



# Shires Multi Academy Trust

## Financial policy & procedures 2024

Responsible Officer: Shires MAT Chief Financial Officer (CFO)

Date of Trust Board Approval: 10<sup>th</sup> July 2024

Policy review: Annual, this policy will be reviewed Summer Term 2025

A handwritten signature in blue ink, appearing to read "mmylabe", is written over a horizontal line.

..... **Chair of Trustees**

# SHIRES MAT FINANCE POLICY AND PROCEDURES

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## **1 INTRODUCTION**

### **1.1 Legal Context**

Shires MAT is a charitable company, limited by guarantee, and constituted under a Memorandum of Association and Articles of Association. Its objects are:

- establishing and developing academy schools to provide comprehensive and inclusive education for the public benefit
- providing facilities for the benefit of the local communities in which the Trust operates

As a charitable company, the Trust and all the schools within the Trust must comply with:

- Company law as set out in the Companies Act 2006
- Charity law and the requirements of the Charity Commission and its Statement of Recommended Practice (SORP 2019)

The Trust's schools are publicly funded by the Department for Education (DfE) through the Education and Skills Funding Agency (ESFA).

The terms of the grant received from the ESFA are set out in the Trust's Master Funding Agreement and the Supplemental Funding Agreements for each academy school. The Trust and its schools must comply with the conditions of the grants and adhere to the current terms of the Academy Trust Handbook by maintaining sound systems of financial and management control.

Shires MAT CFO is responsible for ensuring that the consolidation and preparation of the annual financial statements is completed in accordance with:

- United Kingdom Generally Accepted Accounting Practice (UKGAAP).
- Academy Account Direction issued annually by the ESFA

This Finance Policy has been drawn up in accordance with the requirements of the Trust's Funding Agreements and the principles of financial control outlined in the Academy Trust Handbook.

Compliance with this Finance Policy is mandatory for all Trustees, Governors and employees of Shires MAT, and individuals who fail to comply may be subject to disciplinary action under the Trust's disciplinary policy.

## **1.2 Terminology**

- The Trust means Shires MAT and all schools and services in Shires MAT.
- School means a school or academy within Shires MAT.
- Headteacher means the Headteacher or principal of the school or academy.
- CEO means the Chief Executive Officer of Shires MAT.
- Governing Body means the committee of the Board of Trustees to which Trustees have delegated powers and functions in relation to the governance of a school or group of schools.
- CFO means the Chief Financial Officer of Shires MAT.
- COO means the Chief Operating Officer of Shires MAT
- SBM means School Business Manager
- BA means Business Administrator

## **1.3 Applicability**

This Shires MAT Finance Policy and Procedures applies to Shires MAT as a whole and to all the schools and services in the Trust, and to all Trustees, governors, employees and volunteers of the Trust and its schools.

If there is any question about the interpretation or implementation of this policy or procedures, Shires MAT CFO should be consulted and their advice should be followed.

Throughout this Policy and Procedures references to school can be read as including the Trust Central team as if it were a school, and with regard to the Trust Central team, Headteacher should be read as Shires MAT CEO and Head of the Central team and Governing Body should be read as Board of Trustees or the appropriate committee of the Board of Trustees.

## **1.4 Financial Governance Roles and Responsibilities**

### **1.4.1 The Board of Trustees**

The Board of Trustees of the Trust has wide responsibilities under statute, regulations and the funding agreement. Principally, it is responsible for ensuring that the Trust's funds are used only in accordance with the law, its Articles of Association, its Funding Agreements and the Academy Trust Handbook.

Whilst the Board cannot delegate overall responsibility for the multi academy trust's funds, it must approve a written scheme of delegation of financial powers that maintains robust internal control arrangements.

The Board of Trustees must provide details of the academy trust's governance arrangements in the governance statement published within its annual accounts, and on its website. This includes its scheme of delegation for governance functions setting out what the Board has delegated to its committees and governing bodies.

#### 1.4.2 Audit and Risk Committee

The Audit and risk Committee is a committee of the Board of Trustees. It is responsible for providing assurance to the Board on the adequacy of the Trust's risk management arrangements. The Audit Committee will commission a program of assurance testing to be carried out by the external auditors to support them in their role; and will receive the reports of the external auditor in respect of external audits and the reports of internal audits. The Audit Committee reviews the risks to financial control and agrees the processes and checks required to address these risks and ensures the implementation of the Trust's financial policies and procedures.

#### 1.4.3 Business and Finance Committee

The Business and Finance Committee is a committee of the Board of Trustees. The main purpose of the Committee is financial scrutiny and oversight of the Trust. The responsibilities of the Committee are detailed in the Shires MAT Terms of Reference.

#### 1.4.4 The Accounting Officer

The Board of Trustees has appointed the Chief Executive Officer (CEO) as the Accounting Officer (AO).

The Accounting Officer operates under the guidance of the Board of Trustees, and must have appropriate oversight of financial transactions, by:

- Ensuring that all the academy trust's property and assets are under the control of the trustees, and measures are in place to prevent losses or misuse, including maintenance of fixed asset registers.
- Ensuring that 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.

The role of Accounting Officer includes specific responsibilities for financial matters. It includes a personal responsibility to Parliament, and to ESFA's accounting officer, for the financial resources under the Trust's control.

The Accounting Officer must take personal responsibility (which must not be delegated) for assuring the Board of Trustees that there is compliance with the Academy Trust Handbook, the Funding Agreements and all relevant aspects of Company and Charity law.

The Accounting Officer must complete and sign a statement on regularity, propriety and compliance each year and submit this to ESFA with the audited accounts. The Accounting Officer must also demonstrate how the Trust has secured value for money

via the governance statement in the audited accounts.

The Accounting Officer must advise the Board of Trustees in writing if, at any time, in his or her opinion, any action or policy under consideration by them is incompatible with the terms of the Articles, Funding Agreements or the Academy Trust Handbook. Similarly, the Accounting Officer must advise the Board in writing if the Board appears to be failing to act where required to do so by the terms and conditions of the Handbook or Funding Agreements. Where the Board of Trustees is minded to proceed, despite the advice of the Accounting Officer, the Accounting Officer must consider the reasons the Board gives for its decision. If, after considering those reasons the Accounting Officer still considers that the action proposed by the Board is in breach of the Articles, the Funding Agreements or the Handbook, the Accounting Officer must notify the ESFA's accounting officer immediately, and in writing.

Whilst the Accounting Officer is accountable for the Trust's financial affairs, for keeping proper financial records, and for the management of opportunities and risks, the delivery of the Trust's detailed accounting processes will be delegated to the Chief Financial Officer.

