Slough and East Berkshire
C of E Multi Academy Trust

Finance Manual

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1 INTRODUCTION

This manual has been prepared for the use of Slough and East Berkshire Church of England Multi-Academy Trust (SEBMAT). The authors, publisher or Trust can accept no responsibility for loss occasioned to any other person acting or refraining from action as a result of any material in this publication.

SEBMAT, through its funding agreement with the Department for Education (DfE), is required to follow the guidance set out in the Academy Trust Handbook.

2 ROLES WITHIN SEBMAT

Within a multi-academy trust such as SEBMAT there are a number of different roles.

Members – These are people who are the subscribers to the Articles of Association, and any other individuals permitted under the Articles of Association. Their powers include the authority to appoint and remove trustees/directors, appoint Trust's external auditors and receive (not sign) the audited financial statements.

The members of the Trust have a different status and are not the same body of people as the trustees/directors. Members must not be employees of the Trust, not occupy staff establishment roles on an unpaid voluntary basis. In effect they are guardians and custodians of the Trust.

Trustees/Directors – These are people responsible under the Academy Trust's governing document for controlling its management and administration. They have responsibility for directing its affairs and for ensuring that it is solvent, well-run and delivering the charitable outcomes for the benefit of the public for which it has been set up.

Governing Body – SEBMAT has local governing bodies for each school within the Academy Trust. A formal Scheme of Delegation has been adopted by the Trust with

the governing body having an overview of the school's financial management. Within each school the day to day financial management is delegated to the headteacher at the school. Across the Academy Trust however it is overseen by the Finance and Resources Committee.

SEBMAT Finance and Resources Committee (F&R)

Financial oversight across the Trust is undertaken by the SEBMAT Finance and Resources Committee which reports to the trustees/directors (Trust Board). Terms of Reference and formal levels of delegation have been agreed by the trustees/directors of the Trust, covering both the F&R Committee and local governing bodies.

SEBMAT Audit and Risk Committee

The Board of Trustees/Directors determined that the Audit and Risk Committee should be formed to provide full scrutiny of the systems and procedures of financial management. Terms of Reference and formal levels of delegation were agreed by the trustees/directors of the Trust.

Chief Executive Officer (CEO)

The Chief Executive Officer is the Accounting Officer of the Trust and has responsibility for the Trust's overall management and staffing. As Accounting Officer, they have specific responsibilities for financial matters.

In particular, they are personally responsible to Parliament, and to the Accounting Officer of the Education and Skills Funding Agency (DfE), for the resources under their control, and must be able to assure Parliament and the public of high standards of probity in the management of public funds.

Appendix 5 names the individuals who occupy the above roles and other relevant positions within the Trust.

3 PRINCIPLES OF FINANCIAL MANAGEMENT

Academy trusts are expected to meet four financial objectives which are set out in the Academy Trust Handbook:

Financial Oversight

The academy trust's trustees and managers must have the skills, knowledge and experience to maintain robust oversight of the academy trust and take full responsibility for its financial affairs, stewardship of assets and use resources efficiently to maximise outcomes for pupils.

Internal Control

The academy trust must have in place sound internal control, risk management and assurance processes.

Financial Planning

The board of trustees/directors must ensure that financial plans are prepared and monitored so as to secure its short-term and long-term financial health.

Procurement and Spending Decisions

The academy trust must be able to show that public funds have been used for the purpose intended and represent value for money.

Risk Management

The trust must manage risks to ensure effective operation and must maintain a risk register and review it annually.

The Trust therefore expects all trustees/directors, governors and staff to follow principles of good financial management which are set out below.

3.1 Leadership and governance

- The staff, governors and trustees have a shared understanding of their own financial management roles and responsibilities and those of others.

- The Trust governance arrangements ensure that trustees and governors are able to fulfil their financial management roles and responsibilities properly.

- The CEO and Finance Director operate with financial integrity setting an example to governors and staff alike.

- The schools have effective governance arrangements covering issues which include conflicts of interest and whistleblowing.

3.2 People management

Governing bodies include individuals who are able to:

- be an effective "critical friend" on financial management issues
- provide strategic leadership on financial management issues
- Oversee the financial performance of the school and making sure that its money is well spent.

The staff with financial management responsibilities include individuals who are organised in a way that enables them to:

- provide a strategic view;
- ensure accountability requirements are met; and
- facilitate the effective operation of financial processes.

3.3 Principles of Public Life

The Academy Trust is a public body accountable to a wide range of people and all those involved in the management of the school, including staff and governors, are expected to follow the Seven Principles of Public Life set out by the Nolan Committee:

Selflessness

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Objectivity

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

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

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

4 RESPONSIBILITIES

4.1 Trustees/Directors

As trustees/directors of a charity, academy trustees must comply with the following duties:

- **Compliance** – they must ensure that the charity's resources are used for the charitable purpose and that the charity complies with the law and its governing document i.e. the articles of association.
- **Care** – they should take reasonable care in their work. In practice it simply means ensuring that the academy trust is managed efficiently and effectively. It also means considering the need for professional advice on matters where there may be material risk to the charity.
- **Prudence** – they must act responsibly, making sure that the academy trust's assets are protected and used for the benefit of the charity. The trustees must make sure that the academy trust is solvent and keeps appropriate financial records. These requirements are reflected in the funding agreement and the Academy Trust Handbook.

4.2 Committees

Finance and Resources Committee

The Trust has established a Finance and Resources Committee (F&R) which meets once a term, or more frequently if necessary. Meetings are scheduled in advance of returns to DfE so that the returns can be seen and authorised before submission.

The F&R Committee has been established to:

1. Assist the decision making of the Trust Board, by enabling more detailed consideration to be given to the best means of fulfilling the Board's responsibility to ensure sound management of the Academy Trust's finances and resources, including proper planning, monitoring and probity.
2. Make appropriate comments and recommendations on such matters to the Board of Trustees/Directors on a regular basis.
3. Refer major issues to the Board of Trustees/Directors for ratification.

Separate Terms of Reference have been agreed setting out what duties the Committee is authorised to perform.

Audit and Risk Committee

The Trust established an Audit and Risk Committee which meets at least 3 times a year at appropriate times in the reporting and audit cycle. The external auditor may request a meeting if he considers one necessary.

The Audit and Risk Committee has been established to:

1. Review the Trust's internal and external Financial Statements and reports to ensure that they reflect best practice.
2. Receive auditor's reports and recommend to the Board action as appropriate in response to audit findings.
3. Ensure that the Body's internal audit service meets, or exceeds, the standards specified in the Government's internal audit manual, complies in all other respects with guidelines and meets agreed level of service.
4. Develop, review and monitor the Trust's Risk Register.

4.3 Accounting Officer

The Accounting Officer for the Slough and East Berkshire Church of England Multi- Academy Trust is the Chief Executive.

The Accounting Officer is personally responsible for:

- **Regularity** - dealing with all items of income and expenditure in accordance with legislation, the terms of the Trust's funding agreement and the Academy Trust 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 more generally.

The Accounting Officer has responsibilities for keeping proper financial records and accounts, and for the management of opportunities and risks.

4.3.1 Specific financial tasks delegated to the Accounting Officer

The Accounting Officer has responsibility for:

- overall executive responsibility for the Academy's activities including financial activities
- establishing and maintaining sound internal financial controls which are managed on a daily basis by the Accounting Officer and the Finance Director
- overseeing the compilation of draft budgets by the Finance Director for the governing body and appropriate committees
- overseeing the production (by the Finance Director) of regular reconciled budget/financial reports to the governing body, committees and DfE as appropriate.

4.4 Local governing bodies

The strategic role of local governing bodies is to:

a) Ensure clarity of vision, ethos and strategic direction

b) Hold the headteacher to account for the educational performance of the school and its pupils, and
c) Oversee the financial performance of the school and making sure its money is well spent.

The Trust has adopted a comprehensive Scheme of Delegation setting out the responsibilities of the local governing boards. In relation to the financial management of the schools this covers the following areas:

- Oversight of finance within the school
- The requirement to support the preparation and audit of the Trust's accounts
- Ensuring that insurance is in place

The requirement to seek approval from the Finance and Resources Committee (sums up to £150k) or the Board of Trustees/Directors (above £150k) to enter into contracts.

- Ensuring that proper procedures are in place to safeguard funds
- The obligation to comply with any risk management policy adopted by trustees.

