using, capital grant as well as investment funded from revenue sources. The Capital Programme will focus on land and buildings but may include other facilities, including ICT. Priorities for investment in land and buildings will be informed by the building maintenance plans prepared with each school. Use of specific capital grants or donations must satisfy the relevant conditions determined by the funder.

Capital expenditure is expenditure that adds to the value of the Trust's fixed assets, the Trust must derive benefit for more than one year and the value of the transaction (or group of related transactions) must exceed £1,000. Expenditure on assets owned by the Diocese (or others) does not increase the value of the Trust's fixed assets and is, therefore, treated as a Diocesan capital grant.



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The use of the [Devolved Formula Capital Grant](#) (DFCG) is treated as capital expenditure.

DFCG can be used for:

- improvements to buildings and other facilities, including ICT, or
- capital repairs and refurbishments and minor works

If expenditure satisfies these conditions, it can be funded from DFCG. It is possible that spending may not exceed the capitalisation limit of £1,000 and as a result would not be entered into the fixed asset register. The definition rules out use of DFCG for routine repairs and maintenance, which should be met from the core revenue budget. The Capital Programme will identify the priorities for DFCG for the coming year, agreed with each school.

Some specific grants specifically preclude capital spending. This would demand that goods and services would normally be consumed within one year.

The preparation of the Capital Programme will be led by the Chief Executive/Chief Finance Officer. It will be reviewed by Audit and Risk Committee and proposed to the Trust Board.

### **Approval**

It will be the responsibility of the Finance and Resource Committee (FRC) to recommend for approval to the Trust Board an annual budget for the Trust and constituent schools. Such approval should be clearly minuted, and in sufficient time to allow prompt submission of aggregated plans to the ESFA. The budget 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.

The Chief Finance Officer, in conjunction with the Chief Executive Officer, is responsible for preparing and obtaining approval for the Trust annual budget, which aggregates all the individual school budgets within the Trust. The budget must be approved by the Trust Board.

The three-year financial forecast will be 'locked' as an approved budget on the budgeting system, including funding, staffing, expenditure and forecast pupil numbers.

### **Submission**

The approved aggregated budget and three-year financial plan (BFR - Budget Forecast Return) must be submitted to the Education and Skills Funding Agency (ESFA) on or around the last working day of August each year or at a date specified by the ESFA.

The Chief Finance Officer is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

Budgets should be seen as a **working document** which may need revising throughout the year as circumstances change to produce outturn forecasts.



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### 5.0 Budget Management – Monitoring and Review

The Academies Trust Handbook requires the AO to share management accounts with the chair of trustees monthly, and with the other trustees six times a year.

The DfE expects the Trust and its schools to use their allocated funding for the full benefit of their current pupils. Therefore, it is important that, if the Trust has a substantial surplus, it has a clear plan for how it will be invested to benefit both current pupils and to provide financial security for future pupils.

#### Monitoring Income and Expenditure

The Trust must prepare and monitor financial plans to ensure ongoing financial health and ensure rigour and scrutiny in budget management. The Trust will prepare management accounts every month and take appropriate action.

The management accounts, will be prepared for the Trust and constituent schools, must include an income and expenditure account, variation to budget report, and a forecast outturn.

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 be discussed with the Chief Finance Officer and the Headteacher.

The MPT protocol is for all constituent schools to have a reasonable level of autonomy in their operation. However, the Trust Board recognises that financial and operational autonomy are areas of highest risk to the overall efficient and effective functioning of the Trust as a whole. Therefore, these are the areas that need to be addressed immediately in terms of effective monitoring and evaluation of each constituent school in order that accurate assessment of each a school's position in relation to these two areas is made, identification of any issues to be addressed is timely and accurate, and plans for remedial action are structured and likely to be successful.

Different schools for various reasons may have more relative success in managing their budgets and in reacting to adversity caused by sudden changes and/or unexpected difficulties. It is the role of the Chief Executive, Chief Finance Officer and the Finance and Resource Committee to identify what is happening, whether there are remedial issues or not, and what would be most effective remedial action. Any reductions in operational or financial autonomy will be situation dependent and decided by the Chief Executive Officer and the Chief Finance Officer, with advice sought from the Chair of the Finance and Resource Committee (FRC), if appropriate.

A schedule for budget monitoring and management accounts, setting out timings and level of detail, will be prepared by the Chief Finance Officer for the year (Appendix B).

Headteachers and School Business Managers will review the management accounts and discuss risks, issues, adjustments, and add commentary with relevant actions.

Actions are likely to include:

- Corrections to coding of income or expenditure
- Collection of income due, through raising an invoice or following up anticipated grant or other funding (e.g. EHCP funding)
- Revision of spending plans for the remainder of the year
- A request for movement of funds from one budget heading to another (virement)
- Escalation to the Chief Finance Officer and/or Chief Executive



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Budget monitoring will be conducted by the School Business Manager and discussed with the Headteacher, using a BvAvC (Budget versus Actual and Commitments variance report) and a transaction report to ensure that only regular transactions are posted to the accounting system. Any irregular transactions should be reported to the Chief Finance Officer.

An explanation must be provided, to the Chief Finance Officer, for any budget line variances of over 2%/£2k (whichever is smaller) where any of the following apply:

- the variation requires is more than 2%/£2k of approved budget
- where the impact is ongoing
- where a variation remains unresolved

In-year budget adjustments (virements) are not permitted. Any deviations from the 'approved' budget must be clearly noted and justified based on the need for the change.

### **Managing Staffing Changes**

Headteachers (and the Chief Executive/Chief Finance Officer for the central team) have authority to appoint staff and manage contracts within their authorised Staffing Establishment. The Staffing Establishment provides details of the grade and contracted hours for each post.

Staffing changes can have significant financial implications, usually over a number of years. Headteachers (and the Chief Executive/Chief Finance Officer for the central team) have authority to appoint staff and manage contracts outside of their authorised Staffing Establishment, only where the financial implications are within their delegated authority and the proposed change has been approved by the Chief Executive/Chief Finance Officer.

Staffing changes outside of the authorised Staffing Establishment must follow the Trusts recruitment approval procedure (Appendix E).

School Business Managers (and the Chief Finance Officer for the central team) must advise the HR/Payroll provider as soon as they are aware that a member of staff is leaving and follow required procedures to ensure that pay, expenses and any debts are settled in a timely manner and avoid the risk of an overpayment.

### **Management Accounts**

Following completion of monthly checks by the Central Finance Team, detailed monthly management accounts are prepared by School Business Managers. These should be submitted to the Chief Finance Officer by working day 10 of the following month. The reports will detail actual income and expenditure against budget, and an outturn forecast report, both for Headteachers and at a summary level for the Chief Finance Officer and the Trust Board.

Monthly and quarterly balance sheet reviews will take place by the Central Finance Team to assess for any risk in the following areas: creditors, debtors, trip accounts, cashless system debts, capital projects and bank reconciliations. Any unquantifiable risks or opportunities identified during the reporting process should be reported to the Chief Finance Officer proactively so they can be monitored.

### **Key Performance Indicators**

Key performance indicators will be reported periodically, depending on the profile of the indicator, against a schedule agreed by the Finance and Resource Committee (FRC). A default schedule is provided at Appendix C.





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### 6.0 Income including Debt Management

The main source of income for the Trust comprises formula and specific grants from the ESFA and payments from the local authority (e.g. for children with high levels of SEND). The receipt and allocation of these receipts is the responsibility of the Trust Central Finance Team and is overseen by the Chief Finance Officer who is responsible for ensuring that all grants due to each school are collected.

The Trust also obtains income from:

- breakfast clubs
- after school clubs
- holiday activity schemes
- school meal sales
- uniform sales
- students, mainly for trips
- student teachers from universities and other institutions
- hiring of premises and facilities
- commissioned services to schools (e.g. school improvement)

Charges can also be made to students to defray the costs of certain activities. Such charges should be made in accordance with 13 MPT Charging and Remissions Policy.

For all fees and charges for goods and services delivered by the Trust the Central Finance Team will produce and issue a sales invoice to the relevant party, using the accounting system. A request is made by completing an electronic invoice request form, and this is notified to the Central Finance Team.

#### **Trips**

School trips are coded to a trip cost centre so that income and expenditure can be monitored and any school subsidy understood. A lead teacher should be appointed for each educational visit to take responsibility for the trip and for the calculation of the total trip costs. UK residential trips and day trip costs should be approved by individual Headteachers, and any overseas trip costs must be approved by the Chief Finance Officer. Once the trip and budget calculation has been authorised the trips co-ordinator will prepare a letter for each student intending to go on the trip showing the amount due.

#### **Bidding for External Funding**

Headteachers have authority to bid for additional funding up to £5,000. Above this level, additional approval is required from the Chief Finance Officer (up to £10,000) or the Chief Finance Officer and Chief Executive (over £10,000). These limits are to limit financial risk as a successful bid will generate an expectation of additional spending, outside of that within the 'approved' budget.

#### **Year-End Procedures**

The Chief Finance Officer will advise School Business Managers of the deadlines and procedures for closing the accounts for the academic year. This will include the treatment of income for goods and services delivered but not invoiced or paid, and for income received that relates to goods or services that will not be delivered until the next academic year.



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### Debt Management

The Trust chases all outstanding invoices should be reviewed each month by the Trust Central Finance Team, with debts over 60 days being brought to the attention of the Chief Finance Officer. Outstanding balances should be pursued to ensure that the Trust receives all monies due. Any outstanding debts must be paid before any continuation of service is considered

If the debt remains unrecoverable after 6 months, or it becomes clear that the debt will not be paid, the school must submit a report to the Chief Finance Officer to request approval for a write-off, setting out the background, action taken to recover the debt and avoid repetition and the impact on the budget of the write-off.

The following limits for debt write-off apply:

- Up to £500 – Headteacher
- £501 to £5,000 – Chief Executive/Chief Finance Officer, having first considered whether to engage a debt collection agency or legal advisers
- Over £5,000 – Trust Board

The delegated authority over different categories of financial transactions is set out below from the ESFA:

The Trust may write off debts and losses, including any uncollected fines up to the following delegated limits:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction
- cumulatively, 2.5% of total annual income (subject to a maximum of £250,000) in any 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
- cumulatively, 5% of total annual income (subject to a maximum of £250,000) in any financial year per category of transaction for any Academy Trusts that have submitted timely, unqualified financial returns for the previous two financial years

In relation to these limits, the amounts for write offs are before any successful claims from an insurer and total income is defined as grant income as disclosed in the Trust's last set of audited accounts.