#### 1.4.5 The Chief Financial Officer

The Board of Trustees has appointed the Chief Financial Officer (CFO). The CFO has both a technical and leadership role, including ensuring sound and appropriate financial governance and risk management arrangements are in place, preparing and monitoring of budgets, and ensuring the delivery of annual accounts.

The main responsibilities of the CFO are:

- the day-to-day management of financial issues including the establishment and operation of the Trust accounting system.
- the management of the Trust financial position at a strategic and operational level within the framework for financial control determined by the Board of Trustees.
- the maintenance of effective systems of internal control.
- ensuring compliance with the terms and conditions of all grants received.
- Liaising with auditors to ensure that the annual accounts are properly presented and adequately supported by full and accurate accounting records.
- the preparation of the consolidated annual budget.
- ensuring statutory returns are sent to the DfE, ESFA, HMRC and Companies House within the reporting timetable.
- The preparation of the Trust consolidated monthly management accounts, including income and expenditure accounts, cash flow forecasts and balance sheet.

The CFO need not discharge all of their duties personally. They may delegate some of them to other employees within the Trust. The Trust may also employ external staff or contractors with the relevant skills and knowledge to carry out certain tasks at specific times.

#### 1.4.6 Headteacher

Headteachers are responsible for the operational management of their school. The Board of Trustees delegates the overall authority and responsibility for the management of schools' revenue budgets, and any other budget delegated by the Board of Trustees, to Headteachers.

The Headteacher must:

- Ensure all Governors, staff and volunteers of the school comply with Shires MAT Finance Policy and Procedures and the Finance Scheme of Delegation
- Ensure their schools are compliant with the Academy Trust Handbook, the Funding Agreement and all relevant aspects of Company and Charity law.
- Demonstrate how the school has secured value for money.
- Ensure appropriate risk management procedures are in place.
- Ensure the maintenance of effective systems of internal control.

The Board of Trustees reserves the right to restrict or remove the scheme of delegation from any schools who fail to address the Board's concerns about their financial controls or budgetary responsibility.

#### 1.4.7 Governing Body

Governing Bodies are responsible for ensuring sound and appropriate financial governance and risk management procedures are in place.

The Governing Body must:

- Ensure all Governors, staff and volunteers comply with Shires MAT Finance Policy and Procedures and their associated school Financial Scheme of Delegation.
- Ensure their school(s) is(are) compliant with the Academy Trust Handbook, the Funding Agreement(s) and all relevant aspects of Company and Charity law.
- Ensure appropriate risk management procedures are in place.
- Ensure the maintenance of effective systems of internal control.

#### 1.4.8 All Staff

All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for compliance with the requirements of Shires MAT Finance Policy and Procedures.

### 1.5 Designated Roles and Responsibilities

The Board of Trustees of Shires MAT has approved the designation of the following approved persons / bodies / systems:

Accounting Officer	Chief Executive Officer	Lee Gray
Chief Financial Officer	Shires MAT CFO	Katharine Sanders
Company Secretary	Shires MAT Governance Professional and Clerk to the Trust Board	Nicola Purslow
Shires MAT appointments	Trust Auditors	Mills Pyatt Accountants
	Trust Bankers	Lloyds Bank plc
	Trust Payroll Provider	Mills Pyatt Accountants
Shires MAT systems	Trust Accounting System	Access Dimensions supported by Hoge 100

## **1.6 Associated Policies and Procedures**

Under Company Law, the Trust must prepare consolidated and consistent financial statements for each financial year. To ensure consistency, the Board of Trustees has approved this Shires MAT Finance Policy and Procedures which applies to all the schools and entities within the Trust.

The Financial Scheme of Delegation appended to this Policy and Procedures sets out the internal delegation within the school.

The following Trust policies and procedures are an integral part of this Shires MAT Finance Policy and Procedures and should be read in conjunction with:

- Anti-Fraud, Bribery and Corruption Policy.
- Charging and Remissions Policy.
- Gifts and Hospitality Policy
- Establishment Control Policy

The following Trust policies are directly related to and complement Shires MAT Finance Policy and Procedures and should be read in conjunction with:

- Shires MAT HR Policy
- Shires MAT Pay Policy
- Shires MAT Staff Disciplinary Procedure
- Shires MAT Whistleblowing Policy
- Trustees and Governors' Interests, code of conduct, and expenses policy
- Shires MAT Data Protection Policy

## **2 FINANCE POLICIES AND PROCEDURES**

### **2.1 Financial Control**

#### **2.1.1 Audit Requirements**

Shires MAT CFO will ensure an internal audit is conducted of the Trust's financial systems, controls, transactions and risks annually. The internal audit cannot be conducted by the external Auditors. The main purpose of this audit is to provide the Trustees with independent assurance that:

- The financial responsibilities of the Trust are being properly discharged.
- Resources are being managed in an efficient, economical and effective manner.
- Sound systems of internal financial control are being maintained and financial considerations are fully taken into account in reaching decisions.

External Auditors will also be appointed by the Trust to conduct an external audit of the Statutory Accounts.

Shires MAT CFO is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

Headteachers of schools within the Trust shall ensure that Shires MAT CFO and external auditors are able to:

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

Findings of the audits should be presented to the Audit Committee for consideration, and notified to the Accounting Officer.

#### 2.1.2 Fraud, Theft and Irregularity and Whistleblowing

The Trust will not tolerate fraud. Shires MAT CFO reserves the right to conduct or commission their own investigation into actual or potential fraud, theft or irregularity in any school within the trust, either as the result of a formal notification from the Headteacher or as the result of other information received. Shires MAT CFO may involve other authorities, including the police, as appropriate.

All staff should be vigilant, and whenever any matter arises which involves, or is thought to involve, fraud, theft or any other irregularity in the exercise of the activities of the Trust, the individual concerned should notify their Headteacher, or where thought to involve the Headteacher, directly to Shires MAT CFO, at the earliest opportunity. Any such reports will be treated in confidence under Shires MAT Whistleblowing Policy.

Headteachers must immediately notify Shires MAT CFO of any suspected instances of fraud, theft or irregularity. Any unusual or systematic fraud, regardless of value, must also be reported. Reports should include:

- full details of the event(s) with dates
- the financial value of the loss
- measures taken by the Headteacher to prevent recurrence
- whether the matter was referred to the police (and why if not)
- whether insurance cover or the risk protection arrangement have offset any loss

The board of trustees must notify ESFA, as soon as possible, of any instances of fraud, theft

and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any financial year. Unusual or systematic fraud, regardless of value, must also be reported.

### 2.1.3 Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. In the interests of transparency, the Clerk to the Board of Trustees will hold a Register of Interests which will be reviewed annually and published on the Trust website.