To achieve this the governing body will:

- Have overview of the school's financial position, consider the in-year surplus / deficits and reserves
- Receive information on how the delegated budget is spent, subject to any conditions set out by the DfE and the Trust
- Oversee the staffing structure t and a pay policy for the school taking note of the School Teachers' Pay and Conditions and the National Joint Council Agreement
- act as a 'critical friend' to the headteacher by providing him/her with advice and support and challenging his/her views when necessary.

4.5 The key responsibilities of the governing body

- Overseeing the setting of financial priorities through the School Development Plan SDP, three-year financial plan and annual budget
- Overseeing how the school's budget is spent, in accordance with the SDP and the statutory curriculum requirements laid down by government
- review of the schools' financial position ensuring that the school is a going concern with sufficient financial resources
- ensuring the budget is managed effectively
- ensuring the school meets all its statutory obligations
- evaluating the effectiveness of spending decisions

4.6 Specific responsibilities of the governing body

- maintaining a register of business interests
- ensuring the school has adequate insurance cover for all possible risks
- responding promptly to recommendations made by auditors and inspectors
- adopting audit recommendations and monitoring their implementation
- complying with the requirements of Company Law and Charity Law in the keeping and production of financial accounts

4.7 Role of the Headteacher

The headteacher of each school within SEBMAT is responsible for the following:

- the internal organisation, management and control of the school
- advising on, and implementing the governing body's strategic framework
- formulating aims and objectives, policies and targets for the governing body to consider
- reporting on progress to the governing body at least three times a year

- formulating and implementing policies to enable the school to achieve its set targets
- providing the governing body with enough information to ensure that they are confident that delegated responsibilities and the head teacher's responsibilities have been met
- being accountable to the governing body for the school's performance,
- being accountable to the Accounting Officer for effective financial management and meeting the annual targets set

4.8 Specific financial tasks delegated to the Headteacher

The headteacher has delegated responsibility for:

- Leading and managing the School Development Plan (SDP) which is underpinned by sound resource planning, and identifies priorities and targets for ensuring that pupils achieve high standards and make progress, increase teachers' effectiveness and secure improvement of the school's performance
- ensuring the effective implementation of current financial systems and procedures described in the financial procedures manual
- ensuring that the funds delegated to the school are in accordance with their legal entitlement
- ensuring the efficient and effective deployment of the school's resources

4.9 Responsibilities of the Headteacher in respect of the management of resources

The headteacher has responsibility for:

- responsibility to manage within approved budgets, any deviations to be brought to the attention of Accounting Officer and Finance Director
- considering the budget regularly and making necessary adjustments to operate within set budgets

- ensuring information for budget planning and budget monitoring is made available to the FD for monthly and annual reporting
- obtaining CEO /Finance Directors or Finance & Resource Committee approval for any budget virements over his/her delegated authority level
- considering and responding promptly to recommendations in school audit/inspection reports, and advising governors of results and any remedial action to be implemented
- ensuring the maintenance of accurate and current inventories of all valuable and portable items
- ensuring the adequacy of the school's insurance arrangements as part of the annual financial review
- implementing the Trust's Pay Policy and appointment procedures
- planning for effective monitoring, evaluating and reviewing of the SDP to secure progress and school improvement
- thinking creatively and imaginatively to anticipate and solve problems and identify opportunities
- ensuring that resourcing and staffing are dedicated to ensuring the highest standards of achievement for all pupils
- setting appropriate priorities for expenditure, allocating funds and ensuring effective administrative control
- managing and organising accommodation efficiently and effectively to ensure it meets needs of the curriculum and health and safety regulations
- managing, monitoring and reviewing the range, quality, quantity and usage of all available resources in order to improve pupils' achievements, ensure efficiency and secure value for money
- responsibility for ensuring staff are aware of the gifts / hospitality policy and ensuring that they set a good example to the rest of the school. Along with the FD consider decisions on whether individuals can accept or offer gifts or hospitality with a value of over £20

4.10 The Role of the Finance Director (Chief Finance Officer – CFO)

The Finance Director is the Principal Finance Officer for SEBMAT and is responsible for:

- providing financial advice to the Chief Executive, headteachers, the governing bodies and the trustees/directors
- budget setting and monitoring the budget
- maintaining the schools' accounting records
- promoting income generation and recording
- making purchases in accordance with 'best value' principles
- developing and maintaining efficient financial systems to support other school staff
- providing appropriate advice on financial matters
- maintaining books of account to enable returns to be made to Companies House, DfE]
- producing VAT returns

4.11 Budget Holder Responsibilities

A list of budget holders should be maintained by the Finance Director (Chief Financial Officer – CFO), and Appendix 3 sets out their responsibilities.

5 FINANCIAL COMPETENCIES

The Trust's trustees/directors, managers and staff must have the skills, knowledge and experience to manage the finances of the Trust, and each school.

Each is expected to have a range of skills and knowledge from amongst their members, including financial competencies and the school will maintain a log of the training undertaken. Trustees of the Finance & Resources Committee will be competent in financial matters.

Appendix 1 sets out the range of financial competencies required across the Trust to be held by governors, trustees/directors and finance staff and these should be used as a benchmark for measuring the overall competencies held within the Trust.

All staff who process accounting transactions are trained in accounting and the school's computerised systems. They receive detailed descriptions of their duties and how the systems operate and sign a register to acknowledge receipt of these. The school has to make arrangements for maintaining sound financial control in the absence of key members of staff.

6 RISK MANAGEMENT

Academy trusts are expected to have in place sound internal control and risk management processes.

The DfE defines risk and risk management as follows:

'Risk is the threat that something (an event or action) will adversely affect a school's performance. Risk management is the process by which risks are identified, their severity assessed and cost effective actions are taken to reduce (mitigate) them to acceptable levels. Risk management is a key part of the framework of a school's overall governance and it is important that all governors and staff understand its principles and practices. A school's system of internal control is one key part of its risk management process. It:

- *has a key role to play in the management of significant risks that threaten the achievement of the schools aims and objectives*
- *contributes to the safeguarding of public funds and assets and the achievement of best value because it facilitates the effectiveness and efficiency of operations*
- *helps to ensure that information used for internal and external reporting is reliable*

- *facilitates compliance with laws and regulations*

Effective risk management in schools can reduce:

- disruption of children's education
- risks that affect a school's reputation
- the negative effect of incidents on the morale of staff and pupils
- the amount of time lost in reacting to incidents, handling claims etc.
- levels of stress and anxiety experienced by those involved in accidents and losses
- the cost of insurance cover as premiums reflect the number of claims made

6.1 SEBMAT's approach to risk management

The Trust has adopted the following process:

- identifying the "inherent risk" i.e. the risk faced if no action were taken to mitigate it
- assessing "residual risk" i.e. the extent of risk remaining after risk mitigation measures have been implemented
- comparing "residual risk" to the level of risk the school considers to be "acceptable risk"
- mitigating risk if "residual risk" exceeds the level of "acceptable risk"
- takes note of guidance of risk contained in the Academy Trust Handbook

The Trust maintains a register of strategic and operational risks which is reviewed at least once a year at local governing body meetings. Every Audit and Risk Committee meeting gives consideration to the risk register presented to the committee by responsible officers of the Trust on behalf of the Trustees / Directors.

7 INTERNAL CONTROLS

In order to monitor the effectiveness of its internal control procedures the Trust has appointed its external auditor to undertake independent checks of the financial controls, systems, transactions and risks during the year.

7.1 Internal Control Processes

It is important that all staff involved in the management of finance ensure that control processes are followed.

Segregation of Duties

Segregation of duties is one of the key concepts of internal control as it contributes to the Trust's system of checks and balances. The concept of segregation of duties is to separate the following responsibilities within each business process:

- Ownership of assets
- Record keeping
- Authorisation
- Reconciliation

Ideally, no individual employee should handle more than one of the above functions in a process.

7.2 Internal Scrutiny

The Trust commissions a programme of Internal Scrutiny, comprising of approximately up to 3 Internal Scrutiny visits per academic year. This provides independent assurance to the Board that its financial and non-financial controls and risk management procedures are operating effectively.

Internal Scrutiny must focus on:

- Evaluating the suitability of, and level of compliance with, financial and non-financial controls. This includes assessing whether procedures

are designed effectively and efficiently, and confirming agreed procedures have been followed
- Offering advice and insight to the board on how to address weaknesses in financial and non-financial controls
- Ensuring all categories of risk are being adequately identified, reported and managed

The Audit and Risk Committee identifies on a risk basis, with reference to the Risk Register, the areas it will review each year.