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





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### 7.0 Expenditure

The ATH requires the Trust to obtain ESFA's prior approval for transactions beyond the trust's delegated limits, refer novel, contentious and/or repercussive transactions to ESFA for approval and make financial disclosures in the annual accounts in line with this handbook. The procurement of goods and services is one of the processes potentially most open to abuse or mismanagement and it is therefore necessary to have strong financial controls to safeguard the school's interests and to ensure staff are fully protected.

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

- orders for goods and services must not be entered into verbally
- staff must not place an unauthorised order with a supplier
- all orders for goods and services must be confirmed (approved) in writing/email, using an official purchase order, generated from the finance system. It is the responsibility of the budget holder to be satisfied that the work, goods, materials or services are appropriate and necessary, that there are adequate funds in the budget for that purpose and that sufficient quotations/tenders have been obtained
- orders must be raised directly on the finance system will be submitted to the budget holder (or Chief Finance Officer) for approval. The school finance team will ensure that the order is accurately coded, and that budget is available. Where the request for spend has originated from another member of staff within the school or team, a requisition form can be completed to capture relevant information and reduce the risk of error. A requisition must be routed via the budget holder, for approval, prior to an order being raised on the finance system. Individually numbered purchase orders will be produced by the finance system and will be dispatched to suppliers via email
- orders for contracted services, such as catering, cleaning and utilities should be raised in accordance with the contractual obligations and 'approved' budget
- copies of quotes can be scanned and uploaded to the finance system to accompany the order, for audit purposes. This is specifically required for all orders over £1,000 to facilitate approval by the Chief Executive or Chief Finance Officer and is best practice for all orders
- the use of Purchase Orders enables committed expenditure to be included in management information for users within the whole Trust
- only in exceptional circumstances (e.g. emergency repairs) orders may be placed by telephone. In such circumstances a confirmation order should be generated.
- orders may only be used for goods and services provided to the school
- The Trust Central Finance Team will be responsible for ensuring that reasonable steps have been taken to achieve Best Value.  
Best Value could be achieved by:
  - bulk purchasing of common consumables
  - negotiating discounts
  - taking advantage of sale seasons
  - obtaining alternative quotations wherever possible
- on receipt of the goods or services, the budget holder must arrange for the goods or services to be checked against the order and any discrepancies followed up with the supplier and noted. Where an order was raised on the finance system, the good/services must be processed within the system.

All expenditure outside of contracts as recorded on the contracts register must be the subject of an order raised through the finance system and authorised by the budget holder or Chief Finance Officer.



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Expenditure actioned through a Charge Card, is for exceptional cases, and must be supported by evidence of prior authorisation by the budget holder and be evidenced by a signed receipt.

### **Routine Purchasing**

Headteachers and School Business Managers (budget holders) will be informed of the budget available following formal approval of the budget by the Trust Board (see Section 4 – Financial Planning). 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.

Full information of approval thresholds is available in the Appendix A - Scheme of Delegation (finance extract).

### **Invoice Processing**

When invoices are received, it is essential to check that all the elements of the invoice are correct before passing for payment.

Purchase invoices (for the relevant school) should be sent to the School's Finance team to be checked against the finance system generated order (or equivalent in exceptional circumstances) and the delivery note to evidence the following:

- a) invoice arithmetically correct
  - b) goods/services received
  - c) goods/services as ordered
  - d) prices correct
  - e) that the invoice has not previously been paid
- Invoices will be authorised for payment if they match directly to the already authorised Purchase Order. Any which have discrepancies of more than £5 or 10% whichever is the greater, will be returned to the relevant budget holder for re-authorisation.
  - where delivery notes are not produced, then the receipt of goods and services should be confirmed in writing (email) or digitally on the finance system. All discrepancies should be discussed with the supplier of the goods and services 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 school and Central Finance Team should be notified.
  - a person with delegated responsibility, Headteacher or Chief Finance Officer will certify that the invoice is authorised for payment. This authorisation must be evidenced by a personal signature or email, attached to the invoice and uploaded to the finance system.
  - All non-order invoices must be processed on the finance system and be signed by the budget holder (or a person with delegated responsibility, Headteacher or Chief Finance Officer), indicating approval to pay, confirming that the goods or services have been received, and the invoice has not already been paid and that VAT is clearly shown.
  - valuable items that are portable and desirable should be security marked and added to the inventory or asset register, and stored appropriately

### **Payment of Invoices**

The Central Finance Team will prepare a weekly payroll (usually a Wednesday), considering the supplier's payment terms, and allow sufficient time for checking the invoice approval, bank details and amounts carefully. All invoices **must** have an approved and attached invoice.

The Central Finance Team will follow up any queries with the the relevant school, should there be any issue following the checks listed above.



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Once satisfied, the central team will complete the first layer of bank approval and notify the Chief Finance Officer / Chief Executive that a payment is ready to approve. The second approver may undertake random checks, requesting documentation from the central / school finance team(s). The Chief Finance Officer / Chief Executive will then complete the second layer of approval.

The BACS file will be uploaded to bank system and must be authorised by two of the nominated signatories.

BACS email remittances will be dispatched to suppliers by the Central Finance Team. The BACS run is filed with associated paperwork (electronic) in date order.

### **Charge Cards**

Staff whose role requires a charge card or trade card (e.g. Screwfix) will be required to sign the "Credit Card User" agreement. Cardholders will sign for and adhere to the terms of the agreement connected with the use of the card.

Authority to approve a charge card application rests with the Chief Finance Officer and Central Finance Team. Charge cards are held by named cardholders. The balance on each card will be cleared monthly and does not incur interest. Each cardholder is personally responsible for the safe custody of their card. Both the cardholder and the Central Finance Team are jointly liable for the integrity of all transactions and proper and controlled use of the procurement card. All VAT receipts and invoices must be produced and reconciled monthly to the monthly card statement by the card holder and reviewed and signed off by the Trust Finance Manager and Chief Finance Officer. The Central Finance Team will check each constituent school's monthly reconciliation to ensure that the charge card system is operating correctly.

Monthly card statements and monthly reconciliation statements, with accompanying scanned receipts **must** be sent to the Trust Finance Manager. A copy of the Charge Card monthly reconciliation sheet must be signed by the card holder and Headteacher. Once reconciled, checked and approved, the Trust Finance Manager will enter the monthly journal as part of the Trust monthly procedures.

A Trust charge card is only to be used when it is not practical to raise an order through the financial system. An internal order or requisition form should be used, with the expenditure authorised by the budget holder and card holder, in advance of the order being made. A copy of the signed form is to be held by the card holder, together with a copy of the VAT invoice or receipt, for reconciliation against the statement.

The card should be held securely at all times and if the card is lost or stolen, the cardholder will immediately notify the Central Finance Team to ensure the card is stopped and to ensure that there can be no fraudulent activity. A role change for a cardholder will necessitate a review of the authority to hold a card. The card will be surrendered in a timely manner upon leaving the Trust and all transactions will be recorded up to date.

The card must only be used for Trust business. The Chief Finance Officer manages credit and approval limits, and will make necessary arrangements with the bank. Where the Chief Executive holds a charge card it must be reconciled and passed to the Chair of the Trustees for signature.

### **Capital Expenditure**

Capital expenditure plans are captured in the Capital Programme, as reviewed by the Trust Board. Where a school or the central team have direct responsibility for the procurement and



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project management, the standard terms of this policy apply in budget management and the control of income and expenditure. For significant capital projects, the Trust may engage a third-party agent. If this involves arrangements which are not covered by this policy and the Procurement Policy, then prior approval from the Audit and Risk Committee is required.

Where there is an opportunity to secure external funding for a capital project outside of the planned Capital Programme, the scope and estimated cost must be reviewed by the Chief Executive/Chief Finance Officer. The Chief Executive/Chief Finance Officer will consider capacity, risk, cash-flow implications and value to the Trust and record their decision about whether to proceed or not.

### **Expenses**

Staff and/or volunteers should use the Mosaic Partnership Trust expenses claim form. Receipts must be scanned and attached to the claim form. The claim should then be sent to the for relevant authorisation. The claim form has guidance for inter-site travel. The Trust will not reimburse parking fines/toll fines and any penalties incurred on Trust business. Staff expense and subsistence claims are processed via a by member 'STAFF' account on the finance system, and once authorised and payment will then be made through the BACS system.

Please refer to 08 MPT Travel and Staff Expenses Policy.

### **Trustee and Councillor Expenses**

Trustees and Councillors can use the same expenses claim form. All expenses are paid via BACS into a nominated bank account.

### **Unacceptable Purchases**

As a Company limited by guarantee we must always show that we are using public funds judiciously. This means that all expenditure must be appropriate to our Objective which is the provision of education. The Trust annual accounts are public documents, and it is essential that any purchases reflect the prudent use of public funds.

This is an exemplar list of items that may not be purchased, this is not exhaustive:

- Alcoholic or equivalent for like non-alcoholic beverages.
- Gifts/gift cards/flowers for staff or volunteers including leaving gifts.
- The purchase of fuel for private vehicles.
- The purchase of accommodation or travel tickets for relations or friends.
- Purchases of food or drink that are not for use within the organisation.
- Personal phone (mobile) expenditure.
- Any purchase that if scrutinised could affect the organisations reputation.

### **VAT**

The central team will work with school finance teams to ensure that VAT numbers are entered for all Invoices, Charge Card and staff expenses payments where relevant. School Business Managers must ensure that any missing information on the VAT 126 report is provided to the Central Finance Team promptly to minimise the need for later adjustments and avoid delay in reclaiming funds due to the Trust. A VAT receipt is necessary if the VAT on staff travel expenses is to be reclaimed.

The VAT claim is completed by the Trust Finance Manager and is approved by the Chief Finance Officer. The claim should be submitted within six weeks of the end of the period.



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### **Year-End Procedures**

The Chief Finance Officer will advise School Business Managers of the deadlines and procedures for closing the accounts for the academic year. This will include the treatment of commitments for goods and services received but not invoiced or paid, and for payments made that relate to goods or services that will not be delivered until the new academic year.