All Trust members, trustees, governors, the accounting officer and staff with significant financial or spending powers are required to declare any relevant business and pecuniary interests in accordance with Shires MAT Declaration of interests Policy.

The existence of a register of interests does not detract from the duties of members, trustees, governors and staff to declare interests whenever they are relevant to matters being discussed by the Board of Trustees, a board or a committee. Where an interest has been declared, members, trustees, governors and staff should not attend that part of the Board and /or committee or other meeting or take part in or seek to influence the voting or decision making.

### 2.1.4 Related Party Transactions

Related parties include persons and entities with control or significant influence over the academy trust, and members of the same group (e.g. parent and subsidiary companies).

Shires CFO should be notified of any trading with related parties, as procurement of any goods and services through a related party must be made 'at cost' in accordance with the Academy Trust Handbook. 'At cost' includes all direct costs and a reasonable share of indirect costs of all resources used to supply the goods or service, but must not include any element of profit.

Academies must report all contracts and other agreements with related parties to ESFA in advance of the contract or agreement commencing, using ESFA's related party on-line form.

This requirement applies to all such contracts and agreements made on or after 1 April 2019. Academies must obtain ESFA's prior approval, using ESFA's related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party agreed on or after 1 April 2019 where any of the following limits arise:

- a contract or other agreement exceeding £20,000 (£40,000 from 1<sup>st</sup> September 2023)
- a contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £20,000 (£40,000 from 1<sup>st</sup> September 2023) in the same financial year ending 31 August

## **2.2 Budgeting, Monitoring and Financial Reporting**

The regular monitoring of income and expenditure against the approved budget is central to effective financial management.

### **2.2.1 Annual Budgeting**

The CFO is responsible for working with Headteachers and other academy staff to prepare a 3 year budget. The CEO is responsible for reviewing the annual budget and making recommendations for approval to the Trust Board. The budget must be approved by the CEO, Business and Finance Committee and the Trust Board.

The approved budget must be submitted annually to the DfE by the deadline and CFO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

The annual budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- forecasts of pupil numbers used to estimate the income
- review of other income sources available to the Trust
- review of past performance against budgets to promote an understanding of the cost base
- identification of potential efficiency savings
- review of the main expenditure headings in light of the school development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes

The budget must be set to ensure the school holds the level of reserves set by the Board of Trustees as specified section 2.5.7, Reserves Policy.

### **2.2.2 Balancing the Budget**

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where efficiency savings can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

### 2.2.3 Finalising the Budget

Once the different options and scenarios have been considered, a draft budget should be prepared by the CFO for approval by the CEO, the Business and Finance Committee and the Trust Board. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

### 2.2.4 Monitoring and Reporting

Each Headteacher is responsible for the control of income and expenditure within the approved budget. Within the overall budget, they are able to delegate authority for income and expenditure to individual budget holders. They must ensure that monitoring of any delegated budgets is undertaken effectively.

Each academy should present management accounts to LGB at every meeting.

The Central Team are responsible for sending monthly monitoring reports to the SBM/BA and Headteacher for review. SBM's/BA are responsible for providing revised forecasts and an explanation of significant variances. A summary level report will be prepared by the CFO for the CEO and the Business and Finance Committee.

Any potential overspend against the budget must, in the first instance, be discussed with the CFO. The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast, it may be appropriate to underspend from another budget line. If this is not possible, refer to the CFO in the first instance.

Headteachers are not permitted to overspend their approved budget and reduce their reserves without prior approval from the Board of Trustees. This approval must be minuted in a meeting of the Board of Trustees as stated in the Academy Trust Handbook (2.2.2).

The Trust Board will continually monitor the quality of the financial information presented to ensure that what is provided remains appropriate, particularly in terms of the timing, level of detail and narrative.

Monthly variances in excess of £10,000 from approved budgets on any given line must be reported to the CFO, explaining the reason for the variance, and providing a plan of corrective actions to restore the school finances to the approved budget.

## **2.3 Accounting Policies**

### 2.3.1 Trust Accounting System

All the financial transactions of the Trust must be recorded on the Trust's main accounting system. Detailed information on the operation of the accounting system can be found in the Shires MAT Financial Handbook.

Access to the Trust's main accounting system is password restricted. Users' access levels within the system are restricted by the CFO according to the school Financial Scheme of Delegation. Headteachers are responsible for ensuring the CFO is kept informed of any changes to users or their access requirements.

All transactions input to the accounting systems must be authorised in accordance with the procedures specified in this manual and in the school Financial Scheme of Delegation.

The CFO is responsible for ensuring that there are effective backup procedures for the Trust's main accounting system, and that a Business Continuity Plan is in place in the event of loss of accounting facilities or financial data.

### 2.3.2 Local Accounting System

In the event of a new school joining the trust and having a separate local cash accounting system to record all payments received from pupils, the accounting transactions on this local system must be recorded and reconciled with the Trust's main accounting system on a monthly basis until the system is merged and all data transferred to the trust accounting system. It is recommended that this be done within 2 to 6 months of them joining Shires MAT.

Until the systems are merged Headteachers must ensure that their local accounting systems are backed up regularly and the backups held securely, and that the school has a Business Continuity Plan for the administration network.

### 2.3.3 Data Protection

During the course of carrying out their roles, Finance staff will have access to personal banking information. This could be stored on either the Trust finance system or the local school network. Headteachers must ensure that all employees adhere to the current Data Protection legislation. Please refer to the Trust Data Protection Policy.

### 2.3.4 Basis of accounting

The financial year for the Trust ends on 31<sup>st</sup> August. The Trust accounts are prepared under the historical cost convention.

Income is recognised when the Trust has legal entitlement to the funds, and is recorded in the period in which it is receivable.

Expenditure is recognised once there is a legal obligation to transfer economic benefit to a

third party, and is recorded in the period in which it is payable.

All year-end adjustments used by schools must be approved by the CFO, including:

- Prepayments
- Accrued Income
- Accrued Expenditure
- Deferred Income

### 2.3.5 Accounting Records

The Shires MAT CFO is responsible for keeping proper accounting records that are sufficient to show and explain the Trust's transactions and disclose the financial position of the Trust, in compliance with the relevant legislation.

Headteachers must ensure that they retain full and accurate financial records including prime documents concerning their transactions for six years.

### 2.3.6 Accounting Returns

The Shires MAT CFO is responsible for the consolidation and preparation of the annual financial statements in accordance with the relevant legislation.

After an external audit, they will be presented to the Board of Trustees for approval.