8 REGISTER OF BUSINESS INTERESTS, GIFTS AND FAVOURS

"**Related parties** include the charity's trustees (and members), their close family members, and those entities they control or in which they have a significant interest. Entities related to a charity include any subsidiary, joint venture, or associate of the charity".

The trustee / director / governing body and members of staff who can influence buying decisions recognise their responsibility to avoid any conflict between their business and personal interests and those of the school / Trust.

SEBMAT therefore maintains a register of the business interests of each trustee/director, governor, member of staff, their relatives and other individuals who may exert influence. The Register includes:

- interests with suppliers from which the school may wish to buy goods or services
- interests in the appointment, salary, promotion or conditions of service of members of staff

All business interests should be declared that could result in a conflict of interest:

- Financial - interests in a contract or proposed contract by direct or family connection
- Appointment - interests in the provision for governors or interests in someone's appointment, re-appointment or suspension from office as a governor or clerk to the governing body
- Pay and performance - interests in the pay or appraisal of someone working at the school in cases where the governor or staff member is also paid to work at the school

The information in the Register is taken into account whenever buying or staffing decisions are made.

Any governor or member of staff who has an interest in a business tendering for a contract does not form part of the committee awarding the contract. Any governor or member of staff who has an interest in the appointment, salary, promotion or conditions of service of a member of staff does not form part of the committee recommending or deciding these.

Governors and members of staff are required to inform the school of any changes in their interests as these arise so that they can be entered in the Register. The Register is also updated annually. Nil returns are obtained as appropriate. Any governor or member of staff who is unwilling to declare their interests or complete a nil return is not permitted to influence a buying or staffing decision.

The Register is available for inspection by trustees / directors, governors, staff and parents.

Should a trustee/director, governor or member of staff believe that another trustee/director, governor or member of staff has a conflict of interest in an issue under discussion that has not been declared, they should draw this to the attention of the governing body or committee. It will be for the governing body to

determine whether the individual with the alleged conflict of interest should withdraw from the meeting and not vote on a particular issue.

8.1 Receipt of gifts, hospitality, entertainment and other services

Trustees/directors, governors and members of staff involved in making buying decisions should not accept excessive, frequent or regular gifts, hospitality, entertainment or other services from existing or prospective suppliers. When considering whether to accept such offers, they consider whether they could affect their independence or cause concern that they might affect their independence. Each school maintains a register of gifts and favours offered and whether these were accepted or rejected. Governors and members of staff are required to inform the school of such offers as they arise.

The following are considered acceptable gifts or favours:

- a modest working lunch to discuss business
- attendance at trade fairs or similar events where there is a general invitation to customers
- attendance at cultural or sporting events sponsored by the company concerned
- attendance at a company anniversary celebration

The following are considered unacceptable gifts or favours:

- holidays, hotel accommodation or a company flat
- tickets for cultural or sporting events not sponsored by the company concerned
- gifts of money

Therefore, gifts should not be accepted if they appear to be disproportionately generous or could be construed as an inducement to affect a decision or

action, whether business, educational, or other. A SEBMAT policy is in place around gifts which makes it explicit about what staff and governors should do or not do under the circumstances.

The PROVEIT Test can be useful in determining whether the offer is acceptable.

Purpose	Token, thanks or seeking a favour? (Token or thanks: Yes; favour: No)
Rules	What are they? Does this situation conform?
Openness	Is the offer transparent?
Value	Expensive or inexpensive?
Ethics	Does the offer fit with the school's ethics? Is this an exceptional circumstance?
Identify	Who has made the offer?
Timing	Are you about to make a decision about the giver?

All staff, governors and directors are required to inform the Clerk to Governors of such offers as they arise. The Clerk to Governors will maintain a register of gifts and favours offered and whether these were accepted or rejected. The process of declaring gifts is clearly specified in the Gifts and Hospitality Policy.

9 EXPENDITURE ON GIFTS, HOSPITALITY, ENTERTAINMENT AND FAVOURS

The Headteacher, Accounting Officer and Finance Director approves any expenditure on gifts, hospitality, ex-gratia payments and losses to be written off. The school / Trust maintains a log of these. Such expenditure is only authorised if

the governing body can demonstrate that they have taken into account the principles of probity, accountability and value for money.

Expenditure on hospitality from public funds is only incurred in the provision of education. Modest hospitality is occasionally provided outside the workplace. The headteacher maintains a register of the occasions when hospitality is provided, the number of people involved and the costs incurred Prior approval must be sought from the CEO and FD of the Trust for any such expenditure from school funds.

10 PRIVATE USE

The school does not obtain goods or services for the private use of trustees / directors, governors and members of staff. Trustees / directors, Governors and members of staff may not:

- hold any interest in any equipment or property held or used for the school
- acquire any interest in the disposal of school equipment or property at the end of any contract between the school and any third party.

11 AUDIT

SEBMAT has appointed qualified external auditors who carry out a full audit annually and will produce financial accounts that are to be submitted to the DfE and Companies House within the stipulated format and timescale.

The preparation and audit of the accounts are covered by the DfE's Accounts Direction guidance which is issued annually.

The Trust should retender their external audit contract at least every five years.

The trustees/directors must notify the DfE immediately of the removal or resignation of auditors. In the case of removal, the Trust Board must notify the DfE of the reasons for the removal. In the case of resignation, auditors must copy to the DfE a statement of their reasons.

All instances of fraud or theft committed against the Trust, whether by employees or trustees/directors or third parties, above £5,000 must be reported by the Trust to the DfE. Any unusual or systematic fraud, regardless of value, must also be reported.

12 INSURANCE

As required by the DfE, SEBMAT will obtain insurance for all schools within the Trust and which meets the DfE guidance.

The Finance & Resources Committee reviews insurance arrangements annually. They ensure that the sums insured are commensurate with risks and include cover for school property when off the premises.

The Trust insures against the following risks:

- third party liability
- loss of, or damage to, property and all assets
- loss of money
- personal accident
- risks associated with the use of motor vehicles
- loss of assets through fraud or dishonesty on the part of employees
- terrorism and subsidence

Details of all insurance policies held by the school are kept by the school's Business and Procurement Manager.

The insurers are notified of all new risks, property and equipment and vehicles which require insurance or any other alteration affecting existing insurance on a timely basis.

The Trust does not give any indemnity to a third party without the written consent of their insurers.

Claims under an insurance policy are authorised by the headteacher prior to submission to the insurance company.

13 TAXATION

Local governing bodies and headteachers must be assured that their staff's payroll arrangements fully meet their tax obligations and comply with the appropriate instructions regarding the employment and contract arrangement of individuals on the avoidance of tax.

In determining the employment status of any individual working at the school consideration will be given to the following questions:

- Do they have to do the work themselves?
- Can someone tell them at any time what to do, where to carry out the work or when and how to do it?
- Can they work a set amount of hours?
- Can someone move them from task to task?
- Are they paid by the hour, week, or month?
- Can they get overtime pay or bonus payment?
- Can they hire someone to do the work or engage helpers at their own expense?
- Do they risk their own money?
- Do they provide the main items of equipment they need to do their job, not just the small tools that many employees provide for themselves?

- Do they agree to do a job for a fixed price regardless of how long the job may take?
- Can they decide what work to do, how and when to do the work and where to provide the services?
- Do they regularly work for a number of different people?
- Do they have to correct unsatisfactory work in their own time and at their own expense?
- Are they registered self-employed with Her Majesty's Revenue and Customs

  (HMRC)?

When necessary further guidance will be sought from HMRC.

The school abides by the procedures issued by HMRC in connection with VAT and the legal procedures associated with CITS in full.

14 SCHOOL IMPROVEMENT PLAN AND BUDGETING

14.1 Budgeting

Each governing body has a three-year school improvement plan, which explains how it intends to use its resources to achieve its aims and objectives. The plan is costed for three years and informs the 3-year rolling budget.

This takes account of:

- the educational priorities for the school
- likely demographic changes affecting pupils and staff
- the building and repair maintenance programme
- repair and renewal programmes for furniture, fittings and equipment

The plan is reviewed on a termly basis and updated in the light of new information and changed priorities.

The plan is constructed using the following processes:

- an estimation of income, based on the school survey, plus estimates for other grants, lettings and community income
- an estimation of staffing costs, based on a staff salary calculator taking account of known retirements, responsibility allowances etc
- an estimation of operational expenditure, based on known cost trends for utilities, supplies, service level agreements etc
- the allocation of curriculum budgets to departments, using a transparent formula to allocate funds equitably in line with need and school priorities
- the identification of ICT developments on the basis of priorities detailed in the ICT development plan
- the identification of premises developments on the basis of priorities detailed in the premises development plan
- verifying planned levels of unspent balances - ensuring the resulting annual surplus or deficit is in line with plans to recover from an overall deficit position or build up unspent balances to fund future development plans. It must also be in line with guidelines.