All supplier statements should be checked upon receipt against supplier invoice details held on the finance system. If an invoice number and amount cannot be matched, then the supplier should be contacted to provide a copy invoice. The Central Finance Team will undertake an additional monthly review against the aged creditors list and notify individual schools of any issues identified with supplier balances.

### **Creating a new supplier**

All requests for new suppliers must be sent to the Central Finance Team, using 'MPT – New Supplier Form' and must be accompanied by the supplier's bank details and email address for remittances. Consistency in the setting up of new suppliers is required.

Particular attention and care will be taken with regards the provenance of suppliers' bank details. The bank details used should be checked from two different sources (e.g. new supplier form and purchase invoice) Subsequent requests from a supplier to amend their bank details should be challenged very carefully and processed with the greatest caution, since this is a significant area of risk from fraudsters.

Secondary checks with the supplier, via independent means is required to validate the changes. If there is any doubt about the validity of the change request, the payments should continue to be made to the original bank account.

The Trust has a responsibility for ensuring that all payments to individuals are subject to tax and national insurance deductions where appropriate. 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) or a contract for services (i.e. self-employed) under the IR35 Guidelines
- if considered to be a contract of service, the individual shall be set up as an employee of the school before receiving payment through the payroll
- where an individual seeks payment from the school for a contract for services, this must be in the form of an invoice and will be subject to IR35 checks using the HMRC "Check Employment Status for Tax" (CEST) tool.

Careful attention should be paid to repetitive payments to individuals and the engagement of interim contractors or consultants.

## **8.0 Purchasing**



## Finance and Purchasing Policy (Ref 17 MPTFPP)

The Trust is committed to achieving best value in its purchasing. This means we want to get what we need in the correct quality, quantity and time at the best price possible. A large proportion of the purchases will be paid for with public funds and we 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 and constituent academies
- **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.

The Trust must also adhere to the principles of 'Managing Public Money', these are the standards expected of all public services being: honesty, impartiality, openness, accountability, accuracy, fairness, integrity, transparency, objectivity and reliability.

The policy covers all spending on goods, equipment, materials and services for the Trust. However, particular care should be taken where items of expenditure have not been budgeted for and are not included in the Trust Strategic or School Improvement Plan.

### **Best Value Statement**

The Trust is accountable for the way in which its resources are allocated to meet the objectives set out in Section 4 – Financial Planning. The Trust Board need to secure the best possible education for children, in the most efficient and effective way, at a fair cost but with equality, diversity, inclusion and belonging at the centre of decision making. This will lead to continuous improvement in the Trusts educational offer, overall achievements, compliance obligations and services provided to schools.

### **What Is Best Value?**

The Trust will apply the four principles of best value:

1. **Challenge** - Is the Trust's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do schools want/need?
2. **Compare** - How does the Trust's academic performance and financial performance compare with other Trust's? How does it compare with similar (national) Trust's? How does its schools compare with local schools?
3. **Consult** - How does the Trust seek the views of stakeholders about the services the Trust provides?
4. **Compete** - How does the Trust secure efficient and effective services? Are services of appropriate quality, economic?

The executive team will apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the Trust
- the targeting of resources to best improve standards and the quality of education
- the use of resources to best support the various educational needs of all children and young people

This will apply to:

- **Staffing** - Staff will be allocated effectively to maximize teaching and learning.
- **Use of Premises** – Trust / School spaces will be used efficiently for teaching, support, and community.
- **Use of Resources** - Resources will be used to enhance teaching and learning provision.





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- **Quality of Teaching & Learning** - Curriculum and teaching will be high quality and meet children's needs.
- **Purchasing** - Purchasing procedures will ensure best value for money and follow the principles of this policy.
- **Children's Welfare** – The trust will ensure that school environment's support equality, diversity, inclusion, learning and well-being.
- **Health & Safety** – The Trust will ensure that school's will be safe for everyone.

### Single Action Waivers

Where it is appropriate and can be evidenced the use of a single action waiver may be used.

Formal tendering procedures may be waived in the following circumstances:

- in very exceptional circumstances where the Chief Executive decides that formal tendering procedures would not be practicable, or the estimated expenditure or income would not warrant formal tendering procedures
- where the timescale genuinely precludes competitive tendering. *However, failure to plan will not be regarded as justification for a single tender waiver*
- where specialist expertise, equipment or product is required and is only available from one source
- when the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate (so long as the requirement does not exceed 10% of the pre awarded contract value)
- where there is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering (so long as the requirement does not exceed 10% of the awarded contract value)
- where standardised products or services have been adopted by the Trust through a previous procurement competitive exercise.

Where it is decided that competitive tendering should be waived, the fact of the waiver and the reasons should be documented on a Waiver Form and attached to the order, prior to submission, which must be retained for auditable purposes. All single action waivers must be approved by the Chief Finance Officer. On instances when this process is used, this is reported to the Finance and Resource Committee.

### Retained Services

It may be beneficial to the Trust to retain the services of certain suppliers for essential services such as building maintenance etc. The value of such retained service agreements should be monitored throughout the year and any significant costs should be reported to the Chief Finance Officer.

### Contracts and Service Level Agreements

All contracts and service level agreements (SLA) should be approved by the Chief Finance Officer prior to the commencement of the contract. No contract/SLA for service/provision of goods, with duration of more than 12 months, can be entered into without prior authorisation from the Chief Finance Officer, irrespective of the value of the contract/SLA. Regardless of the contract/SLA value, if the duration of the contract/SLA is greater than five years, additional authorisation is required by the Chief Executive.



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### Authorisation Limits

Detailed below are the limits for authorising expenditure for goods and services. Headteachers, School Business Managers (Budget holders) can only authorise expenditure from their 'approved' budgets.

<b>Mosaic Partnership</b>	<b>Board of Trustees</b>	<b>Chief Executive Officer</b>	<b>Academy Community Councils</b>	<b>Headteachers</b>
<b>Scheme of Delegation</b>	<b>(Supported by Committees)</b>	<b>(Supported by the Executive Team)</b>		<b>(Supported by School Leadership Teams)</b>
Authorisation to commit to Revenue Expenditure within approved budget	FRC - £50,001 to £150,000  Board - Over £150,001	Chief Executive/Chief Finance Officer/DOE - Up to £50,000  Trust Finance Team - Up to £10,000	N/A	Headteacher - Up to £10,000  School Business Manager (Budget Holder) - Up to £5,000
Authorisation to commit to Capital Expenditure within approved budget	FRC - £125,001 to £200,000  Board - Over £200,001	Chief Executive/Chief Finance Officer - Up to £125,000  DOE Up to £50,000  Trust Finance Team - Up to £10,000	N/A	Headteacher - Up to £10,000





## Finance and Purchasing Policy (Ref 17 MPTFPP)

### 9.0 Procurement

When any contract or purchase is being considered, the principles of best value and not simply the price, will determine which supplier is to be used.

The following procurement procedures must be followed:

- If the anticipated value of a contract or purchase is **up to £5,000**, Headteacher, School Business Manager (budget holder) to authorise the order and the procurement must demonstrate value for money, and a written quote must be obtained from a supplier. More than one quote should be received, unless a preferred supplier is used.
- If the anticipated value of a contract or purchase is **between £5,001 - £25,000**, Chief Finance Officer to authorise the order and at least 3 competitive written quotations will be obtained from suitable suppliers and held on file.
- If the anticipated value of the contract or purchase is **above £25,001**, but lower than the Public Procurement Regulations 2023 (Agreement on Government Procurement) thresholds, the Trust will Undertake a formal tendering process, with approval from the Trust Board.

#### Public Contract Threshold Limits (inclusive of VAT)

Services or Goods	£214,904
Works (Buildings)	£5,372,609
Light touch regime	£663,540

Mosaic Partnership	Board of Trustees	Chief Executive Officer	Academy Community Councils	Headteachers
Scheme of Delegation	(Supported by Committees)	(Supported by the Executive Team)		(Supported by School Leadership Teams)
Placing Orders for Goods & Services	Approve a Competitive Tendering Policy	<p>Undertake formal tendering process for goods &amp; services over £25,001 following authorisation from Trust Board (Chief Executive/Chief Finance Officer)</p> <p>Authorise orders between £5,000 and £25,000 following receipt of three written quotes (Chief Finance Officer)</p>		<p>Authorise requisitions for processing as orders (Headteacher)</p> <p><i>Where a Federation has Head of School they can authorise up to a value of £1000</i></p>

Detailed arrangements for procurement (tendering arrangements) are set out in the Trust's **Competitive Tendering and Procurement Policy**.



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### 10.0 Payroll and Staffing

The main elements of the payroll system are:

- staff appointments / changes
- payroll administration
- payroll payments
- payroll and HR Record Keeping

#### Staff Appointments / Changes

The Headteacher (and School Business Manager) at each school, working with the Chief Finance Officer and Chief Executive **must** ensure that adequate budgetary provision exists for any necessary establishment staffing appointments, allowances and changes. The 'approved' employee scenario (see 4.0 – Financial Planning) will serve as the foundation for the Staffing Establishment. Any changes during the year will require appropriate approval, considering the specific circumstances of each school.

All personnel appointments and changes will be approved, dependant on category, by the Chief Executive, Chief Finance Officer, Headteacher and School Business Manager.

#### Category A Approvals

Roles for approval	Approval
Teaching posts (not in Category B)	School Headteacher
Non-teaching posts (not in Category B)	School Headteacher

#### Category B Approval

Roles for approval	Approval
Executive Headteacher, Headteacher*	Chief Executive Officer and Chief Finance Officer
Head of School, Deputy Head, Assistant Head, TLR post holder	School Headteacher, Chief Executive Officer and Chief Finance Officer
School Business Manager, Administrator, Site Manager, Caretaker	School Headteacher, Chief Executive Officer and Chief Finance Officer

#### Category C Approvals

Position of school (For all appointments)	Approval
Stabilise Schools (As per School Improvement Framework)	School Headteacher, Chief Executive Officer and Chief Finance Officer
Requires Improvement/Special Measures School	
School forecasting/operating a deficit budget	
New Headteacher (first year of full-time headship)	



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The Headteacher at each School oversees its recruitment, interviews, appointments and changes, following the relevant approval. The recruitment of staff is carried out by the individual schools. Adverts for staff appointments are carried out by schools, under the Trusts instructions. Following interviews designated staff in each school arrange for the necessary copy qualification documents, DBS checks, contracts and other documentation to be prepared and collated and the Single Central Record updated. Contracts are issued directly by the Trusts Payroll and HR provider.