## **2.4 Fixed Assets**

### 2.4.1 Fixed Asset Register

All capital items (or groups of items) purchased with a value over the academy's capitalisation limit of £3,000 must be entered in an asset register. The asset register should include the following information:

- asset description
- date of acquisition
- asset cost
- source of funding (if capital)
- expected useful economic life
- depreciation method/%
- current book value
- location
- name of member of staff responsible for the asset where allocated to a staff member (e.g. laptop)

The Asset Register helps:

- Ensure all staff take responsibility for the safe custody of assets.
- Enable independent checks on the safe custody of assets, as a deterrent against theft

or misuse.

- Support insurance claims in the event of damage or loss.
- Enable assets to be used effectively.
- Support budgeting and planning for asset replacement.

Headteachers must ensure that all the Trust’s property and assets are adequately safeguarded against misuse, loss or theft.

All the items in the asset register should be permanently and visibly marked as the Trust’s property. The asset register should be kept up to date and reviewed regularly.

There should be regular annual count by someone other than the person responsible for maintenance of the register. Discrepancies between the asset checks and the recording in the register should be investigated promptly and where significant should be reported to the Trust. Where items are used by the Trust but do not belong to it, this should be noted.

#### 2.4.2 Loan Register

Assets must not be removed from Trust premises without the approval of the Headteacher. A record of the loan and return of the asset must be recorded in a loan register.

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a ‘benefit-in-kind’ for taxation purposes. Loans should therefore be kept under review.

#### 2.4.3 Depreciation Policy

Fixed Assets are depreciated at the following annual rates in order to write off each asset over it’s useful economic life:

Freehold Buildings	Shorter of 34 years and useful economic life
Leasehold Land	125 years
Leasehold Buildings	50 years
Furniture	10 years
Fittings, ICT and equipment	4 years
Motor Vehicles	5 years

#### 2.4.4 Asset disposal

The disposal of items by sale or destruction must be authorised in accordance with the finance limits set out in the Financial Scheme of Delegation. Any disposal must maintain the principles of value for money, regularity and propriety. Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the School obtained value for money in any sale or scrapping of equipment. Where IT equipment is concerned,

ownership of any software licenses must be resolved and all data must be removed before disposal.

Disposal of Assets – items which are to be disposed of by sale or destruction must be authorised for disposal by the CFO.

#### 2.4.5 Stocks

Stores of any consumable materials, such as catering or stationery supplies must be kept physically secure within the Trust premises with access limited to authorised staff. Where the total value of stocks exceeding £2,000 a stock take must be made on a monthly basis. The year-end stock take at the end of August must be sent to Shires MAT CFO by the 15<sup>th</sup> September for inclusion in the Trust accounts.

As with the inventory, this count must be taken by someone other than the person who is responsible for the maintenance of the stock sheets. Differences between the counts and the stock sheets must be investigated promptly and reported to the Governing Body. Differences in excess of £200 must be investigated for potential fraud, theft or irregularity and any findings reported to Shires MAT CFO.

#### 2.4.6 Land and Buildings

All freehold land and buildings are the property of the Trust. Freeholds on land and buildings must not be acquired or disposed of without approval from the Board of Trustees, who must, in turn, have prior written approval from the ESFA.

### **2.5 Financial Assets**

#### 2.5.1 Banking Arrangements

The Board of Trustees is responsible for the appointment of Bankers. The opening of all accounts must be authorised by the Trust Board who must set out the arrangements covering the operation of accounts in the Financial Scheme of Delegation. The Trust has a single central bank account.

The bank account must be recorded on the Trust's accounting system, and all transactions through the account must be reconciled monthly with the bank statements, and reviewed and signed off by the Shires MAT CFO. Bank Reconciliations are an important part of the Trust's financial controls as they mitigate the risk of financial transactions not being entered onto the Trust accounting system. All unreconciled differences must be investigated promptly and reported to Shires MAT CFO through the regular monthly monitoring.

All banking mandates will be signed by both Shires MAT CEO and Shires MAT CFO. Should any individual need to be removed from the panel then Shires MAT CFO must be notified immediately through an amended Financial Scheme of Delegation with a Chairs resolution.

Shires MAT central staff have access to online banking facilities in order to view statements. Access to the online banking facilities is controlled via user accounts, passwords and smartcards. It is the responsibility of each individual to maintain security of their passwords

and cards.

### 2.5.2 Cash Management

All Head Teachers must establish procedures for cash handling within their schools.

They must at a minimum ensure that:

- The total amount of cash on the school premises at any one time (including the Petty Cash balance) is fully insured and held according to the requirements of the school insurers.
- All cash and cheques are kept in a safe prior to banking.
- A member of staff must verify each cash banking and reconcile it to the paying in slip.
- Cash collected is banked promptly and reconciliations are conducted between the sums collected, the sums deposited at the bank, and the sums posted to the Trust accounting system.

### 2.5.3 Petty Cash

It is Trust policy to keep Petty Cash transactions to a minimum. However there are circumstances which are facilitated by the holding of a petty cash balance. Therefore schools are able to hold Petty Cash up to a limit approved by the CFO but not to exceed £300. This cash must be held securely at all times, in compliance with the school insurance policy. All claims for reimbursement from Petty Cash up to a value of £30 must be accompanied with the appropriate receipt and staff must obtain proper VAT receipts for petty cash purchases whenever possible. The petty cash account should be reconciled monthly, and irregularities reported to Shires MAT CFO.

### 2.5.4 Credit Cards

Academies must not open or hold credit cards with any other banking service provider other than the Trust Banker. The holding of credit cards up to a limit of £2,500 per card (at CFO discretion based on school size) and requests for new cards must be approved by Shires MAT CFO.

The cards must be stored securely and only used for academy business. Credit cards can only be used by the person named on the card or the person at each academy delegated to procurement and that person is responsible for all expenditure made on their card. All transactions over £50 must be accompanied by an appropriate authorised requisition and receipt retained for accounting purposes for all transactions.

Credit cards carry an increased risk for the Trust as they enable an individual to avoid the normal procurement policy incorporating a segregation of duties. To ensure the Trust procurement policy is being followed, each monthly statement for the purchase/credit card must be checked for accuracy by the cardholder, and then reviewed and authorised by the headteacher, or their nominated authoriser e.g. SBM/BA.

As with all expenditure, the supporting documentation must be kept and all credit card transactions must be entered on the Trust accounting system.

The credit card account MUST be settled in full, before any interest accrues.

### 2.5.5 Borrowings

In line with the Trust's funding agreements with the Department of Education, schools MUST NOT borrow from any source (including finance leases and overdraft facilities), regardless of the chargeable interest rate, without the approval of the Board of Trustees.

