



Middlesex Learning Trust

Financial Leadership Policy

Approved by Trustees on 22 June 2021

Section 1 - Introduction

This document has been adopted as the basis for the administration and management of finances within the Middlesex Learning Trust. The aim of the policy is to create a framework within which trustees, individual members of staff and other interested parties, can exercise financial management, probity and stewardship in an efficient and effective way to ensure that trust funds are used to deliver the aims of the Trust.

This policy ensures that the Board of Trustees retains responsibility for the management of the budget, whilst providing a framework within which the Chief Executive Officer (CEO), the Chief Finance and Operating Officer (CFOO) and Headteachers can manage the budget on a day-to-day basis.

The Board of Trustees has a collective responsibility for the overall direction of the MAT and its strategic management and have a responsibility not only to be effective but to be seen to be effective.

The Board of Trustees will manage and administer its affairs in accordance with high standards of Public Sector administration, based on a distinct set of values, the fundamental principles of which are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership.

This policy has been written with specific regard to the ESFA's Academies Financial Handbook (*to be known as The Academy Trust Handbook from September 2021*) and the Master and Supplemental Funding Agreements and identifies delegated responsibility where appropriate.

Trustees are referred to the HM Treasury publication 'Guidance on Codes of Practice for Board Members in Public Bodies' as indicated in the Academies Financial Handbook

The Board of Trustees has a statutory responsibility as detailed in section 21 of The Education Act 2002.

Trustees are informed and made aware of their duties as company directors and charity trustees through the induction process with specific reference to the [Charity Commission guidance CC3: The Essential Trustee: What you Need to know, what you need to do](#).

The purpose of this document is to ensure that:

- The responsibilities of the trustees, governors, Headteachers and staff are clear and the limits of delegated authority established in accordance with the trust's scheme of delegation
- Schools within the Trust have sound internal financial controls to ensure the reliability of their financial transactions
- Schools within the Trust have timetables and agreed procedures for the preparation monitoring and control of the schools' budget
- Each schools' budget is spent for the purposes of the Trust
- Specific grant funding is spent in accordance with the conditions attached to that grant.

This policy should be read alongside the following policies:

- Charging and Remissions
- Fraud (including bribery)
- Gifts and Hospitality
- Register of Business Interests
- Reimbursement of Expenses
- Whistleblowing

There are 4 appendices to this document:

1. Financial Leadership Procedures
2. Financial Year Planner
3. Budget Holders Handbook
4. End of Month and Financial Year End Procedures

Section 2: Roles and Responsibilities

2.1 Scheme of Delegation

The overall roles and responsibilities of the Members, Trustees, CEO, Local Governing Body (LGB) and Headteachers are identified in the Scheme of Delegation.

2.2 Trust based finance staff

- The CEO is the Accounting Officer
- There will be a Trust Chief Financial and Operating Officer (CFOO) with a clearly defined role and with responsibility for the Trust's timeline
- The CFOO is responsible for ensuring that financial returns are prepared in good time for approval and submission to the ESFA in accordance with timetables published by the ESFA as in **appendix 2** Academy Returns Timeline.

2.2 School based finance staff

- Finance staff should be appointed with due regard to their qualifications and experience and have capabilities commensurate with their duties
- The role and responsibility of each member of staff should be clearly defined

- Finance staff will act with honesty and integrity. They will be responsible for the accurate and timely input of information into the accounting package, checking the accuracy of data, providing timely and accurate reports to budget holders and other stakeholders and ensuring adequate separation of duties within the agreed structure.
- Staffing levels must be adequate
- Training needs and opportunities are reviewed as part of the appraisal process
- There are effective arrangements in place to cover key functions in the event of staff absence

2.3 Budget holders

- Academy budget holders are responsible for planning and managing their own budgets including sanctioning spending and monitoring spending. In exceptional circumstances an overspend on budget will only be granted through approval by the SBM and Headteacher. Each Academy will hold a list of budget holders which is updated every September.
- Academy timeline which includes budgeting is shown in **appendix 2**.