### **Payroll Administration**

The Trust HR and payroll is administered by Educational Personnel Management (EPM). Amendments to payroll data, e.g. appointments, resignations, pay changes and overtime, are processed by EPM. The School Business Manager will inform the payroll provider immediately of approved appointments, leavers and changes. All casual working and overtime should be approved in advance, and all claims must be checked and approved by the school Headteacher and sent to EPM for processing in accordance with the SLA calendar. Casual working and overtime claims should be made monthly in a timely manner. Casual contracts should be reviewed annually, removing contracts that are no longer required.

The payroll provider processes the pension and payroll administration under an agreed Service Level Agreement. Any approved staffing appointments / changes will be updated in the MIS, payroll and finance/budgeting system so that personnel records and budget forecasts are updated accordingly.

School Business Managers are responsible for checking the produced 'draft' payroll variance reports and payslips against prior month reports / payslips, the staffing budget within the finance/budgeting system and local school records. They must ensure that the variance report is checked to confirm the changes against the prior month (starters, leavers, changes), and that all timesheet data is correctly captured, with any general queries being followed up with EPM.

Where there is limited segregation of duty from the administrator entering payroll variances (timesheets etc) to who authorises the payroll online, the Headteacher **must** approve the submission, via email or signing the final draft report, and this approval **must** be saved within the relevant payroll folder.

The School Business Manager will then 'approve' the payroll using the EPM portal, and by the authorisation date detailed in the SLA calendar.

The Central Finance Team complete the payroll journal postings to the finance system. This journal will be coded to the payroll control accounts, the bank, the relevant ledger codes and any routine recharge journals, for staff with multi-site contracts and to account for staff costs where a percentage is met from a specific grant. A payroll reconciliation (control accounts) forms part of the central finance monthly checks.

The Central Finance Team will reconcile the final payroll files against prior month reports and via the finance/budgeting software. Any variances that are found will be investigated and the findings will be reported to the Chief Finance Officer.

### **Payroll Payments**

All staff are paid monthly by bank credit transfer to their bank accounts on the 25<sup>th</sup> of each month, or on the preceding Friday should the 25<sup>th</sup> coincide with a weekend.

The EPM payroll system automatically calculates the deductions due from payroll to comply with legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts paid are summarised on the payroll reports, and EPM complete the returns to relevant third parties in respect of the payroll deductions, including pensions.



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The Central Finance Team will undertake a reconciliation of each individual payment against the latest payroll report / staffing budget report. Any variations should be investigated and reported to the Chief Finance Officer.

### **Payroll and HR Record Keeping**

The Chief Executive Officer and Chief Finance Officer are responsible for ensuring that the Trust's pay policy is implemented and adhered to and is responsible for ensuring that the statutory obligations around the safer recruitment policy and procedures are administered.

The Headteacher and School Business Manager will be responsible for ensuring the maintenance of accurate records of all staff employed at each school in a single central record. The Headteacher will also be responsible for monitoring that the single central record is accurate, fully up to date and complies with all legal requirements.

The files for each school are maintained locally (including contracts of employment and statutory employment records) for all members of staff in the school.

Personnel information whether on manual files or in a computer system is held under the guidance of the Chief Executive with access strictly limited to authorised officials only and separately on the Trust and schools MIS computer system for which relevant registration under the Data Protection Act is held.

### **Review of Staff Pay**

The Trust Pay Policy gives outline advice on pay awards, timings and process. The Finance and Resource Committee annually reviews the Pay Policy and any pay award values.

### **Severance Payments**

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

- whether such a payment is justified, based on a legal assessment of the chances of the Trust successfully defending the case at tribunal. If the legal assessment suggests a better than even chance of winning, there is no rationale for settling the case. But where the case will be lost, there is a justifiable rationale for the settlement
- if the settlement is justified, the Trust would then need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an Employment Tribunal) is likely to award in the circumstances

Special severance payments should not be made where they could be seen as a reward for failure, such as dismissal for gross misconduct or poor performance. The only acceptable rationale in the former case would be where the claimant will win an Employment Tribunal claim because of employment law procedural errors. In the latter, an acceptable comparison would be the time and cost of taking someone through performance management and improvement procedures.

If the Trust is considering making a compensation payment it must consider whether the proposed payment is based on a careful appraisal of the facts, including legal advice and that value for money will be achieved. It is also good practice as a Trust of course to consider whether particular cases reveal concerns about the soundness of the control systems; and whether they have been respected as expected. It is also important to take any necessary steps to correct identified control and procedural failings.



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Academy Trusts have 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.

Where the Trust is considering making a special staff severance payment or compensation payment of £50,000 or more above contractual entitlement, prior approval will need to be sought from HM Treasury, via the ESFA, before any such payment can be made. The Trust in this situation should speak to their ESFA contact at the earliest opportunity to discuss.

For the avoidance of doubt, the following examples illustrate where HMT approval would be required:

- statutory/contractual payment of £30k + enhancement of £30k = HMT approval not required
- statutory/contractual payment of £60k + enhancement of £30k = HMT approval not required
- statutory/contractual payment of £30k + enhancement of £50k = HMT approval required for the £50k enhancement only

Trusts should demonstrate value for money by applying the same scrutiny to a payment under £50,000 as those over £50,000 and have a justified business case. Settlements must not be accepted unless satisfying the conditions in this policy and in ESFA's guidance and submission template.

Additionally, in accordance with HM Treasury's Guidance on Public Sector Exit Payments, Trusts must obtain prior ESFA approval before making a staff severance payment where:

- the proposed special staff severance payment is for £50,000 (gross, before income tax or other deductions) or more
- a special staff severance payment for any value is proposed and the trust is under a Financial Notice to Improve (FNtI) or a Notice to Improve (NtI)
- an exit package which includes a special severance payment is at, or above, £100,000 (gross)
- the employee earns over £150,000 (gross). For this purpose, earnings will not include employer pension contributions

The Mosaic Partnership reserves the power to make **all** severance payments within the central Trust and this would be approved by the Trust Board based on a Business Case provided by the Chief Executive and Chief Financial Officer.

### **Compensation payments**

Compensation payments provide redress for loss or injury, for example personal injuries, traffic accidents or damage to property. If an Academy Trust is considering a compensation payment, it must base its decision on a careful appraisal, including legal advice where relevant, and ensure value for money.

Academy Trusts have 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, or for ex gratia payments, the ESFA's prior approval must be obtained.

The Trust should consider whether cases reveal concerns about the effectiveness of internal control systems and take steps to correct failings.



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### 10.0 Internal Control

The Academies Trust Handbook (ATH) requires the Trust to appoint an audit committee (dedicated or combined with another committee) to advise on the adequacy of the Trust's controls and risks. The Trust must manage risks, including contingency and business continuity planning and maintain a risk register. The Trust must have adequate insurance or be a member of DfE's risk protection arrangement, implement reasonable risk management audit recommendations and have procedures for whistleblowing and respond properly and fairly.

#### **Risk Management**

A Trust risk register reports and manages wider organisational risks (including financial risks) and the financial viability of the continuing operations of the Trust as a whole which is held maintained by the Chief Executive and Chief Finance Officer.

#### **Internal Scrutiny**

The Audit and Risk Committee advise on the Trust's programme of internal scrutiny, having regard to the level of risk, and will report to the Trust Board on the adequacy of the control framework (financial and non-financial) and the management of risk.

In relation to scrutiny, the Trust must:

- Check financial and other controls and risks.
- Oversee controls and risks at constituent schools.
- Ensure checks are conducted by someone independent, suitably qualified and experienced.
- Provide internal scrutiny reports to the audit and risk committee and make the findings available to all trustees promptly.
- Confirm in the governance statement which internal scrutiny option has been applied and why.
- Provide annual summary of internal scrutiny to ESFA by 31 December and provide other internal scrutiny reports on request.

#### **Register of Interests and Related Parties**

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 and staff (e.g. Headteachers, School Business Managers, Finance Officers etc.) 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.

The register is open to public inspections and should include all business interests such as Trusteeships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the Trust. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a Member, Trustee or a member of staff by that person. Relationships with connected parties will require high standards of accountability and transparency. Disclosure requirements extend to positions of control in other Trusts and charities.

All relevant business and pecuniary interests of Members, Trustees and senior employees must be published on the Trust's website and individual school websites.

The existence of a register of business interests does not, of course, detract from the duties of members, Trustees and staff to declare interests whenever they are relevant to Trustees





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being discussed by any committee. Where an interest has been declared, Members, Trustees and staff should withdraw from that part of any committee or other meeting.

All Trustees and staff who can influence financial decisions or spending powers will be required to make a declaration of business interests on and at the commencement of each academic year, or when such interest arises.

In relation to the register of interests and related parties, the Trust must ensure that:

- no member, trustee, community councillor, employee or related individual or organisation uses their connection to the Trust for personal gain
- the board chair and the accounting officer manage their relationships with related parties to avoid real and perceived conflicts of interest
- the Trust Board recognises that related party transactions may attract public scrutiny and require sufficient disclosure in annual accounts to support accountability and transparency
- all contracts and other agreements with related parties beyond limits in the ATH are reported to ESFA in advance, and approval obtained
- the register of interests captures the relevant business and pecuniary interests of members, trustees, community councillors and senior employees and interests of other individuals
- the Trust will ensure that the register of interests captures the relevant business and pecuniary interests of members, trustees, community councillors and senior employees and interests of other individuals is maintained and published
- The Trust will not pay more than “at cost” for goods or services provided by a related party, as specified in the ATH.

### **Monthly Reconciliation and Control Checks**

At the end of each month, school/Central Finance Teams must complete a series of checks to ensure that the accounts on the finance system are accurate. A checklist will be provided by the Central Finance Team and the checklist should be returned by the 10th of the month to confirm that all checks have been completed. An example checklist is included at Appendix D.

The Checklist will include:

- Charge card reconciliation
- Check the input of all remittances
- Budget monitoring using a BvAvC (Budget versus Actual and Commitments variance report)
- Review of current commitments, deleting those that will not be fulfilled
- Reconciliation of income, cashless payments and outstanding debt, for trips, before and after school clubs and catering, as appropriate
- Review trips account, PE grant, Pupil Premium, SEN and other specific cost centres, for both revenue and expenditure, to ensure entries are correct and complete
- Respond to the Central Finance Team re queries on the bank reconciliation or missing data on VAT 126 report
- File copies of required documentation on school central drive(s) and the finance system
- Updated debtors schedule for debts not recorded on the finance system

The School Business Manager should liaise with the Central Finance Team over any issues that are highlighted by the monthly checks that they cannot resolve alone. This should be done before the 10th of the month.