Only in exceptional circumstances will permission be granted by the Board of Trustees, and only once it has in turn received prior approval from the ESFA.

#### 2.5.6 Investment Policy – updated 7.2.24

The Trust aims to use its funds for the full benefit for its current pupils. The Trust holds its liquid assets in the form of cash balances in no notice accounts. As part of its liquidity management, Shires MAT CFO is able to invest in term deposits up to a maximum term of nine months. The Trust does not hold other investments. Should it wish to do so in the future, the Board of Trustees will consider a recommendation from Shires MAT CFO.

#### 2.5.7 Reserves Policy – updated 7.2.24

##### Purpose of reserves

The Trust has a duty to ensure long-term financial sustainability. Holding a level of reserves is essential to ensure the Trust retains its capacity to:

- overcome short-term cash flow challenges,
- manage unexpected changes in funding levels without being forced into short term expenditure cuts which are detrimental to medium-term objectives
- supporting strategic initiatives such as curriculum enhancements or improvements to infrastructure
- covering unforeseen operational or capital expenditure

##### Target level of reserves

The Trust will maintain a reserve level of a minimum of 4% of total GAG income plus £750,000 additional contingency for future projected deficit budgets related to North Bromsgrove High School.

##### Reporting

The CFO will provide regular updates to the Trustees on the status of reserves, including actual levels compared to the target, any movements in reserves, and the rationale for such movements. Where reserves fall below the target, the CFO will provide Trustees with a rationale for the decision, with a plan of how reserves will be maintained at the agreed levels over the next three years.

##### Review and Revision

The Board of Trustees will regularly review the target level of reserves, taking into account the Trust's specific circumstances, risks and strategic objectives.

#### 2.5.8 Restricted Funds

Headteachers are responsible for ensuring compliance with the terms and conditions of any grants received. Transactions involving restricted funds should be clearly identifiable on the Trust accounting system.

## 2.6 Income

The main sources of income for the Trust are the grants from the ESFA. The receipt of these funds is monitored by the CFO who is responsible for ensuring that all grants due to the MAT are collected. Headteachers are responsible for ensuring compliance with the terms and conditions of any grants received.

### 2.6.1 Income from students

Schools may receive income from students for a variety of reasons including:

- Trips
- School Meals
- Sale of school uniform
- Sale of books, materials and photocopying
- Deposits & payments for lockers & keys
- Extracurricular tuition fees
- Wrap around care
- Nursery fees

Headteachers must ensure that all income from students is recorded in the school's cash accounting system, as a total receipt split, by pupil within the cashless service provider, i.e. Parentpay.

Headteachers must ensure that:

- All income and expenditure should be recorded against the student name
- Payments are adequately monitored and debts chased up
- Teachers do not collect cash on behalf of the school

The Central Team reconcile bank receipts to cashless service provider statements.

### 2.6.2 Donations

The Trust may be able to claim Gift Aid on donations to the school. To assist the Shires MAT Central team in this claim, schools should enquire as to whether the donor is willing to complete a Gift Aid Declaration form. In the event that donors are unwilling, or it is not possible to identify who the donor is (such as bucket collections) the Trust may still be able to claim an amount of Gift Aid under the Gift Aid Small Donations Scheme (GASDS).

To facilitate this Headteachers must keep records of the donations including:

- total cash donations collected or bank transfers
- date of the collection
- date it was paid into a bank account

The Central Team record all donations on the Trust accounting system.

The Headteacher or delegated authority must issue a receipt along with a letter of thanks for each donation.

### 2.6.3 Lettings and Hire of Facilities

There are strict rules concerning the letting of Trust premises with regard to the tax treatment of the income received. For this reason, lettings of the Trusts premises should be reflected through the VAT126 return on a commercial basis.

The invoice to the hirer should be raised directly through Shires MAT.

All invoices should be issued directly from the Trust accounting system on a timely basis.

Headteachers must establish a school Lettings Policy and Procedures which must be approved by the Governing Body. These procedures must ensure that:

- School activities take precedence over external lettings.
- All lettings are conducted under the school Letting Policy which is reviewed and approved by the Governing Body.
- All charges for rents and lettings are clearly stated.
- Adequate records are maintained of all bookings made.
- Payment should be made in advance wherever possible.
- All invoices are raised through the Trust accounting system.
- Debts are monitored and promptly chased up.

### 2.6.4 Leaseholds on Land and Buildings

Under the terms set out in the Academy Trust Handbook, the Board of Trustees must obtain ESFA approval prior to granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

Headteachers must not grant leases on land and buildings under any circumstances without prior approval from the Board of Trustees.

### 2.6.5 Debt Recovery Policy

Headteachers should ensure that:

- debtors' invoices are raised promptly in respect of income due to the Trust
- invoices are raised directly from the Trust accounting system
- swift and effective action is taken to collect overdue debts
- outstanding debts are monitored through aged debtors reports and debts outstanding for more than three months are reported to Shires MAT CFO

Headteachers should always pursue recovery of amounts owed, overpayments, or payments made in error, irrespective of how they came to be made.

### 2.6.6 Debt Write-Offs/Losses

Headteachers should only consider writing-off losses after careful appraisal of the facts, including whether all reasonable action has been taken to effect recovery from the debtor or the school's insurers, and should be satisfied that there is no feasible alternative.

Please refer to the Finance Scheme of delegation for authorisation limits.

### 2.6.7 Guarantees, Indemnities and Letters of Comfort

Academies must not enter into guarantees, indemnities (unless in the normal course of

business as per the AHB) or letters of comfort under any circumstances.

## **2.7 Expenditure**

### 2.7.1 Value for Money

The Board of Trustees expects the Trust to achieve the best possible educational outcomes through the economic, efficient and effective use of all resources.

It expects these three elements of Value for Money to be considered in all expenditure decisions and defines them as:

Economy – spending less - schools should minimise the cost of goods, services and staff used or required for a given level of quality.

Efficiency – spending well - schools should use those goods, services and staff in the most efficient way possible to produce the required outcomes.

Effectiveness – spending wisely - schools should monitor the intended and actual results of spending on outcomes.