2.4 Separation of duties

In order to reduce the risk of error or intentional manipulation, Trustees, the CEO, CFOO and Headteachers will ensure the separation of those responsibilities or duties which would, if combined, enable one individual to record and process a complete transaction.

Wherever possible the following duties will be separated:

authorisation – of a transaction such as a purchase order or payment

execution – the placing of an order, receiving of goods and services

custody – the holding of goods and services

recording – the completion of accounting records.

2.5 Best value

It is the responsibility of all officers and employees to apply the principles of best value to all Trust financial dealings to ensure procurement by the most effective, economic and efficient means available:

Challenge
Comparison
Consultation
Competition.

Section 3 Financial planning

3.1. Preparing the Trust budget

- A Trust budget will be prepared for the following financial year alongside a three year budget forecast for the Trust that will reflect central service costs
- Budgets will support the MAT and Academy Improvement Plans

Preparing the Academy budget

- A detailed budget will be prepared for the following financial year alongside a three to five year budget forecast for each Academy by the Headteacher and SBM
- Key budget assumptions will be provided by the CFOO
- Each Academy will set a balanced in year budget
- Academies should be spending their allocation for the benefit of the students on roll in the financial year unless money is being set aside for a specific trust approved project for the Academy
- Academies follow Trust-wide budget assumptions issued in March

- Key factors that must be considered by SBM and fully discussed with the Headteacher when preparing the budget include:
 - Each Academy to set and maintain a balanced in -year budget
 - To aim for no more than 75% of the total expenditure budget (in line with Trust KPIs) being allocated to staffing.
 - Budget share allocation
 - Projected student numbers
 - The curriculum
 - Staffing profile
 - Pay and price increases
 - Changes in funding formulae
 - Leasing and capital requirements
 - Estimated underspend

3.2 Tendering/Contracts Procedures (best value)

- The Academy will refer to guidance in the current Academies Financial Handbook with regard to procurement
- The trust actively avoids transactions in the selection process that would be a conflict of interest
- Best value is ensured by obtaining and comparing three quotes/tenders for purchases in excess of £10,000
- Appropriate checks made before contracts awarded
- High value tenders are carried out in compliance with UK law under 'Find a Tender' regulations.
- Headteachers and CFOO have authority to authorise tendering decisions up to £50,000
- Individual School tendering decisions over £50,000 are agreed by the LGB
- Trust tendering decisions between £50,000 and £100,000 are approved by the Accounting Officer and Chair of Business and Audit Committee
- Tendering decisions over £100,000 are agreed by the Business and Audit Committee
- Contracts and agreements records are maintained by finance staff in each Academy (Parago/Every). These are reviewed by budget holders to ensure negotiations are underway regarding renewal or that adequate notice is given to terminate
- Competitive exercises are carried out when renewing existing contracts and taking out new contracts in order to obtain best value
- The contracts and agreements register (Parago/Every) identifies the length of all leases and agreements so that this may be included in the year-end financial statements where appropriate

3.3 Approving the Academy budget

The draft budget is reviewed by the CFOO on behalf of the CEO. Once accepted on behalf of the Trust, the LGB Finance Link Governor reviews the draft and recommends a budget to the LGB.

The LGB will meet to consider and recommend the budget to the Trust Business and Audit Committee who then proposes the individual Academy budget to the Trustees for approval

3.4 Approving the Trust budget

The CEO/CFOO recommend the consolidated budget to the Trustees for approval. On approval the CFOO submits the consolidated budget on their behalf to the ESFA on the approved Budget Forecast return in accordance with the Academies Financial Handbook.

3.5 Budget Holders budget preparation (see appendix 3)

Budget holders are required to complete a financial plan.