## Finance and Purchasing Policy (Ref 17 MPTFPP)

The Headteacher and School Business Manager must ensure that monthly checks are completed in order to be confident of the budget monitoring data within the finance and budgeting system.

To facilitate the monthly checks and management accounts / forecasts by school finance teams, the Central Finance Team will undertake the following:

- Input ESFA and LA grant income and reconcile to the accounts
- Input all cashless payments received into the Trust bank account
- Input all cash remittances for the month and reconcile to the accounts
- Ensure access to charge card statements, and update the finance system
- Post the payroll journals, including multi-site contract recharges
- Prepare bank reconciliation and contact schools re unresolved items
- Ensure access to charge card statements, and update the finance system
- Prepare the VAT126 report and contact schools re gaps in information
- the Chief Finance Officer will ensure that action is taken swiftly to resolve outstanding issues
- manage period closures in the finance system to ensure that back-posting does not undermine the integrity of the monthly controls.

### Segregation of Duties

The Headteacher, School Business Manager (budget holder) **must** ensure that there is adequate segregation of duties in relation to the management on income and expenditure, and that no **single** individual is able to place an order with a supplier and authorise the invoice or issue an invoice for a debt owing to the school without reconciliation to payments received. This reduces the risk of fraud and loss and protects individual employees from inappropriate accusation. For the avoidance of doubt, goods or services should not be ordered for personal use by staff or Trustees.

The Headteacher, School Business Manager (budget holder) must advise the Chief Executive and the Chief Finance Officer if staff absence or other circumstances could result in the segregation of duties arrangement being compromised.

### Finance and Budget System control

The Central Finance Team will ensure that access to core finance and budgeting systems matches approved levels of delegation, and the responsibilities set out within this policy.

The finance and budgeting systems are Cloud-based, with back-up and disaster recovery arrangements managed by the supplier as part of the contractual commitment.

As part of year end procedures, the Chief Finance Officer will review all control accounts and outstanding issues from monthly checks and make recommendations for balances to be written off. A record will be kept of accounting write-offs, for inspection by auditors. The limits as detailed in 6.0 Income including Debt Management apply.

Auditors may require access to core systems, which will be provided on a “read-only” basis.

### Minimising the Risk of Fraud and Loss

The Chief Executive and Chief Finance Officer will inform the Trust Board and the Audit and Risk Committee of any potential fraud, bribes, corruption or other irregularities. The Trust will maintain a log of all reported incidents and report to the ESFA if the amount concerned exceeds £5,000.





## Finance and Purchasing Policy (Ref 17 MPTFPP)

The Trust maintains a register of gifts and hospitality where these are in excess of £50, in order to protect the individual receiving the gift or benefiting from the hospitality and reduce the risk of a spending decision being inappropriately influenced by personal gain.

The Trust has a separate Whistleblowing Policy, which allows concerns to be raised with relevant senior executives. All concerns will be investigated by an appropriate person, depending on the level, type and detail of the concern.

Please refer to the Trusts **Anti-Fraud and Corruption Policy** and 07 MPT Whistleblowing Policy.

### **Accounting Officer**

The Accounting Officer will review compliance with the schedule of “**musts**” set out in the Academy Trust Handbook. The Accounting Officer must advise the Trust Board in writing if action it is considering is incompatible with the Trust’s Articles or Funding Agreement or the Academies Trust Handbook.

The Accounting Officer’s statement on regularity, propriety and compliance **must** be included in the Trusts annual accounts. This is a declaration by the accounting officer that they have met their responsibilities to Parliament for the resources under their control during the year.

### **Due Diligence and Onboarding Arrangements for New Schools**

In order to protect the Trust and facilitate the smooth integration of the accounts of a new school, the Chief Finance Officer will ensure that, regardless of wider procedures:

- The financial security and sustainability of a school or academy is fully analysed and that a risk assessment is provided to the Trust Board to inform final decisions.
- An onboarding plan / checklist will be prepared to facilitate timely closure of predecessor school/academy accounts, settlement of balances owing and training and support for transferring staff with financial responsibilities.



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### 12.0 Insurance Arrangements

The Trust will take out such insurance as it sees fit and/or as it is advised, and to comply with statutory requirements. The Trust has chosen to be part of the DfE's Risk Protection Arrangement for Schools (RPA) scheme. The Trust will obtain the following insurance cover as a minimum:

- Buildings and contents
- Business continuity
- Employers and Public Liability

Additional cover maybe required in future to cover Trust owned vehicles, occasional business use (OBU) and some plant and equipment. All Trust employees must ensure that valuable items of Trust property are securely stored when not in use.

All risks will be reviewed annually to ensure that the cover is adequate. All contractors must have public liability insurance before they are allowed to undertake work on any of the Trust's premises. Groups hiring school premises and using facilities must produce a valid public liability insurance.

#### **RPA**

The Department for Education's (DfE's) Risk Protection Arrangement (RPA) is a voluntary arrangement for academies and free schools. The RPA is not an insurance scheme but is a mechanism through which the cost of risks that materialise will be covered by government funds.



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### 13.0 Financial Procedures

This policy outlines the financial procedures and guidelines that govern the management of financial resources within the Trust. Adherence to these procedures is essential to ensure the effective, efficient, and transparent use of public funds while maintaining compliance with all applicable laws and regulations.

The Central Finance Team will provide essential support and guidance to Headteachers, School Business Managers, and school finance teams in the implementation and understanding of these procedures. This collaborative approach aims to streamline financial processes, mitigate risks, and enhance overall financial management.

#### Transaction Posting

All bank, cashless system, sales invoices, payroll, and central trust transactions (top-slice) will be posted to the finance system by the Central Finance Team.

#### Internal Transfers

As each school in the Trust is part of the Multi Academy Trust there will be certain occasions where a school will need to internally charge goods or services to another Trust school. It will be the responsibility of the school providing the service to notify the Central Finance Team, who will complete the requested transfer, and the Journal created will be processed by the Trust Finance Manager, following approval from the Chief Finance Officer.

#### Land and Buildings Collection Tool Return

The land and buildings collection tool (LBCT) is an annual return due in November, for academy trusts to tell the DfE about the land and buildings and upload any supporting documents. The Department for Education (DfE) will use this information when preparing the academies sector annual report and accounts (SARA).

#### School Resource Management self-assessment tool

All academy trusts must complete the self-assessment checklist each year. The checklist helps Trust Boards to:

- check they have appropriate financial management and governance arrangements
- check they are meeting the right standards to achieve a good level of financial health and resource management
- identify areas for change to make sure resources are used to support high-quality teaching and the best education outcomes for pupils

As well as helping trusts to identify areas for potential improvement in their resource management, the checklist provides assurance to the Education and Skills Funding Agency (ESFA) that trusts have the right processes, systems and structures in place to help them to achieve a good level of financial health and resource management.

The tool consists of a checklist and a dashboard. The checklist asks questions of Trust Boards in areas of resource management. The dashboard shows how a school's data compares to thresholds on a range of statistics that have been identified by the Department for Education (DfE) as indicators of good resource management and outcomes. The Trust completes the self-assessment tool and submits the checklist to the ESFA by the filing deadline.



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### Reconciliations

It is essential that thorough procedures are in place to ensure that all costs incurred, and income received by the Trust are valid and verify that such amounts are properly receivable/payable.

The Chief Financial Officer is responsible for ensuring that controls are in place for these checks to be carried out and will delegate this role to the Central Finance Team. The Chief Financial Officer, liaising with the Central Finance Team, is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- **Payroll** – The Central Finance Team will process the monthly payroll journal and reconcile the payroll control account, detailing any outstanding items or liabilities.
- **Bank balance per the nominal ledger to the bank statement** - the Chief Financial Officer must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. The Reconciliation procedures will ensure that the bank accounts are reconciled to the cash book, reconciliations are prepared by the Central Finance Team and are subject to an independent monthly review carried out by the Chief Finance Officer and all adjustments arising are dealt with promptly.
- **Charge Cards** - monthly statements will be received by the Central Finance Team and will be distributed to the Cardholder. All receipts must be produced and reconciled monthly to the monthly statement by the Cardholder, and the monthly reconciliation journal will be reviewed and signed off by the Chief Financial Officer.
- **VAT** – the VAT 126 return will be created and checked by the Central Finance Team. It is their responsibility to reconcile the VAT and check the transactions included against Vatable transactions in the Sales, Purchase and Nominal Ledgers prior to creating and the VAT 126 return. The final return will be reviewed and signed off by the Chief Financial Officer, and submitted by the Central Finance Team, using the HMRC online VAT portal.

### Stock

Regardless of whether stocks of goods for resale (e.g. uniforms, sports equipment) are to be included within the Trust's annual balance sheet, a formal stocktake should be undertaken at the year-end (31<sup>st</sup> August). This will be carried out during the asset audit for all items over £50 in value.

### Record Keeping

The finance system enables users to scan all records and attach them all to an individual transaction. All documents relating to any transaction must be scanned and uploaded to the finance system. This provides a full audit trail of procurement evidence, requisitions, authorisations, receipts of goods, invoices raised and payments made. This information can then be viewed by authorisers, auditors, HMRC, VAT etc. and provides accountability, transparency and a clear audit trail to prove probity in the use of public funds

### Document Management and Retention

Documents are retained in accordance with the [Data Retention Policy](#).



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### 14.0 Cash Handling

The Trust operates as a '**cashless**' Trust, and staff should avoid using cash in all Trust schools. Where this is not possible, the following guidance should be followed.

All cash handled by staff and volunteers must be dealt with so as to ensure its safe custody and mitigate against loss whether through fraud, misappropriation or mistake. This is part of the obligation of all who are connected to the Trust, and to ensure that all assets are used for the benefit of the school, and its children, whether from donations or cash earned on the school's behalf.

Money given to members of staff by children, or the general public immediately becomes 'public money' and must be accounted for in the Trust's accounting system. Staff members should always advise the schools finance team of the potential collection of public money and should always seek their advice should they be in any doubt as to how to apply these procedures.