Academies must ensure that:

- spending has been for the purpose intended and there is probity in the use of public funds
- spending decisions represent value for money, and are justified as such

### 2.7.2 Procurement Policy

The Procurement Policy is based on the value of the order to be placed. There are two types of threshold governing the procurement for the Trust and Academies. Firstly, authority to commit expenditure, which is covered in the Financial Scheme of Delegation and secondly the procurement process as follows (figures are net of VAT except where stated for Public Contract Regulations 2015 values at the time of adopting this policy):

- Up to £5,000 - ensure that purchase demonstrates best value for money
- £5,001–£85,000 - use of an appropriate framework or three formal written quotations from suitable suppliers/contractors ensuring that purchase demonstrates best value for money
- £85,001–THRESHOLD (THRESHOLD = £213,477 inclusive of VAT)- use of an appropriate framework or formal tender process. COO must be consulted prior to formal tender process
- Services over THRESHOLD (THRESHOLD = £213,477 inclusive of VAT) - use of a compliant framework or tender procedure using the UK government 'Find a Tender' service.
- Works over THRESHOLD (THRESHOLD = £5,336,937 inclusive of VAT) - use of a compliant framework or tender procedure using the UK government 'Find a Tender'

service

For specialised services, where there are limited supply options, the headteacher or CFO may authorise procurement on supply based on a single quote. Examples of this are SEND provision, IT specialised software provision, etc.

Quotations obtained should be retained by budget holders for audit purposes. If competitive quotes are not able to be obtained, a note must be attached documenting the reasons why and how value for money has been otherwise assured. A termly report of invoices approved without the requisite number of quotes should be produced for approval of CFO or COO.

### 2.7.3 Tendering Procedure

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below. The Tenders must be sought on the most appropriate basis.

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with Shires MAT identify all potential suppliers and contact directly if practical. All suppliers who express an interest are sent a tender. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds. This method is most appropriate to use when there are a limited number of suppliers in the market.
- **Restricted Tender:** This is where suppliers are specifically invited to tender. Potential suppliers are evaluated against predetermined economic, financial and technical criteria. Invitations to tender are then sent to the selected suppliers. The Trust will normally invite at least four bidders. This method is most commonly used when there are a large number of potential suppliers in the market, or because the nature of the goods or services are such that only specific suppliers can be expected to supply the Trust's requirements.
- **Negotiated Tender:** This is where the terms of the contract are negotiated with one or more chosen suppliers. This is only appropriate in specific circumstances such as:
  - the open or restricted tenders have resulted in either no or unacceptable tenders,
  - where extremely specialised requirements mean that only one or very few suppliers are available,

#### *Preparation for Tender*

The requirements of the tender must be established in advance and form the basis of the invitation to tender.

The award criteria which are to be applied in evaluating tenders must be recorded before the tenders are invited and must be stated in the documents sent to suppliers. The criteria should be ranked (e.g. mandatory, desirable and additional) according to requirement.

### *Invitation to Tender*

If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used, an invitation to tender may be issued in response to an initial enquiry. An invitation to tender should include the following:

- introduction/background to the project
- scope and objectives of the project
- technical requirements
- selection criteria
- implementation of the project
- after sales service requirements
- form of contract
- terms and conditions of tender
- form of response

### *Aspects to Consider*

#### Financial

- Comparison of like with like cost and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation?

#### Technical/Suitability

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

#### Other Considerations

- Pre sales demonstrations
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service.

### *Tender Acceptance Procedures*

The invitation to tender should state the date and time by which the completed tender document should be received by the Trust. Tenders received after the submission deadline should not normally be accepted.

### *Tendering Evaluation Procedures*

The evaluation process should involve at least two people including Shires MAT COO or CFO.

At the beginning of the process, those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

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

Tender Evaluation criteria will be determined within the tender document to ensure full transparency. Full records should be kept of all criteria used for evaluation.

Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.

The accepted tender should be the one that is economically most advantageous unless it can be demonstrated that is not the best option for the Trust. All parties should then be informed of the decision.

#### 2.7.4 Requisitions and Purchase Orders

Headteachers/SBM/BA will inform budget holders of the budget available to them at the beginning of the academic year. It is the responsibility of the budget holder to manage their budget and to ensure that the funds available are not overspent. Budget holders are required to check their budgets on a regular basis to ensure that spending is kept within the budget limits. The SBM/BA will monitor the actual and committed expenditure against the budget.

Budget holders should raise an order for goods or services using a requisition form. The budget holder must review and authorise the requisition after consideration of their delegated budget. Where the value of the order is above £5000, the requisition must be accompanied by evidence of appropriate number of quotes/or proof that a value for money exercise has taken place. Advice about suppliers or obtaining best value for money is available from the COO and CFO. Upon receipt of a requisition form signed by the relevant budget holder, the requisition must be entered into the finance system and authorised in line with the Finance Scheme of Delegation.

When a requisition has been raised and electronically authorised by the SBM/Headteacher on the Trust accounting system an official Purchase Order will be automatically generated. If the budget holder has approved a paper-based requisition form then this must be given to the school finance administrator as soon as possible, to enter into the Trust accounting system and create the Purchase Order.

Purchase requests must be authorised for ALL expenditure items BEFORE the items are ordered. Purchase Orders are a very important part of the Trusts procurement process. They ensure that expenditure is controlled within budgets and correctly authorised by budget holders, and form a legal commitment to buy goods or services. They must be recorded on the Trusts accounting system to ensure that all liabilities and commitments of the Trust are

reported correctly.

Orders raised in the finance system must be emailed (or posted if not possible) to the supplier. It should include a description of the goods/services sufficient to identify all goods on delivery. Goods must be delivered to a Trust or school address.

Telephone/direct verbal ordering will be permitted only in situations where raising an official order is not practicable and with prior approval of the HT/SBM/BA. In such cases, a written confirmation order will be raised as soon as possible, normally within 24 hours.

#### 2.7.5 Receipt of Goods

When the goods are delivered to the school, the receiving member of staff is often not the budget holder. In this case all delivery notes should be signed to acknowledge delivery but a note should be added to clarify that goods are received unchecked.

It is the responsibility of the budget holder to check the delivery against the Purchase Order. All discrepancies should be discussed with the supplier without delay. Any delivery notes should be signed by the budget holder and passed to the school finance team.

Upon receipt of the delivery note or signed acknowledgment of receipt of goods from the budget holder, the school finance team will match it to the Purchase Order, and receive the goods in the Trust accounting system.

#### 2.7.6 Receipt of Services

When services have been provided to the school, it is the responsibility of the budget holder to ensure that the service has been provided to an acceptable standard, and to notify the finance team that the work or service has been completed and to expect an invoice.

The school finance administrator will receive the goods/service against the Purchase Order on the Trust accounting system, following confirmation.

#### 2.7.7 Invoices

Suppliers must be notified that all invoices should be sent the Central Finance Team including a purchase order reference number. Any invoices that are received directly to schools must be passed immediately upon receipt to the Central Finance Team to be matched against the purchase order/goods receipt.