Section 4 Financial monitoring

- Monitoring and control must be continuous throughout the financial year. This is an ongoing function and is important, not only in the current year to gauge actual performance, but also to aid future planning and decision-making about allocating funds
- Any variances identified from the reports are investigated and prompt action taken. Where appropriate, virements may be implemented with the approval of the SBM/Headteacher according to the authorised limits
- Trustees monitor the management accounts of the individual academies and of the Trust itself on a monthly basis and these are discussed and approved at the termly Trustee meetings
- Monitoring roles are carried out by the following who report directly or indirectly to the Trustee Board:
 - Budget Holders in each Academy
 - School Business Manager in each Academy
 - Headteacher in each Academy
 - Finance Link Governor in each Academy
 - Local Governing Body for each Academy
 - CFOO for the Trust
 - CEO for the Trust
 - Business and Audit Committee for the Trust.
- Budget Holders have responsibility to monitor their budgets to ensure the effective use of monies and that there is no overspend
- The line management system of the Academy will ensure that budgets are monitored

Section 5 Managing the budget in year

5.1 Salaries

- All changes in year to individual staff salaries are authorised by the Headteacher
- The Headteacher's pay is reviewed by the LGB and CEO
- Changes to trust level staff salaries are approved by the Trustees

5.2 Virements

- Thresholds for approving a virement at school level are:
 - Virements over £100K per item are approved by the Trustees
 - Virements over £50K per item are approved by the LGB
 - Virements lower than £50K per item are approved by the Headteacher

Thresholds for approving a virement at Trust level are:

- Virements over £100K per item are approved by the Trustees
- Virements over £50K per item are approved by the Accounting Officer
- Virements lower than £50K per item are approved by the CFOO

5.3 Risks and opportunities

- Each school (and the Trust) keeps a running record of known or expected income and expenditure variances in order to track potential impact on the outturn at the end of the financial year. This is presented as part the management accounts each month.

5.4 Budget reforecasting

- Each school (and the Trust) reforecast their budgets in January using the Risks and Opportunities list. This is approved by the LGB and Business and Audit Committee. If necessary budgets will also be reforecast in May.

5.5 Reserves

- The Board of Trustees agree the level of reserves the Trust and individual academies should hold to assist in strategic planning and to ensure the stability of the Academy's operations. This includes its ability to adjust quickly to financial circumstances such as large unplanned expenditure, cyclical maintenance and working capital requirements.
- Trustees include their reserves policy in their annual report
- If there are surplus funds, the Trustees will agree an appropriate amount to be retained and carried forward for future accounting periods.

Section 6 End of month/year-end arrangements

Each Academy within the Trust will adopt the procedures for completing end of month and year end accounts as outlined in **appendix 4 – End of Month and Financial Year End Procedures**

Section 7 Controlling the budget/assets

It is a priority for the School Business Manager that accounting transactions and records be accurate and up to date.

7.1 Safe arrangements and safe insurance

- Individual academies are covered by the ESFA Risk Protection arrangements
- Individuals are not covered to hold cash so should not bring large sums of money into the Academy
- The finance safe has two designated key holders
- The examinations safe has two designated key holders
- Safes are in an alarmed area and are kept in separate rooms

7.2 Data Protection procedures

- The Trust ensures that it is kept aware of the current issues and updates the Trust policy.
- There is a designated member of staff in each Academy responsible for implementing the changes
- Each Academy is registered with the Information Commissioners Office

7.3 Credit card procedures and internal controls

Each Academy and the Trust has a credit card and takes responsibility for ensuring that the card is used to perform purchasing duties with competence and honesty.

Monitoring and evaluation of the policy

This policy will be reviewed every 3 years (or in line with any legal changes/Academies Financial Handbook requirements) by the Business and Audit Committee.

Financial Leadership Procedures

SECTION ONE - ACCOUNTING PROCEDURES

1. Reporting Arrangements
2. End of month/year end reconciliations
3. Purchase Ledger
4. Sales Ledger
5. VAT
6. Credit card procedures
7. Payroll
8. Inventory and Fixed Assets

Reporting arrangements

- All MLT schools are required to follow the timeline for completing statutory returns

End of month/year end reconciliations

The Finance Officer/Manager (in conjunction with the Finance team) ensures that:

- The month end bank reconciliation arrangements are completed
- Income and expenditure is checked for accuracy and the overall position reconciled to the bank account
- The bank account is reconciled monthly to the payroll provider's reports
- Accruals are completed and actioned to ensure accurate year end accounts for submission to the ESFA
- The creditors and debtors control accounts are checked against the trial balance
- Debtors are chased up monthly and statements sent where amounts are overdue
- Month end and year end bank reconciliations are authorised by the School Business Manager (SBM).