All expenditure relating to the pupil/public money should be made through the Trust's purchasing procedures.

All Trust schools need to take steps to avoid putting people in situations where they might be tempted to defraud, especially in an environment where there are large amounts of cash.

#### **Petty Cash**

The Trust does not operate petty cash at any Trust school.

#### **Transfer of cash collected in class and recording of cash collection**

Money collected in class must be recorded by the class teacher. The amount, name of pupil and payment type should be recorded. When all monies are collected details of the cash collected should be provided to the school finance office. All cash collected should be handed into the accounts office on a daily basis. Cash must be counted by two approved staff, and a final approval by the Central Finance Team, usually upon bank receipt.

#### **Storage and transfer of cash**

No cash should be kept in the classrooms or staffroom in the day or overnight. If the school finance office is not open, there are no exceptional circumstances where money can be posted through the schools finance office door. It should be handed in the next day and should be locked away. At no time during the school day should money be left unattended or in a conspicuous position for even a few minutes, instead it should always be locked away. Staff should be discreet about the temporary storage of cash. The school finance office should be locked when staff leave the room.

#### **Banking**

Cash must be banked frequently to prevent large amounts of cash being left on the premises, which should not exceed £100. Duties for the recording, reconciliation and banking of cash should be monitored regularly and checked to ensure that all cash received has been paid into the bank, and that there is an audit trail for all cash receipts.



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### **Safety of staff**

When banking or collecting cash the safety of staff is paramount. Staff and volunteers should on no account put themselves into situations of danger and should give up/not seek to recover cash or valuables if in physical danger. When banking money a limited amount of £500 can be carried by one person at any one time.

All staff and volunteers should be informed of the cash handling procedures, if they are dealing with cash.



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### 15.0 Bank and Cash Management

The Trust must manage its cash position robustly and avoid becoming overdrawn. The Trust operates **one** main bank account for all transactions, with a linked deposit account, and the main bank account is reconciled daily, where possible.

The Trust implements the following controls:

- There is an on-line facility to view the Trust bank accounts and charge card transactions (Lloyds Commercial Banking Online, CBO). The main Administrator on the account is the Chief Financial Officer, who can add/delete staff and permissions. The second Administrator is the Trust Finance Manager.
- a mandate will operate whereby all BACS payments and Direct Debits must have two authorised signatories, from Pool A and Pool B.
- no member of staff is permitted to make payments to themselves or to someone closely connected to themselves or any organisation in whom/which they have a pecuniary interest.

The arrangements to be made with the bank must include:

- a bank and charge card statement to be provided at least once a month
- to disallow any overdraft

Direct debit payments may be entered into for the payment of utility bills and other suppliers with whom the Trust has a contractual obligation. The value of each Direct Debit should be reviewed and compared with invoices received from the supplier. Suppliers paid by Direct Debit must be reviewed regularly to ensure they continue to provide Best Value. On receipt of the bank statements, the Central Finance Team will reconcile the bank balances to the balance held in the finance system.

Any unusual or long outstanding unreconciled items must be brought to the attention of the Chief Finance Officer, with any unclaimed receipts posted to the Trust central ledger.

### Cash Flow

The Central Finance Team will prepare a Cash Flow Report, consistent with the FRC reporting Framework as shown in Appendix B, analysing cash movements over the previous month compared to the expected profile and considering forthcoming transactions for significance and risk. This is likely to relate to large capital projects where there could be a timing difference between spend and funding. The Chief Finance Officer will liaise with the Chief Executive over any movement between the current and deposit account, documenting any decisions taken. The Chief Finance Officer must ensure that there are sufficient funds in the account to settle the Trust's commitments.



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### **16.0 Investments**

The opening and transferring of funds to investment accounts can only be undertaken by the Chief Financial Officer and within the written **Investment / Treasury Management Policy** procedures and monitoring arrangements approved by the Trust Board following consideration of Charity Commission guidance.





## Finance and Purchasing Policy (Ref 17 MPTFPP)

### 17.0 Fixed Assets including Depreciation and Capitalisation

#### Fixed Asset Definition

- A fixed asset is a long-term (greater than 1 year) tangible property or equipment a company uses to operate its business. Fixed assets include land, buildings, furniture, machinery, computer equipment, software, and vehicles.

The purpose of the fixed asset register is to ensure that the Trust's balance sheet accurately reflects the net book value of its assets. The Trust will manage the effective utilisation of equipment and to plan for their replacement, based on the assets expected useful life.

The Chief Financial Officer, working with the Central Finance Team, is responsible for ensuring the integrity of asset registers working with school staff as necessary. An asset register is held in Excel to record an adequate description of all land, buildings, moveable plant and machinery, vehicles, furniture, fittings and equipment belonging to the schools, where the current valuation (for property) or the acquisition cost (for other assets) is greater than the de-minimis level of £1,000.

Where an item meets the definition of a fixed asset but falls below the capitalisation threshold and is portable, valuable and attractive detail of the item should be recorded on a school's inventory.

The asset register should include the following information where available:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DfE grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location

Non-Current Assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.

Accounting documentation relating to items meeting the capitalisation criteria is recorded electronically on the Trusts finance system. Transfers to fixed assets and journal entries should be authorised by the Chief Finance Officer.

#### Depreciation

The depreciation will be calculated on an annual basis for preparation of the year end accounts. Groups of assets will use the same method of depreciation. There may very occasionally be an asset that does not completely fit into one of the categories below and the Chief Financial Officer will discuss these items on an individual basis.

The Trust has determined appropriate depreciation rates, based on the assessment of the useful economic life and expected residual value when the assets are acquired.



## Finance and Purchasing Policy (Ref 17 MPTFPP)

Depreciation will be charged annually using the following straight-line percentages:

- Land: no depreciation
- Freehold property: 2% / 50 years or over the life of the lease
- Leasehold property: 2% / 50 years or over the life of the lease
- Building components: 10% - 3.33% / 10 years - 30 years or over the useful life of the asset
- Furniture & equipment: 10% / 10 years
- Computer equipment & software: 33.3% / 3 years
- Motor vehicles: 20% / 5 years

All the items in the asset register should be permanently and visibly marked as the Trust's property. Discrepancies between a physical count and the amount recorded in the fixed asset register should be investigated promptly and, where significant, reported to the Chief Finance Officer. The immediate responsibility for the safeguarding of equipment lies with the end user. In support of this, the Trust and schools provide security measures and insurance cover.

### **Acquisition and Disposal of Assets**

The Trust must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following transactions:

- acquiring a freehold on land or buildings
- disposing of a freehold on land or buildings
- disposing of heritage assets beyond any limits set out in the Trust's funding agreement in respect of the disposal of assets generally.

### **Acquisition of Assets**

The Trust will only include a fixed asset onto its asset register if it complies with the following definition of a fixed asset as per FRS 15 (Accounting Standards Board):

*"Rights or other access to future economic benefits (controlled by an entity as a result of past transactions or events) that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes on a continuing basis in the reporting entity's activities."*

A tangible fixed asset is thereby acquired or created when the Trust acquires or brings such rights into existence. In practical terms this means:

- The assets must be grounded in some physical property, such as land, a building or a machine.
- There needs to be a past event that has given the authority the rights to future economic benefits.
- Rights can take many forms, provided that they relate to future economic benefits e.g. occupation of a building, use of a vehicle.
- The rights must extend into the future, at least beyond the end of one financial year.
- The Trust must plan to use the asset for the provision of its own services
- The Trust will comply with FRS 15/IAS 16 in relation to the provisions in respect of costs that can be capitalised. The cost to be recognised for a fixed asset is the purchase price (less trade discounts), plus directly attributable costs.

### **Enhancement of Fixed Assets**

The Trust will only capitalise enhancement expenditure providing the cost can be measured reliably and it meets at least one of the following four criteria:

- 1) Substantially lengthen the useful life of the asset
- 2) Substantially increase the market value of the asset
- 3) Substantially increase the extent to which the asset can or will be used for the purposes of or in conjunction with the functions of the Trust



## Finance and Purchasing Policy (Ref 17 MPTFPP)

4) Substantially improved the condition of the asset, with particular reference to the safety of the asset.

Routine expenditure on repairs and maintenance relating to fixed assets should be charged to the revenue account, using the following table as the basis for expenditure analysis:

<b>Capital Expenditure</b>	<b>Revenue Expenditure</b>
Enhance	Repair
Upgrade	Maintain
Extend	Remedial
Improve	Renew
Construct	Service
Acquire	Retain

### **Disposal of Assets**

Schools may dispose of any other fixed asset (i.e. other than land, buildings and heritage assets as described above) without the approval of the Secretary of State. Any disposal must maintain the principles of regularity, propriety and value for money. This may involve public sale where the assets have a residual value. Assets listed in the Fixed Asset register that are deemed to be of no longer use within the Trust will be recorded as a disposal in the Fixed Asset register which will be reflected in the Trusts financial system.

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Chief Finance Officer and, where significant, should be sold following due process:

- taking reasonable steps to advertise the disposal
- inviting bids for the asset (sealed bids are preferable)
- negotiating with potential purchasers

Where an item has no market value consideration may be given to a donation. All donations must be approved by the Chief Finance Officer. To ensure confidential data remains secure, any IT equipment which is sold/disposed of should have its hard disc securely erased or destroyed. This should be evidenced with a certificate of destruction. The recipient of any disposed equipment should be advised that the Trust will not be liable for any perceived Health and Safety issues arising from the use of the equipment.

### **Loan of Assets**

School property must not be removed from school premises without the authority of the Chief Executive, Chief Finance Officer or Headteacher. Where items are loaned, the school should ensure that the individual loaning the equipment has adequate insurance to cover the costs of the item in the event of loss

### **Loss of Assets**

All losses must be reported in writing to the Chief Finance Officer as soon as possible together with a brief description of the circumstances leading to the loss.

### **De-Minimis Capitalisation Limits**

The principles of capital accounting are applicable to all fixed assets. However, the Trust is able to prepare the financial statements in accordance with the concept of materiality – capitalisation of expenditure on fixed assets is not necessary where the amounts involved are not material to the fair presentation of the financial statements.



## Finance and Purchasing Policy (Ref 17 MPTFPP)

Therefore, the Trust will capitalise costs that are greater than the following limits, and can be defined as a 'fixed asset':

- individually have a cost of at least £1,000
- collectively have a cost of at least £1,000 and individually have a cost of more than £250, where the assets are functionally interdependent, have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control or
- form part of the initial equipping and setting-up cost of a new building, or significant refurbishment, irrespective of their individual or collective cost.