Invoices must be approved on the finance system in line with the Finance Scheme of Delegation. They should be checked by the approver for the following:

- Invoice arithmetically correct
- Goods/services received
- Goods/services as ordered
- Prices correct

Invoices will be authorised for payment after matching to the purchase order,

goods/services have been receipted and the invoice approved in the finance system.

The budget holder should check the details of the invoice and ensure it is accurate. If it is incorrect then the budget holder should provide the SBM/BA with adequate information for them to be able to investigate the query. All communications with the supplier should be noted and emailed to the Central Finance Team. Once the SBM/BA is satisfied that the invoice is accurate, they should approve the invoice to authorise payment.

Authorisation of an invoice for payment will be confirmation that:

- the goods have been received, examined and given initial approval with regard to quality and quantity, or that services rendered or work done is satisfactory
- invoice details (quantity, price, discount) are correct
- the invoice is arithmetically correct
- an invoice for the goods or services has not previously been passed for payment

Once authorised, the invoice can be released for payment in the Trust accounting system.

Specific exemptions for the requirement to raise an official purchase order are limited to:

- Business rates
- Utilities
- Petty cash
- Pre-agreed with the CFO

### 2.7.8 Payment

The Trust expects that most payments will be made by BACS transfer.

All payments should be checked against the invoices by the CFO or a nominated member of the Central Finance Team. All payments must be authorised by a signatory nominated within the delegated payment limits.

Payments should not be made in advance of receipt of goods. In some cases advance payment is required to secure services, such as training or travel arrangements. In these exceptional circumstances an explanatory note must be added to the Purchase Order along with the booking form, and authorised by the Headteacher or a nominated senior member of staff eg school business or finance manager. Consideration must be given to the ability and cost of having to cancel these arrangements should it become necessary.

### 2.7.9 Contracts and Service Level Agreements

Headteachers or a delegated authority are responsible for ensuring Shires MAT COO is informed of all contracts or SLAs held by the school, including:

- value of contract
- expiry date of contract
- notice period
- counterparty to contract

- type of expenditure

Shires MAT COO is responsible for maintaining a central Contracts Register identifying all Contracts and Service Level Agreements (SLAs) held by the Trust, and will:

- conduct termly analysis of trust-wide expenditure by supplier, to ensure the Trust stays within its own tendering limits
- conduct termly analysis of trust-wide expenditure by type to ensure a focused approach to pursuing value for money through leveraging purchasing power

Headteachers are able to enter into Contracts and Service Level Agreements (SLAs) with a maturity of one year or less, under their normal delegated authority with the approval of their Governing Body. The full liability of the contract or SLA should be considered during both the Procurement Process and the assessment of the limits of delegated authority. Contracts and SLAs cannot be subdivided to reduce their threshold.

Contracts and SLAs with a maturity greater than one year or a value in excess of the Headteachers delegated authority must be authorised by Shires MAT COO and/or CFO prior to commitment.

The Shires COO/CFO will ensure that best value is achieved and will review merged contract negotiation if 2 or more schools are reviewing the same services. The COO will also review the new contract risk and enter it on the risk register if applicable for Trust Board review & approval.

#### 2.7.10 Leases

There are two types of lease (refer to Finance Scheme of Delegation for authorisation limits):

- Finance leases on any class of asset including leaseholds on land and buildings : these are a form of borrowing and must not be entered into under any circumstances
- Operating leases : these do not represent borrowing and so can be considered by Headteachers, but must be approved by Shires MAT CFO prior to signing. Headteachers must ensure that any lease arrangement maintains the principles of value for money, regularity and propriety.

#### 2.7.11 Insurance

Shires MAT CFO is responsible for ensuring the main insurable risks to the Trust are covered including:

- buildings and contents
- employers and public liability insurance

- school trips

Headteachers are responsible for ensuring that they have additional cover in place against any insurable risks not covered by the Trust policy, including but not limited to:

- motor vehicles

#### 2.7.12 Capital Expenditure

Only items which are approved by Shires MAT CFO can be classed as capital expenditure. Any item of expenditure not approved must be treated as a purchase from revenue expenditure.

#### 2.7.13 Foreign currency transactions

No expenditure can be made in foreign currency without approval from Shires MAT CFO.

#### 2.7.14 Alcohol

There must not be any expenditure on alcohol, as specified in the Academy Trust Handbook.

### **2.8 Expenditure on Staff**

Headteachers are responsible for all payments to staff. All Trust staff including part-time and casual employees must have a contract of employment with the Trust in accordance with appropriate conditions of service.

All staff payments in regard of salaries, wages and overtime must be made through the Trust's external payroll provider.

#### 2.8.1 Staff Appointments

All staff must be appointed in line with Shires MAT HR and Recruitment Policies and Procedures and Establishment Control Policy.

Each Headteacher is responsible for maintaining personnel files for all members of staff, which include contracts of employment. Headteachers must ensure the school's HR database is kept up to date with all personnel and pay related data.

#### 2.8.2 Payroll Administration

Payroll processing is administered through a contractual arrangement with the Trust payroll provider. The payroll provider will determine monthly payroll timetables for key processing dates.

The Headteacher is responsible for authorising all changes to the payroll, and ensuring that the payroll provider is notified according to the payroll timetable, including:

- appointments, resignations, dismissals, suspensions, secondments and transfers
- changes in remuneration relating to regradings (refer to Establishment Control Policy)
- changes in remuneration (including normal increments) and pay awards

- absences from duty for sickness or other reason, including leave other than routine annual leave

### 2.8.3 Payment of salaries

The payroll provider will provide a detailed monthly report of salary payments to each school. This must be checked for accuracy and authorised by the Headteacher, or their nominated member of staff, usually the SBM/BA, prior to the payments being made to staff.

All net salary payments are made by BACS and are the responsibility of the payroll provider as per the contract arrangements. It is the MAT CFO's responsibility to ensure that sufficient funds are in the account to meet the direct debit payment.

### 2.8.4 Payment of Statutory and Voluntary deductions

The payroll provider will calculate the schedule of statutory and voluntary deductions due from payroll each month, e.g Income Tax, National Insurance Contributions and Pensions. This schedule must be checked for accuracy and authorised by the Headteacher or their nominated member of staff, usually the SBM/BA.

Payments are prepared by the payroll provider and paid in accordance with the details of the contract. It is the MAT CFO's responsibility to ensure that sufficient funds are in the account to meet the direct debit payment.

### 2.8.5 Payroll Reconciliation

After the payroll has been processed, the MAT CFO or delegated authority, must ensure the Trust accounting system is updated to reflect the expenditure.

Postings should be made to the relevant expenditure nominals along with the Balance Sheet Control accounts for net wages, pensions and HMRC. The accounting system Control accounts must be reconciled monthly with the payroll report from the external payroll provider.