As a result the Trust and individual schools will have an annual budget that:

- is realistic and affordable in relation to available resources and cash flows
- is approved by trustees/directors on a timely basis
- reflects the school improvement plan
- is consistent with any longer term financial plans for recovering deficits or saving up for future developments

14.2 Premises management

The Trust follows DfE guidance as regards premises management. Its premises development plan outlines how the school plans to maintain and improve its accommodation and grounds.

The plan includes the following sections:

- Maintaining the current premises so that they are fit for purpose. This includes:

  – maintenance requirements

  – quality and "fitness for purpose"

  – health and safety issues identified through risk assessment

- Making the best use of the premises. This includes: – utilisation of current space

  – comparison of utilisation with space standards

- Planning necessary changes/improvements to the premises. This includes:

  – current and future initiatives in the School Development Plan (SDP)
  – future numbers of pupils and the staff required
  – curriculum developments
  – teaching and learning strategies
  – requirements of the support services

14.3 Accommodation audits

The Trust carries out an accommodation audit annually to ensure that the premises are being used to their full potential.

The audit considers:

- the teaching of particular year groups

- the teaching of specialist subjects
- extra-curricular activities
- meals
- community needs

The criteria against which they are gauged include whether it:

- meets curriculum needs
- meets organisational needs
- is fit for purpose (space, fixtures and fittings)
- is safe and clean

14.4 Asset management plan

A school's asset management plan links to the asset section of the SDP. The finance section of the SDP takes account of plans to develop the school premises.

14.5 ICT management

A school's ICT development plan is linked to the SDP. It explains how the school ensures:

- it has sufficient Information and Communication Technology (ICT) hardware to meet the needs of pupils and staff
- ICT is used in researching and planning lessons, carrying out and recording assessment, developing the curriculum, and performing administrative tasks
- teachers are effectively trained on how to incorporate ICT in schemes of work and use it effectively for administrative tasks and in the classroom

ICT audits are carried out annually. These include a review of:

- hardware and software
- how ICT is used in teaching, learning and administration, including financial management

The plan includes the following sections:

- philosophy, aims and objectives
- curricular aspects of ICT
- management of ICT in the school
- training in ICT for teachers and other staff
- deployment of hardware
- financial aspects of ICT provision
- legal compliance including data protection and copyright law
- monitoring and review of ICT
- future planning
- compliance with the Data Protection Act 1998
- compliance with GDPR Guidelines
- compliance with copyright issues

The Trust adheres to 'best value' principles.

The principles of best value are known as the four Cs:

- challenge - involves questioning why, how and by whom activities are carried out
- comparison - of performance with that of other schools and within each school e.g. benchmarking
- consultation - with staff and those whom the school serves, especially pupils and parents, about key issues and ways of working together better
- competition - using competition as a means of securing more efficient services

14.6 The Budget Cycle

The annual budget is derived from the SDP. The budgeting process operates alongside the budget monitoring, which is submitted to the Finance & Resources Committee on a termly basis and the Trust's financial timetable is included as Appendix 5.

The Chief Executive draws up a budget, along with the Finance Director, for the following financial year by June each year and this is submitted to the Finance & Resources Committee for their review, discussion and amendment if appropriate. The budget is then submitted to the trustees/directors for formal review and approval.

The Trust may not set a deficit budget. The Trust may use revenue funding to pay for capital expenditure on the school's premises.

The Trust submits an expenditure budget to the DfE in line with the published timetable.

The budget can only be amended for virements after it has been approved by the Finance & Resources Committee.

Budget holders cannot exceed their budget allocation, unless they have the written approval of the headteacher.

The Finance and Resources Committee formally monitors the implementation of each school's budget.

If an unplanned deficit occurs during the financial year, the Trust should notify the DfE as soon as it becomes aware of it.

15 REPORTING FINANCIAL RESULTS

15.1 Financial statements

As a Charitable Company, SEBMAT must comply with company law as set out in the Companies Act 2006, and with charity law as set out in the Charities Act 2011.

One of the key requirements of the Companies Act 2006 is for companies to produce annual accounts that are 'true and fair' and to have them independently audited. The financial statements will be prepared in accordance with the requirements of Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction.

Therefore, the Trust will prepare annual accounts in the format set out in the Academies Accounts Direction guidance provided by the DfE, with the support of its accountants and external auditors.

The Trust's year-end financial reports include:

- A statement of financial activities
- Income and expenditure account
- Balance sheet
- Cash flow statement
- Notes to the financial statements

The Companies Act 2006 requires that financial returns be filed within 9 months of the end of the accounting period but as part of the funding agreement between the Trust and the DfE financial returns must be submitted to the DfE by 31st December each year.

The Trust's annual report and financial statements must also be published on the Trust's website by 31st January each year.

15.2 Regularity audit

As part the annual statement of accounts the Accounting Officer will make a statement on the regularity, propriety and compliance which is included in the annual report. The formal statement is included within the Accounts Direction guidance.

15.3 Internal Management Accounts

The Trust understands the importance of good financial information and recognises the National Audit Office guidance of the five concepts for good financial management adapted for schools.

1. The scope of the information provided clearly matches the requirements of the governing body and trustees

It is integrated with operational performance, facilitates the management of risk, supports key decisions and monitors external accountabilities.

2. Financial information presented to governors and trustees meets the level required to effectively run the school

The minimum requirements for reporting regular financial information to governors should include income and expenditure, balance sheet and cash flow. External reporting and control requirements may influence the format in which this information is presented or give rise to additional information requirements.

3. Financial information is of sufficient quality to be trusted by the governors and trustees

It is drawn from credible systems, is current, accurate and consistent. The governors trust the professionals who own and sponsor the information presented to them.

4. The presentation of financial management information is easily understood by governors and trustees

It is presented in the context of wider operational performance and in a way that can be quickly understood

5. The financial information presented engages the members of the Governing Body and trustees

The meeting allows governors to use the information. Governors are supported by the skills and expertise of its members as well as by the headteacher and finance staff.

15.4 Budget monitoring reports

The Trust's internal management accounts display the following information in columnar format:

- the annual budget (approved by the Trust Board)
- The current projection
- The previously presented projection
- The difference between the current projection and the previous one
- Projections for the next three years

The Finance Director carries out monthly reviews of actual performance against budget and produces a schedule explaining virements and variances. The Chair of the Trust Board and Chair of Finance & Resources Committee reviews these

reports. The Finance & Resources Committee will meet regularly and question the headteachers/Finance Director on budget information presented to the meeting.

Budget holders receive monthly reports showing budgeted expenditure, actual expenditure on an accruals basis and commitments.

16 FINANCIAL PROCEDURES - PUBLIC FUNDS

16.1 Computerised accounting system

The Trust's accounting systems are computerised, with each school having their own individual system which follows the Trust's general Chart of Accounts.

Access to the accounting records is restricted to the school's employees. The system is accessed by passwords, which are changed routinely on a monthly basis. They are changed immediately if an employee is aware that an unauthorised person has learnt their password.

The system is backed-up daily.

Alterations to any original documents such as cheques, invoices, orders and other vouchers are made clearly in ink and initialled. The use of correcting fluid or the erasure of information is not acceptable.

All accounting records including invoices, delivery notes, bank statements etc. are retained in hard copy for six years, plus the current year, in a secure area.

Systems are in place to safeguard school software and data against computer viruses.

The Trust complies with the requirements of the Data Protection Act and Freedom of Information Act. The Trust 's designated Data Protection Officer from the AzteQ Group Ltd.

17 PAYROLL MANAGEMENT

The payroll function for the whole Trust is managed by the Finance Director with the day-to-day administration undertaken by the Finance Team.