### **Capitalisation Below *De-Minimis* Levels**

In certain scenarios the Trust may want to recognise capital expenditure below the limits for accounting for fixed assets, for example the expenditure that is funded through capital grants.

An example is the Devolved Formula Capital Grant (DFCG), which can be used for the following:

- improvements to buildings and other facilities, including ICT, or
- capital repairs and refurbishments and minor works

The Capital Programme will identify the priorities for DFCG for the coming year, agreed with each school.

### **Novel and Contentious Transactions**

Some property transactions may be novel or contentious and so require the consent of the Secretary of State on that basis. Novel payments or other transactions are those in which the school or the Trust has no experience or are outside the range of normal business activity for the Trust. Contentious transactions are those which might give rise to criticism of the Trust by the public or the media. It is difficult to be specific about what might constitute novel or contentious payments; it is for Trusts to use their judgement about when they should seek the prior advice of the ESFA. Public money must always be spent prudently and in ways that command broad public support.



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### 18.0 External Accountability

#### **Audit**

Schools in the Trust will be subject to regular internal audits as per the Academy Trust Handbook. The Trust will receive an 'end of year audit' in preparation for creating and submitting the end of year Financial Accounts to the ESFA and Companies House. The internal and external audits are undertaken by different providers.

#### **External Audit**

The Trust 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. A review of the accounting officer's statement on regularity, propriety and compliance must be included within the external auditor's report and address the auditor's conclusions on regularity jointly to the Trust and ESFA.

The audited report and accounts must be:

- submitted to ESFA by 31 December
- published on the Trust's website by 31 January
- filed with Companies House by 31 May

The appointed external auditors will also prepare and submit the following returns for the Trust:

- Academies Accounts Return (AAR)
- Audit of the Teachers' Pension Scheme end of Year Certificate

#### **Internal Audit**

The Trust must have in place a consistent and agreed process for independent checking of financial controls, procedures, systems, transactions and risks. The Audit and Risk Committee for the Trust, along with the appointed internal auditor, undertake the process for independent checking of risk, financial controls, procedures, systems, transactions and other external factors that are deemed appropriate.

The committee will review the risks to internal financial control at the Trust and agree an annual programme of internal scrutiny work that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors. This programme will be managed through by employing an internal audit service from an outside agency.



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### 19.0 Other Financial Matters

#### **Borrowing**

ESFA approval is required for borrowing and certain other similar liabilities (leases, tenancies, indemnities). In the event that the Trust considers entering into any such transaction, Trust Board approval is required.

#### **Leasing**

Under UK financial reporting standards applicable to academy trusts, there are 2 types of lease:

- Finance leases: these are a form of borrowing
- Operating leases: these are not borrowing

The Trust must obtain ESFA's prior approval for the following leasing transactions:

- taking up a finance lease on any asset not on the DfE approved list for any duration from another party, which are subject to the borrowing restrictions described in paragraphs 5.33 and
- taking up a leasehold or tenancy agreement on land or buildings from another party for a term of 7 or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

Other than the these, trusts do not require ESFA's approval for operating leases. Trusts must ensure any lease maintains the principles of value for money, regularity and propriety. Trusts should seek advice from their professional adviser or external auditor if they are in doubt over whether a lease involves borrowing.

#### **Avon Pension Fund / Wiltshire Pension Fund**

EPM completes the LGPS 50 and documentation for BANES and Wiltshire by last day of month.

#### **TPS**

EPM completes the administration and reporting of TPS contributions, notifying the Trust of the consolidated pension contribution payment due for the month.

#### **AVCs**

EPM completes the administration for all AVC contributions.

#### **Energy Management**

Effective energy management will assist the Trust in reducing costs and ensure that the Trust is operating sustainably.

The Trust operates the following procedures:

- Meters should be checked before processing any invoices from the utility providers
- Any discrepancies or unusual reading should be raised with the supplier immediately and the Central Finance Team notified
- The Chief Finance Officer, working with the Operations and Estates Manager ensures that schools are purchasing energy at the most competitive prices available
- All staff have responsibility to always work in an energy efficient manner (e.g. turning off computers, lights and heating when not required).



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### **20.0 Data Security**

The Trust is aware of the risk of cyber-crime and proportionate controls will be put in place to manage risks and appropriate action will be taken where a cyber-security incident has occurred. The controls in this section cover access to data held on Trust computers. It is important that management information is properly protected from unauthorised access and that it is backed up regularly. It is also important that the Trust has a recovery plan to ensure continuity of financial management in the case of an emergency.

#### **Security of Assets**

Computer systems used by the Trust and its schools should be protected by password security to ensure that only authorised staff have access. Passwords should be changed regularly and changed when staff leave. It may be appropriate to have user specific access levels to protect data and ensure segregation of duties.

#### **Back-up Procedures**

The Chief Executive and Chief Finance Officer should ensure that data is backed up regularly and should ensure that the backed-up data can be successfully restored.

#### **Protection Against Computer Viruses**

To prevent viruses being imported, only authorised software should be used. Software and data can be protected against viruses in two main ways:

- by installing and regularly updating anti-virus software
- by blocking the use of unauthorised software.





## Finance and Purchasing Policy (Ref 17 MPTFPP)

### **21.0 Whistleblowing**

The Trust's Whistleblowing Policy outlines the procedures to follow in the event of a report being made by a member of staff, as well as the appeals process and what can be done in the event of a whistleblower being treated unfairly.

The Trust will ensure all their staff are aware of the Whistleblowing Policy, ensuring that they understand the process of reporting a concern and what they can expect once they have brought a concern to the attention of the academy. All concerns raised by whistleblowers are responded to properly and fairly in line with the Whistleblowing Policy.

The Trust's Whistleblowing Policy is published on the Trust website.



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### Appendix A

#### Scheme of Delegation (Finance)

Finance				
Mosaic Partnership Scheme of Delegation	Board of Trustees (Supported by Committees)	Chief Executive Officer (Supported by the Executive Team)	Academy Community Councils	Headteachers (Supported by School Leadership Teams)
Accountability	Legal accountability for the trust's assets, accounts and statutory compliance.	The Accounting Officer has oversight of financial transactions (CEO). CFO ensures effective financial management arrangements are in place and compliance with ESFA and external financial requirements e.g. HMRC, pensions, banks, auditors.  Complete the School Resource Management self-assessment checklist and submit to ESFA (CFO)	Councillors support Trustees in discharging their accountability, by providing a local community perspective on the effective use of financial resources.	Headteacher accountable for expenditure within the agreed budget
Compliance	Maintain robust oversight in accordance with the ESFA Academy Trust Handbook.	Ensure the trust is compliant with the ESFA Academy Trust Handbook and in particular, Part 8 Schedule of requirements (CEO). Communication of requirements to wider organisation including ACC (Trust Governance Lead).		
Financial Strategy	Approve and monitor the implementation of a 3-5 year financial strategy, ensuring the trust is maintained as a going concern (Board).  Approve the ESFA 3 year financial plan	Develop a 5-year financial strategy to support the trust's overall strategies (CFO).  Prepare the ESFA 3 year financial plan and submit once approved by the Board.		



## Finance and Purchasing Policy (Ref 17 MPTFPP)

	Approve key financial performance indicators & measure performance against them			
Budget Approval	Approve the annual budget parameters. Approve annual revenue and capital budgets following detailed review by the FRC (Board).	<p>Prepare the annual budget parameters, including any schemes for the pooling of funds, and recommend them to trustees (CFO).</p> <p>Develop annual revenue and capital budgets within the approved budget parameters in conjunction with Headteachers and recommend to trustees for approval (CFO). Ensure budgets reflect an integrated approach to curriculum and financial planning (CFO).</p>		Propose annual budgets within the budget parameters to the CFO/CEO, ensuring the school's budget reflects the best use of resources to maximise educational opportunities (Headteacher).
Budget Monitoring	All trustees receive Management Accounts six times a year & Chair receives monthly. Board considers Management Accounts at each meeting. Ensure appropriate action is being taken to maintain financial viability.	<p>Prepare monthly management accounts, including an income &amp; expenditure account, variation to budget report, cash flows &amp; balance sheet and reserves (CFO).</p> <p>Discuss with Headteachers and variances identified within the monthly management accounts</p>		Receive monthly management accounts, ensuring school is operating within agreed budgets (Headteacher).
Unbudgeted expenditure	Approve unbudgeted in-year expenditure that will affect the end-of-year surplus/deficit, following consideration of a business case.	<p>Approve annual unbudgeted in-year expenditure total that will not affect the end-of-year surplus/deficit.</p> <p>Propose unbudgeted in-year expenditure that will affect the end-of-year surplus/deficit.</p>		Propose annual unbudgeted in-year expenditure total that will not affect the end-of-year surplus/deficit.



## Finance and Purchasing Policy (Ref 17 MPTFPP)

Capital investment	Approve the capital investment programme as part of annual budget setting. (FRC/Board)	Establish a sound basis for capital business case planning, financial management and reporting - linking with medium term financial planning and cashflow forecasting (CFO). Ensure effective planning and delivery of building and IT capital schemes (Operations Manager/IT).		
Reserves	Approve a Reserves Policy (FRC)	Propose a Reserves Policy and manage funds to ensure that it is achieved (CFO).  Ensure investment is properly managed & seek ESFA approval for novel, contentious or repercussive expenditure (CFO)		
Financial systems	Approve financial regulations (FRC)	Ensure there is a common financial management system across the trust  Prepare and implement the Financial Procedures (Financial Management Framework). Ensure training for budgetholders (CFO).  Provide accounting, financial planning, treasury and financial systems for schools (CFO)	Ensure compliance with the Financial Procedures	Ensure compliance with the Financial Procedures
Cash, debtors, creditors and Banking	Appoint bankers & opening/closing of bank accounts (FRC).	Prepare cashflow forecasts and manage cash balances. (CFO)  Ensure timely payment of supplier accounts within stated terms and in accordance with public sector payment policy (30-days) (CFO).		