The MAT CFO (Central staff) or Headteacher (or delegated authority e.g. SBM/BA) is responsible for ensuring that all records relating to payroll including statutory returns, time sheets, and absence records are verified and authorised. Records should be kept for a minimum of seven years.

### 2.8.6 Pensions

MAT CFO (Central staff) or Headteacher (School staff, or delegated authority) are responsible for overseeing day to day pension's matters including;

- administering staff eligibility to pension arrangements
- informing the payroll provider when deductions should be made or ceased for employees
- resolution of queries in relation to individual's contributions

The Trust is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees, and Shires MAT CFO will prepare the annual returns of the pension schemes.

#### 2.8.7 Special Payments

Special payments are non-statutory or non-contractual payments made to staff and include:

- Severance payments (including Settlement Agreements)
- Compensation payments
- Discretionary payments
- Ex gratia payments

Please refer to the Financial Scheme of Delegation for limits.

#### 2.8.8 Engagement of Temporary Staff

The Headteacher is responsible for all arrangements for the engagement of agency or other temporary staff.

No agency or temporary staff shall be engaged unless the Headteacher has authorised the expenditure after consideration of the budget.

The engagement of external consultants on a recurrent basis must be agreed in advance with the CFO and COO to ensure compliance with current tax legislation.

#### 2.8.9 Advances to Staff

It is Trust policy not to make advances of salary to staff.

#### 2.8.10 Staff Expenses

All claims for payment of staff expenses including subsistence allowances, travelling and incidental expenses shall be completed in a form approved by Shires MAT CFO (central staff) or Headteacher e.g. SBM (school staff).

The authorisation shall be taken to mean that:

- the expense was incurred in the course of carrying out Trust business
- the expenditure was authorised in advance
- the expense was properly and necessarily incurred
- that consideration has been given to value for money
- that the allowances are properly payable by the Trust

Claims for mileage must be authorised by the Headteacher, who is responsible for ensuring that claimants have appropriate business insurance arrangements in place.

All staff expenses above £30 will be reimbursed via payroll under the delegated limits in the Finance Scheme of Delegation.

### **3 FULL SCHEDULE OF DELEGATIONS**

The Financial Scheme of Delegation summary for relevant finance staff is shown below:

	<b>Delegated Duty</b>	<b>Value</b>	<b>Delegated Authority</b>	<b>Method</b>
<b>Procurement</b>	Requisitions for orders/invoice approval, contract approval and renewals within approved budget	Up to £5,000	Delegated budget holder/SBM/BA under the management of the Head Teacher	Notify School business manager (CFO for Central purchases).
		£5,001 - £10,000	Head Teacher	Minimum of 3 written quotes or use of an appropriate framework
		£10,001 - £30,000	CFO	Minimum of 3 written quotes or use of an appropriate framework
		£30,001-£85,000	CFO/COO consulted Authorised by CEO	Minimum of 3 written quotes with a scope of works or use of an appropriate framework
		Over £85,000 up to threshold	Trust Board COO must be consulted prior to formal tender process	Formal tendering
	Signatories for cheques	Any	Two signatories from:  <ul style="list-style-type: none"> <li>• CEO</li> <li>• CFO</li> <li>• COO</li> </ul>	

<b>Signatories</b>	Signatories for BACS payments and other bank transfers including payroll	Any	Two signatories from: <ul style="list-style-type: none"> <li>• CEO</li> <li>• CFO</li> <li>• COO</li> </ul>	
	Signatories for ESFA grant claims and ESFA returns	Any	One signatory from as applicable: <ul style="list-style-type: none"> <li>• Chair of Trust</li> <li>• CEO</li> <li>• CFO</li> </ul>	Dependent on type of return
	Opening / closing bank accounts	Any	2 signatories from Trustees	
<b>Assets</b>	Authorising disposal of unusable or obsolete assets (any funds generated from sale of assets would revert to the Trust Board not to the local academy)	Up to £5,000	CFO	Ensure disposal maintains principles of regulatory, propriety and value for money.
		Over £5,000 - £10,000	CEO	
		Over £10,000	Trust Board	

	Acquiring or disposing of any freehold land or building or heritage assets	Any	Trust Board	ESFA approval as required by Academies Financial Handbook
	Write off Bad Debts/Losses	Up to £1,500 per transaction	CFO	

<b>Write-Offs</b>		Over £1,500 and up to £5,000	CEO	
		Over £5,000 and up to £44,999 per transaction	Trust Board	
		Over £45,000 or 1% of total income (whichever is smaller)	ESFA/Secretary of State	
<b>Leases</b>	Finance leases	Any	Trust Board and ESFA approval required	See clause in Academies Financial Handbook
	Granting or take up of any leasehold or tenancy agreement exceeding 5 years	Any	Trust Board and ESFA approval required Local Authority as appropriate	See clause in Academies Financial Handbook
	Operating leases within approved budget	Up to £5,000	Delegated budget holder/SBM/BA under the management of the Head Teacher	Notify School business manager (CFO for Central purchases).
		Over £5,000 up to £10,000	Head Teacher	Minimum of 3 written quotes or use of an appropriate framework
		Over £10,000 up to £30,000	CFO	Minimum of 3 written quotes or use of an appropriate framework

		Over £30,000 up to £85,000	CEO	Minimum of 3 written quotes or use of an appropriate framework
		Over £85,000	Trust Board	Formal tendering process
<b>Miscellaneous</b>	Borrowing	Any	Trust Board and ESFA approval required	
	Severance and compensation payments	Equal to or below contractual notice	Two of: CEO/CFO/COO	
	Severance and compensation payments	Above contractual notice up to £10,000	Two of: CEO/CFO/COO	
	Severance and compensation payments	Above contractual notice over £10,000 and up to £50,000	Trust Board	
	Severance and compensation payments	Above contractual notice and over £50,000	Trust Board and ESFA approval required	See clause in Academies Financial Handbook
	Expenses within approved budget	Maximum £300 per employee in a calendar month	Headteachers	All CEO expenses to be signed by Chair of Trust

		over £300 to £1000 in a calendar month	CFO	All CEO expenses to be signed by Chair of Trust
		Over £1,000 up to £2,500	CEO	All CEO expenses to be signed by Chair of Trust
		Over £2,500	Trust Board	
	Discretionary payments within approved budget	Up to £1,000	CEO and one of CFO/COO	These should only be considered in extenuating circumstances. Must be in line with Pay Policy.
		Over £1,000 up to £50,000	Trust Board	
		Over £50,000	ESFA approval required	See clause in Academies Financial Handbook