Inputs -

- Staff base all of whom are on identified and nationally agreed rates
- Ad-hoc payments for extra-curricular activities
- Overtime claims
- Personal expense claims
- Changes to base approved by headteacher
- New appointments
- Resignations or terminations
- Additional hours claims
- Statutory sick pay report
- Maternity and other leave information
- Changes to personal details

Outputs –

- Monthly instruction to payroll provider
- Monthly payroll report
- Monthly payslips
- P60 and other tax reports
- BACS payment reports
- BACS authorisation

17.1 Payroll Process

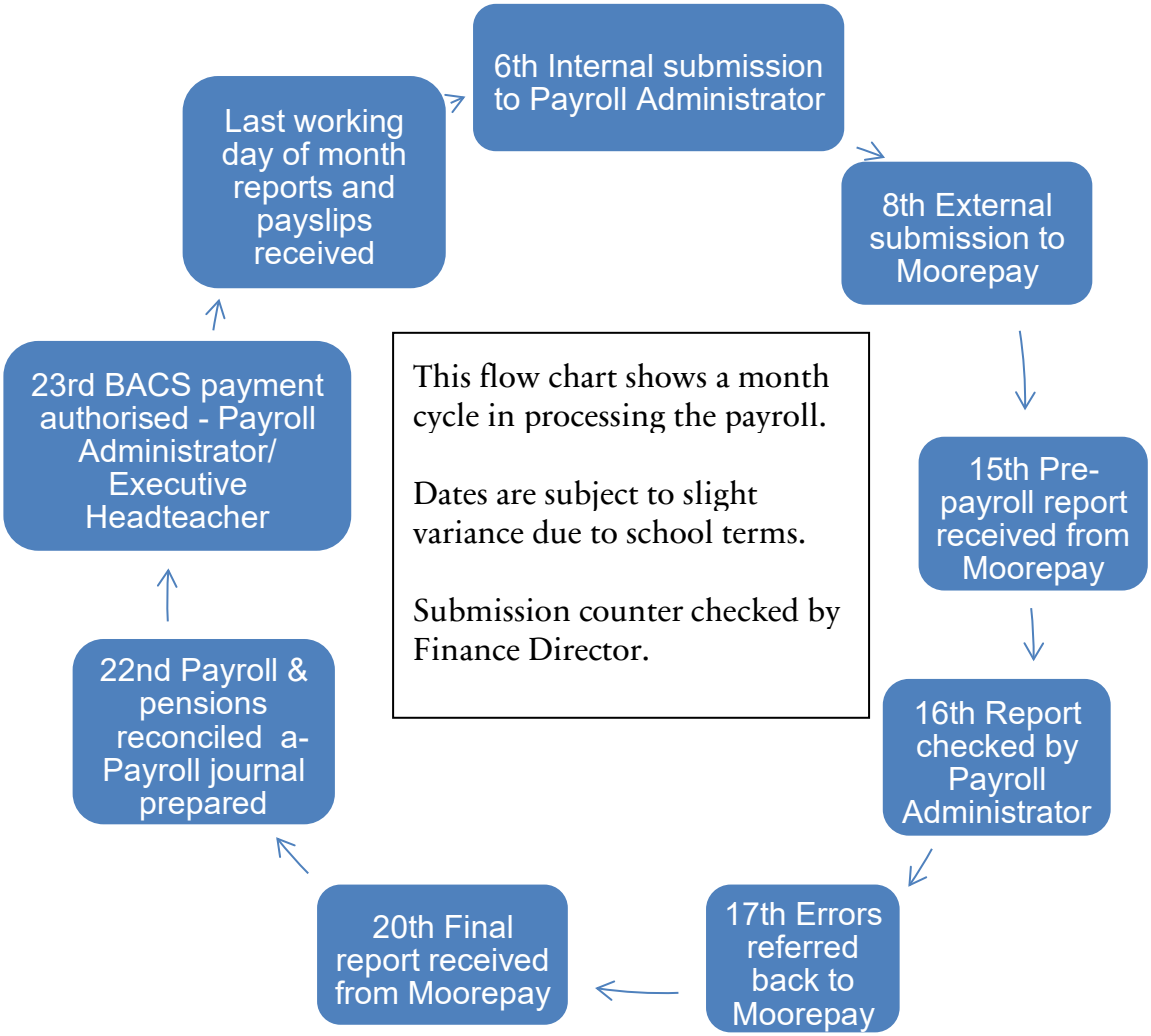
The payroll provider is an external bureau agency (Moorepay) and the staff and salary details are maintained within Moorepay's systems.

- All data relating to staff required to be maintained by the employer is held in SIMS system
- Requests for payroll changes are received monthly by the Payroll Administrator under the control of the Finance Director and authorised by the headteacher, these are in the form of:
- Additional Hours claims or deductions
    - Overtime hours claims
    - Mid-day supervisor duty payments to staff
    - Personal expense claims (most are paid through payroll)
    - Changes to terms and conditions
    - Salary increments or changes
    - Changes to hours of work or weeks per year
    - Sickness and absence details (particularly if pay is to be deducted)
    - Un-paid leave deductions – staff will be previously notified that the deduction will be made from their salary
    - Any other agreed and approved changes to payroll or ad hoc payment
    - Instructions for dealing with externally instructed deductions from court orders
    - HMRC changes to tax coding or student loans
    - Maternity or paternity absence instructions
    - New starter pension notifications
    - GMB new starter / leaver notifications – email sent each month to GMB contribution list
    - Changes to personal details

- Internal payroll submission is authorised by the headteacher and passed to the Payroll Administrator under the control of the Finance Director by 6th of each month. Anything missing this cut off is put back to the next month unless extenuating circumstances are agreed.
- Payroll submission to the payroll provider is put together in the form of a prescribed template. Items in current month are recorded on an input spreadsheet developed by Moorepay (changes or amendments). The spreadsheet is renamed for the current month and submitted to Moorepay according to their schedule (soft copies). Actioned items are placed in a new folder named by the current month and year.
- Moorepay generate a pre-payroll report before the pay day (last working day of the month) and this is checked by Payroll Administrator, Finance Manager and the Finance Director against the input spreadsheet for accuracy and completeness. Errors or omissions are referred back to Moorepay for correction before BACS is authorised.
- Payslips / P60s are available to all employees via the online portal www.moorepayview.co.uk. All accounts are password protected.
- A payroll journal input spreadsheet is updated to assign payroll costs to individual cost centres.
- Journal entries are made on FMS payroll control for all payments made by BACS to various agencies and staff.
- Transfer from payroll control to the bank is made when reconciling against bank monthly bank statement.

BACS timeline – example for the month of April

PY10	Net Pay	222,489.39	30th April
PY110	LGSS	11,270.04	By 6th May
PY110	AVC's	760.91	30th April
PY10	GMB	123.45	30th April
PY110	TP	37,366.13	By 6th May
PY110	NI/TAX	92,734.07	22md May



17.2 Expenses

This applies to all employees and covers how an employee can claim and be reimbursed for reasonable and authorised expenses that are incurred while doing work for the trust.

The trust expects employees to:

- Behave honestly, responsibly (e.g. keep costs low)
- Submit expenses within 90 days of incurring the expense
- Document and evidence enough details to explain why the expense was incurred
- Keep all receipts and provide VAT receipts (not just credit card slips) so the VAT can be reclaimed and because HMRC requires them.

Line managers must approve expenses before they are sent to HR / payroll.

- Line managers are expected to:
- Check that purchases comply with the above
- Approve them promptly.

18 PROCUREMENT

Procurement describes the whole process of identifying the goods or services a school needs to meet its objectives, deciding how to acquire these, choosing the best supplier, receiving goods / managing contracts, and paying for the purchased goods or services.

Procurement procedures are needed to ensure that every purchase is managed in the most effective and appropriate way. The higher the amount being spent, the more formal this process needs to be.

The Trust has a duty to ensure purchases made with public funds are fair, legal and open, as well as securing the best possible value for money. They must be able to demonstrate that they are achieving this and complying with UK legal requirements. Weak or non-compliant procurement exposes a school to the risk of legal challenges that are costly, time-wasting and harmful to the school's reputation.

The Trust makes their buying decisions in accordance with the principles of 'best value' probity and accountability. Contracts are placed on a competitive basis and the reasons for selecting a supplier are minuted. Divisible contracts are prohibited.

The Health and Safety competence of contractors is assessed.

Only contractors registered with their professional or trade association are employed to carry out major work at the school.

Procurement is led by the finance office within each school within the Trust rather than managed on a trust wide basis.

18.1 Financial Limits to Delegated Authority

The financial limits of delegated authority are set out in Appendix 2 of this Manual and the Terms of Reference for the Finance & Resources Committee.

18.2 Approved suppliers

The finance office maintains a database of approved regular suppliers.

Suppliers are selected on the basis of their capacity to provide quality, quantity, service, timely delivery and price competitiveness. Volume discounts and credit terms are taken into account. Consortia are used where they provide value for money.