The Chief Financial and Operating Officer (CFOO) ensures that:

- The end of year financial statement reports are submitted to the ESFA electronically.

Purchase Ledger

Authorisation – School level

- Under £50K per order – this is handled internally by the Headteacher
- Over £50K per order – this is approved by the LGB and signed by the Chair
- Over £100K per order – this is approved by the Trust Business and Audit Committee and signed by the Chair.

Authorisation – Trust level

- Under £50K per order – this is handled internally by the CFOO
- Over £50K per order – this is approved by the Accounting Officer and the Chair of Business and Audit Committee
- Over £100K per order – this is approved by the Trust Business and Audit Committee and signed by the Chair.

Ordering procedures - Purchase Orders

- Staff are made aware of the policies and procedures through at the start of each academic year.
- Budget Holders/authorised users use the online ordering financial system (web requisitions)
- The system for web requisitions is:
 - Budget holder/authorised user place the order
 - SBM authorises the order (ASBM in the absence of the SBM where the order is urgent and required next day, eg emergency repair work)

- Finance Team places the order.

Payment procedures – Internal Financial Controls

- Separation of duties is ensured
- Payments to individuals are made through the BACS system
- Official orders are used for all purchases of goods and services with the exception of utilities, rents, rates, examination fees and occasional emergency work
- Documents relating to finance are kept for a period of six years plus the current year
- All accounting records are kept in the Finance Office which is locked when not in use
- Chequebooks and paying-in books are locked in the safe in the Finance Office.
- Cheques are never pre signed

Invoices

- Goods are delivered to reception and signed for
- They are distributed by the site staff or collected from the office by staff
- Delivery notes (where provided) are sent to the department or the person ordering the goods
- Invoices are scanned into the financial system for the budget holder to authorise online
- Finance Team checks the invoice against the order on the system
- Finance Team issues payment through the accounting system
- Cheques and BACS payments are authorised by designated members of staff in accordance with the bank mandate
- Invoices are kept in logical order (will be electronic by end 2021).
- If order is not complete copy of Purchase Order remains on the system file

Petty Cash – To be removed during 2021-22 – each school to decide appropriate timeframe

- The level of petty cash held on site at any one time is £300
- Authorised signatures are as the authorised signatory list
- The Finance Officer Team is the only member of staff who has access to petty cash
- Petty cash is kept in a locked cash box, which is kept in the Finance Office during normal office hours and in the finance safe at all other times
- No payment will be made without an itemised receipt identifying place of purchase and VAT when applicable
- Receipts must be forwarded to the Finance Office within six weeks of purchase
- Receipts with both private and business expenses will not be accepted
- A petty cash voucher is prepared for all transactions and where a float is issued it should be kept with the petty cash and recalled at the end of each month
- When petty cash payments are made to members of staff they must sign the voucher for receipt of the money
- Petty cash is reconciled monthly to the financial system and petty cash held

Reimbursements to Staff:

- No payment will be made without an itemised receipt identifying place of purchase and VAT when applicable
- Receipts must be forwarded to the Finance Office within six weeks of purchase
- Receipts with both private and business expenses will not be accepted
- Reimbursements will be made by BACS and approved by relevant budget holder

Sales Ledger**Grants**

- The allocation for Pupil Premium (Ever 6 Free School Meals and Looked After Children) is identified in the budget and expenditure monitored on the use of this funding by the designated member of the Senior Leadership Team
- Grant income is paid into the main account and costings provided by the Outreach Team/Trust so that the funding is used for the purpose for which it is provided
- Grant income is audited annually by the Trust's externally appointed auditors.

Arrangements for ad hoc monies paid in

- The preferred option for receiving income is through the online payment system with cash and cheque payments kept to a minimum
- The Charging Policy is provided for parents on the school's website
- A summary of ad hoc monies (not grant income) paid in is monitored through the end of month monitoring/reconciliation process by the SBM. They are included in the year-end financial statements
- SBM monitors the accounts monthly
- Parents are asked for voluntary contributions with a suggested amount to be paid
- Music Tuition – parents are written to requesting payment for music tuition the term prior to the lessons taking place
- Ties and small items of stationery are sold by the school. No receipts are given as the goods are handed over straight away. Stock control processes are in place at the point of sale. The money is held in the safe and regularly banked.