## Finance and Purchasing Policy (Ref 17 MPTFPP)

		<p>Ensure timely billing and effective collection of third party debt. Reporting performance to the FRC/Board (CFO)</p> <p>Manage day to day banking relationship and recommend changes to banking arrangements (CFO).</p>		
Gifts and hospitality	Approve a Gifts & Hospitality Policy (ARC)	<p>Communicate policy requirements to members, trustees and staff (CFO).</p> <p>Maintain a Gifts &amp; Hospitality register (CFO).</p>		Ensure compliance with policy
Grant applications		Submit grant applications (CFO)		
Authorisation to commit to Revenue Expenditure within approved budget	FRC - £50,001 to £150,000 Board - Over £150,001	CEO/CFO/DOE - Up to £50,000 Trust Finance Team - Up to £10,000		Headteacher - Up to £10,000 Budget Holder - Up to £5,000
Authorisation to commit to Capital Expenditure within approved budget	FRC - £125,001 to £200,000 Board - Over £200,001	CEO/CFO - Up to £125,000 DOE Up to £50,000 Trust Finance Team - Up to £10,000		Headteacher - Up to £10,000
Authorisation to make payments from bank	Chair of Board (Pool A - authorise with 1 other signatory A or B)	CEO (Pool A - authorise with 1 other signatory Pool A or B) CFO (Pool A - authorise with 1 other signatory Pool A or B) Trust Finance Team (Pool B - authorise with 1 other signatory Pool A)		
Placing Orders for Goods & Services	Approve a Competitive Tendering Policy	Undertake formal tendering process for goods & services over £25,001 following authorisation from Trust Board (CEO/CFO)		<p>Authorise requisitions for processing as orders (Headteacher)</p> <p><i>Where a Federation has Head of School they can authorise up to a value of £1000</i></p>



## Finance and Purchasing Policy (Ref 17 MPTFPP)

		Authorise orders between £5,000 and £25,000 following receipt of three written quotes (CFO)		
Expenses	Approval of CEO & Trustee expenses (Chair).	Approval of Chair, central staff & Headteacher expenses (CEO).		Approval of school staff expenses (Headteacher).
Leases	Granting a lease on land or buildings, taking up a finance lease, taking up a leasehold on land & buildings with lease terms over 7 years (Board with ESFA approval).  Taking up a leasehold on land & buildings with lease terms of up to 7 years (Board).	Taking up an operating lease of up to 3 years and total cost (CFO).		
Write-Offs & Liabilities	Writing off debts & losses which exceed £45,000 individually, or £250,000 cumulatively (Board with ESFA Approval).	Writing off debts & losses which exceed £500 individually, or £5,000 cumulatively (CEO/CFO).		
Acquisition and disposal of assets	Acquiring/disposing of a freehold on land & buildings, disposing of heritage assets (Board with ESFA approval). Disposing of other assets above fair value of £5,001 (Board).	Disposing of other assets below fair value of £5,000 (CFO).		



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### Appendix B

#### Budget Monitoring Schedule

Accounting Month		Management Accounts focus** (see notes below)	Report to Chair of Trustees by	Report to meeting of the Board of Trustees	Report to Finance and Resource Committee
01	September	Budget and year end check	31 October	'Draft' Outturn – prior year	
02	October	High level	30 November		September (w/ 'Draft' Annual Accounts)
03	November	Detailed	31 December	October (w/ Final Annual Accounts)	
04	December	High level	31 January		'Draft' November (w/ AAR *)
05	January	Detailed	28 February		
06	February	High level	31 March	January or 'Draft' February	
07	March	Detailed	30 April		February (w/ 'Draft' Budget)
08	April	High level	31 May		
09	May	Detailed	30 June	April (w/ 'Draft' Budget)	
10	June	High level	31 July		
11	July	High level	31 August	May (w/ Final forward year budgets and BRF3Y)	
12	August	Outturn forecast	30 September		

\*Audit timeline dependant

\*\* Subject to change based on meeting date arranged with CEO / CFO





## Finance and Purchasing Policy (Ref 17 MPTFPP)

### **Management Accounts focus:**

- Budget and year-end check – during the Autumn Term the Central Finance Team will liaise with the Headteacher and School Business Manager to identify any early issues with the approved budget and ensure that all staffing changes for the new year have been correctly recorded in the budgeting system. The Central Finance Team will also review income and expenditure to ensure all significant prior year transactions have been correctly accounted for. A high-level report will be prepared.
- Detailed – a meeting will take place between the Chief Executive, Chief Finance Officer, the Headteacher and School Business Manager to discuss the management accounts and budget in detail, review income and expenditure, consider risks, issues and opportunities, identify corrections to the accounts, identify actions and complete the school-level budget monitoring summary report on the finance system, as well as a budget forecast comparison report.
- High level – management accounts will be produced from the finance system and areas requiring action identified. The Headteacher, School Business Manager and Central Finance Team will review the Management Accounts and agree any immediate actions and record significant decisions.
- Outturn forecast – meetings in September will focus on year-end adjustments to prepare the final accounts and an outturn forecast report will be prepared.



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### Appendix C

#### Key Performance Indicators

The following list contains suggestions for Key Performance Indicators for consideration by the Trust Board. Selection will depend on Trust priorities and risks. They may be at Trust level, in groups of schools (hubs or phases or size) or listed for all schools. Some indicators are only relevant when looking at the trend rather than the absolute. Targets can be set using national benchmarking comparisons, but school context is also important, thus locally set targets are likely to be more meaningful. Many of the indicators lend themselves to routine monitoring during the year whilst some are only meaningful when considered on an annual basis.

#### Financial Performance:

- Income per pupil
- Revenue balances (restricted and unrestricted, excluding fixed assets and pension reserve) as a proportion of GAG – in year and cumulative, plus cash balance
- Central Trust expenditure as a proportion of total spend – could be gross or net of specific grant depending on Trust circumstances
- Investment per pupil in school improvement in schools new to the Trust – this may be relevant in a Trust that has grown through sponsorship
- Investment per pupil in maintenance and improvement of buildings, grounds, technology and other assets
- List of contracts with costs and renewal dates

#### Curriculum Efficiency:

- Proportion of budget spent on educational staff and resources
- Proportion of income spent on teachers
- Proportion of staff pay as a percentage of total expenditure
- Average teacher cost
- Ratio of leaders to class teachers
- Proportion of budget spent on the leadership team
- Proportion of class teachers on upper pay spine and/or with an allowance
- Ratio of education support staff to teachers
- Teaching contact ratio – class teaching compared to available teacher time
- Average class size
- Learning time – hours per week spent in class compared to hours in school week
- Pupil to teacher ratio
- Staff absence rates – teachers, support staff or all staff
- Staff turnover

#### Educational Parameters:

- Change in pupil numbers – over the last 3 years and as a percentage of total roll

#### Other Measures Related to Trust Values and Priorities:

- Number of EHC plans awarded
- Funds raised for charity during the year or equivalent measure of service to the wider Community
- A measure of environmental impact



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### Appendix D

#### Financial Checklists and Processes

<b>Reporting</b>	<b>Monitoring - Management Accounts</b>
Cashflow forecast	Management Accounts - to include -
Circulate Academy & Budget Holder Reports	income and expenditure account
ACC High Level Financial reports	forecast outturn
Budget Review meetings Headteachers/Finance Support	variation to budget report
Finance Committee Reports	variance to prior month
Finance Committee Meeting	<b>Bank Reconciliations</b>
<b>Processing</b>	Main Bank Account
Purchase Invoices	Intrest Account
Non PO invoice - Chase	<b>Balance Sheet Control Accounts</b>
Direct Debit Purchase Invoices	Purchase Ledger control (creditors)*
Direct Debit Payments	Credit Card Control Account*
Sales Invoices Submitted	Sales Ledger Control (debtors)
Sales Invoices Processed	Accruals
Sales Receipts - BACS	Prepayments
Sales Receipts - Cheques payin slip	Accrued Income
Other non sales invoiced income - paying in-slip	Deferred Income
Creditor Management	Payroll Control Accounts
Debtor Management	VAT Input, Output and Control accounts
Bank GAG Allocations / Top Up Funding	Balance Sheet Reconciliation Report
Intrest Account Postings	<b>Payroll Reconciliation</b>
Staff Expenses to be reviewed	Wages Reconciliation
Upload Bank Statement - Daily	Payroll Analysis
Faster Payment requests	<b>Year End Routine</b>
Charge Card Transactions	Fixed Asset Register
<b>Other Month-End activities / postings</b>	Income Reconciliation
Open Period -ledger	Inter Company Accounts
Open Period VAT	Month-end Sign off
Close VAT period ( <i>prepare VAT return tick box</i> )	<b>Reports saved in Monthend folder</b>
Close ledger posting period	Aged Debtors Report
Payroll Journals	Aged Creditors Report
Import Payroll on Access	Main Bank Account Reconciliation Report
Top Slice Recharge	Interest Account Reconciliation Report
Review and clear draft journals	Main Bank Account Statements
Journal List Sign off	Interest Account Statements
Transaction review	Balance Sheet Reconciliation
Expenditure Accruals	Forecast Meetings With HT/SBM
Income Accruals	Management Consolidated Accounts
Reverse Accruals	<b>Internal Audit Spot checks</b>
Prepayments	Signed CC Statements
PO Outstanding Review	3 Quote spot checks
Run VAT126 report and enter all missing VAT nos	Purchase orders raised monthly trend
VAT Claim submitted to HMRC	Check other income and source document matches banking



## Finance and Purchasing Policy (Ref 17 MPTFPP)

### Appendix E

#### Recruitment Approval Categories

All personnel appointments and changes will be approved, dependant on category, by the Chief Executive, Chief Finance Officer, Headteacher and School Business Manager.

#### Category A Approvals

Roles for approval	Approval
Teaching posts (not in Category B)	School Headteacher
Non-teaching posts (not in Category B)	School Headteacher

#### Category B Approval

Roles for approval	Approval
Executive Headteacher, Headteacher*	Chief Executive Officer and Chief Finance Officer
Head of School, Deputy Head, Assistant Head, TLR post holder	School Headteacher, Chief Executive Officer and Chief Finance Officer
School Business Manager, Administrator, Site Manager, Caretaker	School Headteacher, Chief Executive Officer and Chief Finance Officer

#### Category C Approvals

Position of school (For all appointments)	Approval
Stabilise Schools (As per School Improvement Framework)	School Headteacher, Chief Executive Officer and Chief Finance Officer
Requires Improvement/Special Measures School	
School forecasting/operating a deficit budget	
New Headteacher (first year of full-time headship)	