Suppliers are selected from:

- business directories
- trade journals
- supplier catalogues and mailshots
- information from other schools
- preferred/approved supplier list
- DfE frameworks

The listing of approved suppliers is reviewed and approved on an on-going basis by the Finance Director and Business and Procurement Manager and on annual basis by the Finance and Resources committee.

Where appropriate, a British Standard or other quality guideline is sought. Reference is made to appropriate safety standards and fire and health and safety regulations.

18.3 Ordering Procedures

Quotations are obtained as follows:

- purchases up to £50,000 (over the life of the product/contract) - 3 competitive quotations or other method ensuring value for money must be applied

Each school keeps a record of suppliers who have been contacted but who have declined to provide a quotation.

- purchases between £50,000 - £149,999 (Over the life of the product/contract) - 3 competitive quotations documented against a clear specification.

- over £150,000 (over life of the product/contract)
  - Competitive tendering process (following national regulations)

18.4 Competitive Tendering Process

The Trust advertises where there is a legal requirement to do so. Where appropriate, the suppliers invited to tender are drawn from the approved list maintained.

The following competitive tendering procedures are followed

- A specification is prepared, which is authorised by the headteacher and sent to at least three suppliers

- the invitations to tender include:

  - an introduction/background to the project
  - the scope and objectives of the project
  - any technical requirements
  - implementation details for the project
  - the terms and conditions of the tender
  - the form and date of response to the school

- all replies are addressed to the school in a plain sealed envelope marked 'Tender'
- no supplier is allowed to amend their tender after the fixed date for receipt
- all tenders are opened at the same time by staff authorised to do so. The following information is recorded:

  - the date and time of opening
  - the names and signatures of those present
  - the value of each tender
  - details of suppliers who declined the invitation, or failed to submit a tender
  - any omissions in the submission, e.g., documents, signatures, missing data

- late tenders are rejected and retained unopened until the contract is awarded. They are then returned to the tenderer with an explanatory note
- where contracts under seal provide for payments to be made in instalments, the school ensures a contract register is maintained which shows the state of the account on each contract together with related professional fees and other payments

the decision as to which tender to accept is made by the Finance & Resources Committee

- the reasons for accepting a particular tender are in accordance with the Trust's best value policy
- the following points are considered when deciding which tender to accept:

–	**suppliers**
–	qualifications, technical ability and experience
–	pre-sales demonstrations
–	after-sales service
–	quality procedures
–	references from existing customers
–	financial status
–	company search (where appropriate)
–	professional indemnity insurance
–	Cost * overall price * unit price for parts of the product or service * the possibility of 'hidden costs' * scope for negotiation

In some specific circumstances emergency expenditures may be required to ensure the continued provision of high-quality education (e.g. to comply with health and safety regulations) and it may not be practical to put the purchase out to formal tender due to the need to act quickly. Under these circumstances, the headteacher will obtain the approval of the CEO, who will inform the appropriate approval authority, the reasons will be minuted and reported at the next full trustees meeting. The supplier will normally be drawn from the approved list. Emergency expenditure would include the following:

- Same day agency supply cover

- Immediate repairs or replacements needed to ensure the safety of students and staff
- Costs associated with unexpected failures of essential infrastructure, like plumbing issues, roof leaks, or IT system breakdowns
- Costs related to addressing security incidents, such as installing new locks, security systems, or repairing damage caused by vandalism
- Immediate procurement of educational materials or resources that are essential for the continuation of teaching and learning

The Trust holds a preferred supplier/approved list which can be referred to when seeking specific services. When referring to this list the school must remain satisfied that best value has been sought and the usual purchasing procedures are adhered to.

18.5 Purchase orders

Computerised, pre-numbered orders are used for all goods and services and all orders are placed through the finance office.

Orders are only made by telephone in exceptional circumstances and then confirmed in writing. A copy of any spoiled order is retained on the computer and marked as such. Official school orders are not generated for the private use of individuals.

18.6 Control over purchases

The Trust will make their decisions in accordance with the principles of 'best value', probity and accountability. Contracts are placed on a competitive basis and the reasons for selecting a supplier are minuted.

In some specific circumstances (e.g. to ensure the health, safety or welfare of students and/or staff) it may not be practical to follow these procedures exactly. On the very rare occasions that this occurs approval will be sought as soon as possible after the expenditure has been made. The precise circumstances will be minuted and reported to the Finance & Resources Committee.

18.7 The ordering process

- the staff member wishing to order completes a purchase order
- the purchase order is authorised by the budget holder and the Senior Leadership Team (SLT) line manager
- the finance office places the order after checking value for money
- if there is no purchase order (in exceptional circumstances) the invoice is authorised by the budget holder

Receipt of goods

- All goods received are delivered to the site staff who carry out a prima facie check to ensure that the delivery is complete – These items remain the responsibility of the site staff until such time the relevant department then signs for the goods.
- The goods should be checked **promptly** – If the delivery is incomplete this must be reported to the finance office **immediately and preferably within 24 hours of the original delivery.**
- If the delivery is only partly fulfilling an order, the finance office maintains a record of th**is.**
- the finance office follows up any shortages or defective items with the supplier
- the finance office records shortages or defective items on a goods returned file.

Purchase invoices

- the finance office records invoices on the computer as soon as they are received by the school. The finance office checks the invoice against the order and delivery note and evidences this.

18.8 Payment of invoices

The finance office reviews the purchase ledger regularly and selects invoices for payment.

It is the policy of the Trust to pay all invoices by the due date and to take advantage of any discounts available for early settlement where this is to the Trust's advantage.

The school follows the CBI prompt payment code. Invoices are not paid early as a matter of course. Payments in advance of receipt of goods or services are only made where it is a condition of the supplier and the budget holder is satisfied that there is no alternative.

Payment is made when the finance office has made the following checks:

- goods or services have been received and checked to the order and delivery note
- the purchase represents valid school expenditure
- payment has not already been made – ensuring all paid invoices have a unique invoice number
- prices agree with quotations, tenders, contracts or catalogue prices
- the arithmetic on the invoice is correct
- the invoice has been correctly coded
- discounts have been taken where applicable
- VAT is properly accounted for and not claimed on proforma invoices

18.9 Cheque / BACs Payment

All supporting documentation is kept by the finance office for payment.

On receipt of the invoice a Bacs Run is prepared and signed by authorised signatories after checking that all documentation has been completed in accordance with these procedures. the Trust no longer issue cheques as a form of payment.

18.10 Credit notes

Credit notes are attached to the relevant invoices when they are received.

Completeness of supplier balances

Invoices and credit notes are posted to the computer as soon as the school receives them.

The finance office reconciles individual supplier balances to supplier statements, where available, on a monthly basis.

18.11 Petty cash

The first call is to pay by Bacs or card. In limited circumstances petty cash will be used and these limits applied, except the maximum payment is £30.

Payments from petty cash are only made on production of a till receipt or other proof that payment has been made and cannot exceed £30 in value. Petty cash payments are subject to the same authorisation procedures as purchases from the main bank accounts. They are cleared for payment by the budget holder. The person receiving reimbursement signs for the amount received.

The petty cash float is reconciled on a monthly basis by the finance office. In no circumstances are:

- personal cheques cashed through petty cash
- staff loans paid through petty cash

18.12 Interview Expenses

Any candidate who comes for an appointment interview from more than 10 miles away the school will cover travel expenses when necessary and when previously approved by the HR Manager/Lead. Payment will either be for train/bus fare or mileage rates at the rate from time to time published in the financial procedures document.

18.13 Framework Agreements

The Trust may be able to utilise framework agreements set up by other public bodies in order to obtain best value. This can avoid the work involved in requesting tenders. Framework agreements will cover areas such as

- Communications
- Office Solutions
- Energy
- Print
- ICT
- Professional Services
- Learning and Development
- Property Solutions

Further information is available from the Crown Commercial Services (http://ccs.cabinetoffice.gov.uk/)

18.14 Income

The Finance Director has overall responsibility for ensuring that all income due to the school is properly accounted for. Day to day responsibility for this is delegated to the headteacher. All income is recorded on an income sheet.

Receipts are given for all amounts of non-grant income.

18.15 Lettings Income

The letting system is controlled via a software programme which enables the Finance Manager to check that all monies are received for bookings organised. The system produces an invoice which is automatically numbered.

Each school has a separate lettings policy.

The school may retain all the income from lettings of the school premises. The school is permitted to cross-subsidise lettings for community and private use with income from other lettings, provided there is no net cost to the school's budget share.

18.16 School trips – Income and Expenditure

The lead teacher will not be responsible for the actual collection of cash or cheques but has responsibility to ensure that all monies are paid over. The system to be used is that a list of pupils going on a trip will be held in the student reception area. Pupils will be asked to pay money over there and they will initial at the entry against their name which acts as a receipt. Monies will then be handed over to the finance office and signed for by both parties. Parents may also pay for trips via online payment systems.

A document is produced at the outset by the trip organiser and this shows the accumulated costs for the trip, the amount to be charged to each pupil and any subsidy. If the overall subsidy exceeds the individual school's subsidy level authorisation must be given by the headteacher. The trip is then agreed by SLT and handed to the finance office. At the end of the trip an analysis is produced which reconciles the money received against the original budget, the completed analysis is discussed with the trip organiser and the headteacher. Any trip where the subsidy is outside of the headteacher's authorised expenditure limit will require additional authorisation as detailed on Appendix 2.

18.17 Bad debts

The schools ensure all debts are paid to them, any outstanding debt which has not been paid within 30 days of an invoice being issued is considered a bad debt and will be pursued.

If a debt remains unrecoverable after one year, or, if during the year, it becomes clear that the debt will remain unpaid, the headteacher submits a report to the Finance and Resources Committee for approval to write off the debt.

Bad debts are only written off when the school has followed all possible procedures to ensure their recovery. The Finance and Resources Committee authorises the write off of bad debts within the limits delegated on Appendix 2.

18.18 Bank and cash

Bank facilities

Only the Finance & Resources Committee can authorise the opening of bank accounts for public funds.

The schools do not overdraw their bank accounts or arrange with its bankers for overdrafts, loans or any other form of credit or deferred purchases. The academies do not offer any security to the bank.

The schools do not have private funds.

The public fund receives money from:

- the DfE
- contributions towards school expenditure by private funds or charities
- any other permissible sources (as defined by the DfE)

All cheque payments from the bank account require two authorised cheque signatories. The Finance Director maintains an approved list of signatories (including specimen signatures).

All BACS payments from the bank account require two authorised signatories. BACS payments are only released once adequate authorisation has been received.

18.19 Bank reconciliations

All bank accounts are reconciled on a monthly basis by the finance office and the Finance Director reviews all reconciliations. A manual record of reconciliations is filed in the finance office and signed by the headteacher and the Finance Director.

18.20 Cash banking

Cash and cheques are locked in a secure place prior to banking to safeguard against loss or theft. All cash is banked intact, without delay and recorded on paying-in slips. Bank paying-in slips show the split of cash and cheques and reference cheques to the related debt. Cheques are identifiable by reference to the receipt numbers and names of the drawers and cash by reference to receipt numbers.

The finance office banks all cash and cheques. Where unusually high levels of cash are received these are banked on the day of receipt. Unbanked receipts are kept in a safe to safeguard against loss or theft. In no circumstances do cash holdings on the school premises exceed the insured limit. The posting of income to the accounts is carried out by a Finance Officer.

A master spreadsheet of all banking is held in the finance office and monies are collected weekly by a security company and banked. This spreadsheet is reconciled to the bank account by the individual school Finance / Business Managers / Bursars.

18.21 Safes

All banking must be kept securely in the school safe. The safe must be locked and only accessed by authorised school staff.

The limit of the safe must not be exceeded, as detailed on Appendix 2.

19 FIXED ASSETS

19.1 Asset register

Each school will ensure that the Asset Register is maintained with the assistance of the finance office. The school includes details of all assets with a cost greater than £2,000, and 'attractive' items below that value, in the Asset Register. The register records:

- the date the asset was acquired
- supplier and invoice details

- the description of the asset, including the make/model and number or serial number
- the cost of the asset or current replacement value
- the location of the asset
- authorisation of the disposal and date
- reason and method of the disposal or write off

Each school arranges for the Asset Register to be checked annually. Any discrepancies are investigated and reported to the headteacher who informs of the loss to the finance team and any known reason for this. The insurers are notified as appropriate. Any assets removed from the school site are recorded in a loan book, with the exception of teachers' laptops.

The length of time the asset will be off site is recorded together with the appropriate authority. The appropriate authority is the headteacher. The finance office checks that assets will be insured before they are removed from the school. No assets are removed from the school for a period of time, which would unreasonably deny the school use of those assets.

A purchase order will be used for all assets purchased in order easily to identify things that need to be entered on the Asset Register by the finance office. A copy of the invoice will be attached to the purchase order so that evidence is seen of the cost price.

19.2 Depreciation rates

Depreciation rates are agreed and reviewed from time to time by the Finance & Resources Committee and recorded in the minutes of the meeting.

19.3 Disposal of assets

All disposals and write-offs of assets are authorised by the headteacher. Items no longer required are sold if possible, when their estimated residual value exceeds £500.

The following records are kept for disposals

- the item disposed of
- the date of disposal
- the method of disposal
- the proceeds of sale or how disposed of if scrapped
- the person authorising the disposal

No item is sold, leased or hired to a third party without the approval of the headteacher.

The disposal of any asset for which a grant of over £20,000 was made, or where land and buildings were transferred from the local authority - at no cost to the academy must be approved by the Secretary of State after agreement by the Finance and Resources Committee. This principle also applies to the disposing of any freehold of land or buildings or disposing of heritage assets, as defined in financial reporting standards, beyond any limits in the funding agreement for the disposal of assets generally.

19.4 Losses

All losses are reported to the finance office. The finance office informs the police if the loss is a result of burglary or theft and the insurance company are informed at the same time. Action is taken immediately to prevent further loss.

The finance office maintains a record of losses and insurance monies received.

19.5 Leases

There are two types of leases available. The first is a Finance Lease, which is defined as *'... a lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee'* and for accounting purposes is considered borrowing. The second is an Operating Lease. **The distinction can be complex and professional advice must be obtained prior to entering into all leases**.

The Trust must not enter into a Finance Lease without the express permission of the Secretary of State for Education.

The Trust may not enter into an Operating Lease without prior consent relating to immovable property (land and buildings). The delegated limits apply to leases and should be based upon the whole life contract cost and not a single year cost.

No leased item is disposed of without the express permission of the leasing company. This includes sale, part exchange, scrapping, writing off, donating, re-leasing, subletting or any other form of disposal.

20 DEBIT/PURCHASE/CREDIT CARDS

The school academies have a 'purchase card' facility.

The schools make their decisions in accordance with the principles of best value, probity and accountability. The schools accept that in some circumstances it is necessary to use a purchase card and that it is sometimes necessary to purchase on-line and this can only be facilitated with the presence of a purchase card. Also, in the case of emergencies, such as out of term time, purchase by this method must be kept to a minimum.

As with other purchases this has to be approved by the budget holder with reasons stated for the use of the schools purchase card as opposed to normal methods.

The card is retained in the school safe.

When the statement is received the paperwork is reconciled by the School's Finance / Business Manager and balanced against the statement. All relevant paperwork is attached and reconciled and attached to the relevant bank statement for Headteacher and Trust Finance Manager approval.

This bank reconciliation is checked by the Finance Director and signed off.

21 INVESTMENTS

Investments are only made in accounts of a bank approved by the Finance and Resources Committee, which are clearly shown to provide no risk to the capital sum.

22 SCHEME OF DELEGATION

The directors delegate certain tasks to specific key employees as authorised either by the charity's governing document or by Section 11 of the Trustee Act 2000. The scope of the delegation is clearly laid down in writing and understood both by the directors and by the employees.

> Regular and effective reporting of the use of delegated powers takes place at Trust meetings. The directors ensure that systems and procedures are in place to enable them to check that the necessary controls are in place and operating effectively. This is facilitated by the appointment of a 'Responsible Officer' who will be approved by the Finance & Resources Committee.

A summary of the authorisation limits is set out in Appendix 2

APPENDIX 1 – FINANCIAL COMPETENCIES

There is a wide range of competencies required to oversee the financial management of the Trust, and the table below sets out a series of statements against which the competency of governors, trustees/directors and staff could be measured against.

These may help individuals to identify their personal training and development needs as well identify potential gaps within the overall membership of the governing body, trustees/directors and staff.

Leads and manages the development of strategic financial plans: • Takes a long-term view of financial management issues • Has knowledge of, and advises governors on the trends in education and their financial implications • Works with governors to develop the school priorities, aims and objectives • Knows the role/level that staff should operate • Able to translate broad aims and priorities into SMART (specific, measurable, achievable, realistic, time bound) objectives • Delegates tasks to best placed person providing them with necessary direction, guidance and authority to undertake the task(s) • Promotes team working between staff and with governors.
Able to research and analyse strategic choices and recommends those most likely to achieve the school's goals and objectives: • Able to extract and analyse information in a useful way • Presents information clearly to others, including governors • Has an understanding of financial risks and the potential impact • Uses own experience, networking and lateral thinking to identify different options • Assesses the financial implications of strategic choices facing the school • Knows how to focus those matters which are most significant (e.g. the materiality principle

• Is open to new ideas, consults/listens to stakeholders • Willing to work in partnership with outside bodies.
Has a clear understanding of good financial management practices and the school's performance compared to it: • Has knowledge of current financial performance of the school • Regularly participates in networking activities and is outward looking rather than internally focused • Has knowledge and understanding of internal control processes • Understands and participates in the school's self-evaluation activities of financial performance/controls • Reviews and undertakes benchmarking activities • Co-operates with external inspectors/auditors etc. and initiates appropriate action in response to their findings.
Understands statutory financial requirements for the school, including DfE requirements for academies • Understands the financial framework in which the school operates • Has knowledge of the school's funding arrangements and funding streams • Has knowledge of information that is required by the local authority and DfE • Ensures that information is provided in line with timescales and deadlines. • Pursues income generation opportunities when required • Understands links between activities of the school and their associated costs.
Understands and can undertake budget monitoring activities • Has knowledge of the financial information that should be provided for review regularly • Able to interpret budget monitoring information in a useful way • Communicates budget monitoring information to interested parties and the governing body.
Understands the importance of communicating the school's performance to stakeholders • Ascertains and provides information to meet governors needs • Anticipates stakeholder questions and gets answers • Establishes trusting and inclusive relationships with school staff, the governing body and the local authority • Provides financial information to parents as appropriate • Uses diplomacy when answering difficult questions.

Demonstrates the personal commitment and qualities required for financial management

- Participates in the financial work of the school by preparing for and attending meetings, contributing to discussions and taking agreed actions
- Takes part in available financial training and chances to develop knowledge / skills / understanding
- Seeks appropriate professional support and development
- Is systematic in the way that tasks are undertaken
- Takes responsibility for self and workload
- Gives and receives constructive feedback
- Understands where to get additional information and advice from.

Has a clear understanding of the framework of financial control

- Follows good financial practice within statutory and national requirements
- Follows good financial practice in accordance with local requirements
- Has an understanding of own and others roles and contributions in relation to the financial management structure
- Regularly revises financial planning timetables to take account of changes in deadlines.

Controls and monitors financial systems

- Supervises (controls and monitors) the work of other people
- Ensures that operational, procedural and regulatory requirements are met
- Takes action when things are not done, not done properly or efficiently
- Supervisory (control and monitoring) activity covers:
  - Income received
  - Payroll
  - Purchasing
  - The banking system
  - Petty cash holdings and payments
  - Taxation system
  - Voluntary funds
  - The school's assets
  - The financial management system e.g. SIMS FMS, IMP, other.

APPENDIX 2 - SUMMARY OF AUTHORISATION LIMITS

Expenditure Limits

Finance & Resources Committee	between £50,001 and £150,000
Chief Executive	Up to £50,000
Headteacher	Up to £10,000
Trust Business Manager	Up to £10,000
Board of Trustees/Directors after recommendation	
By recommendation of Finance & Resources Committee to Board of Directors	Over £150,000

Budget holder limits to be agreed by the headteacher and within their limit up to £10,000

Agreement is required of the Secretary of State for the acquisition of freehold land or buildings

Virement Limits

Headteacher	Up to £15,000
Finance & Resources Committee	between £15,000 and £30,000

Writing off bad debts

Headteacher/Deputy	Up to £500
Finance & Resources Committee	£500- 1% of total annual income or £45,000 whichever is smaller.
DfE approval required	1% of total annual income or £45,000 (whichever is smaller) per single transaction

Disposal of Assets

Headteacher/Deputy Up to £500

Agreement is required of the Secretary of State for the disposal of freehold land or buildings

Mileage Allowance Paid at the local authority (LA) rate which prevails at the time

Safe Cash limits Safe is insured for £10,000 / £5,000 cash on premises

Ordering Procedures

- purchases up to £50,000 (over the life of the product/contract) - 3 competitive quotations or other method ensuring value for money must be applied

Each school keeps a record of suppliers who have been contacted but who have declined to provide a quotation.

- purchases between £50,000 - £149,999 (Over the life of the product/contract) - 3 competitive quotations documented against a clear specification.

- over £150,000 (over life of the product/contract) Competitive tendering process (following national regulations)

APPENDIX 3 - BUDGET HOLDER RESPONSIBILITIES

The school's budget holders are individuals who have been given delegated powers to incur expenditure towards an agreed goal. In order to meet that goal they must fulfil certain responsibilities.

Financial Regulations

Budget holders must abide by the Trust's 's financial regulations including the purchasing policy.

Overspending

Budgets represent the school's financial plan for the forthcoming year and reflect an assessment of how much the school is able to allocate to fund particular activities, after taking into account all relevant factors. Budgets will therefore not be automatically increased for any unforeseen changes. Budget holders must not make commitments which will result in an overspend against the budget.

Monitoring

Budget holders must regularly review their income and expenditure against the agreed budgets and bring to the attention of the headteacher any anticipated variances, the headteacher will bring it to the attention of the Finance Director. Budgets will not be automatically increased for any unforeseen circumstances. Reports will be provided monthly.

Virements

Budgets must be used for the purposes intended. It is possible to seek changes to individual budgets by applying to the headteacher.

Value for Money

Budget holders are expected to seek to use resources economically, efficiently and effectively so that maximum benefit can be gained.

Safeguarding of Assets

Budget holders are expected to keep adequate records of equipment and to periodically carry out checks of the stock of these items.

APPENDIX 4 - ANNUAL FINANCIAL TIMETABLE

September	Start of Financial Year New Academy Trust Handbook comes into effect. DfE publishes guidance and workbook for the land and buildings collection tool
October	Autumn Census DfE issues guidance on Academies Accounts Return DfE Academies land and buildings collection tool online form available DfE issues PE and Sport premium allocations Submit school census
November	Budget Monitoring to F & R Deadline for Land & Buildings Collection Tool (early Nov) Academies accounts return online form available
December	Submit audited financial statements, annual summary internal scrutiny report, auditors management letter and accounts submission coversheet by 31st December
January	Spring School census Trusts to submit AAR Audited financial statements to be published on Trust's websites by 31st January Trust to publish information on salaries above £100k on website
February	Submit spring census return to DfE

March	Budget Monitoring to F&R / Board of Directors Deadline to submit SRM self assessment checklist to DfE DfE issues Revenue Funding Allocations by 31st March
April	16-19 revenue funding allocation business case for major data errors deadline
May	School census Trusts to submit audited financial statements to Companies House by 31 May
June	Submit school census Budget Monitoring to F&R Budget Approval to F & R
July	DfE issues new Academy Trust Handbook – to come into effect 1 September
August	Trust to complete and submit the budget forecast return to DfE End of Financial Year

APPENDIX 5 - FINANCE ROLES WITHIN SEBMAT

The table below sets out the roles included within this Finance Manual and the individuals who have those positions (as at June 2025):

Role	**Individual**
Chair of Board of Trustees/Directors	Chris Tomes
Chair of Finance & Resources Committee	Vish Mehta
Chair of Audit and Risk Committee	Alex Bottom
Chief Executive (Accounting Officer)	Chris Spencer
Finance Director	Kamla Jassal
Business and Procurement Manager	Chris Fisher
Head of Colnbrook	Tom Brunson
Chair of Governors – Colnbrook	Michelle Herring and Robert Weeks
Head of Slough & Eton	Peter Collins
Chair of Governors – Slough & Eton	Jimmy Scragg
Head of Eton Porny	Emma Stanford-Smith
Chair of Governors – Eton Porny	Maggie Waller
Head of Lynch Hill Enterprise Academy	Chris Thomas
Chair of Governors Lynch Hill Enterprise Academy	Manisha Vithani
Head of Lynch Hill School Primary Academy	Lindsey Tomlinson
Head of Grove Academy	Natalie Wismayer
Chair of Governors – Grove Academy	Jimmy Scragg
Chair of Governors Lynch Hill School Primary Academy	Denise Fletcher
Head of Woodlands Park Primary & Nursery School	Jamie Miles
Chair of Governors – Woodlands Park	Maxine Wood