Trips

- The trip organiser completes an Income and Expenditure form available in the Educational Visits pack from the Finance Team. This has attached a checklist of activities to be carried out when setting up the trip
- A log of contributions from each student is kept by the Finance Team on the on-line payment system and reports are provided for the trip organiser who chases up students whose payments are outstanding
- At the end of the trip the organiser balances the accounts and ensures there is a zero balance or any outstanding monies are returned to the students. The SBM oversees the final account
- Deposits for trips are only refunded if another student is found to take the place of the student dropping out or, in extreme circumstances, or where the school has banned the student from attending. Parents are made aware of this by the trip organiser
- Trips are not allowed to run at a loss.

On-line payment system

- User names and passwords are issued in order to access the on-line payment system
- Payments may be made in this way for:
 - a. Crediting lunch cards
 - b. Paying for trips
 - c. Voluntary Contributions for resources

<ul style="list-style-type: none"> • The monthly credit appearing on the bank statement is reconciled to the Parentpay (or similar) reports.
<p>Debtors</p> <ul style="list-style-type: none"> • The sales ledger records monies owed to the school • The debtors control account is monitored monthly and statements issued • All invoices raised for grants and services provided, including lettings, are recoverable • It is expected that invoices raised to parents in relation to contributions towards repairs resulting from student damage to the school's assets may not always be recoverable. Headteachers (school level)/CFOO (trust level) agree to review outstanding debts at year end with a view to writing off these amounts
<p>VAT</p> <ul style="list-style-type: none"> • VAT, where applicable, is payable on expenditure • The Academy Trust is not registered for VAT • Monthly totals of VAT outputs are reclaimed from HMRC by way of Form 126 • Apportionment is applied in the case of income related to business activities • Income generated through business activities (non-educational lettings and invoiced consultancy fees are passed through a separate Trading Account for VAT and Corporation Tax purposes (currently not registered for VAT as below the threshold)
<p>Credit card procedures</p> <ul style="list-style-type: none"> • Each Academy may have one credit card and takes responsibility for ensuring the appropriate use of the card: <ul style="list-style-type: none"> ○ by ensuring that the card is used to perform purchasing duties with competence and honesty, and ○ for monitoring the effectiveness of the accountability structure • Purchases involving the use of the card must be made in line with the policy and procedures for expenditure • The following criteria ensure the security for the safekeeping and authorisation of the card: <ul style="list-style-type: none"> ○ The card is maintained securely by the SBM ○ The security pin number is maintained by the SBM ○ The SBM is personally responsible for the safekeeping of the credit card and for its use ○ Separation of duties is ensured at all times to ensure that the purchases are verified, appropriate and reconciled ○ There is a limit of £3K per transaction with a total monthly limit of £4K ○ The purchases recorded on monthly statement invoice are authorised by Budget Holder (as part of procurement procedures) and by the SBM as the Authorising Officer, as part of the bank reconciliation procedures ○ The finance team are responsible for entering the expenditure on the system in settlement of the monthly direct debit statement invoice ○ Activity on the card is monitored monthly by the Authorising Officer. • The following procedures for purchases must all be fulfilled: <ul style="list-style-type: none"> ○ Purchase orders are raised by the budget holder, and authorised by the School Business Manager, the Purchasing Officer ○ The card may be used for online purchases only. The invoice will evidence VAT where applicable and this will be maintained with the purchase order in the finance department ○ Delivery notes will be maintained with the purchase order in the finance department

- Purchases off site to a maximum of £200, must be carried out by the School Business Manager who must present the receipt for goods/service to the Finance Manager which must allow the re-claiming of VAT (if applicable)
- The school will meet any loss incurred through unauthorised use of the credit card and will take action to recover the funds from the bank. In the case of misuse, any loss will be recovered from the member of staff responsible for those transactions
- The purpose of the controls is to prevent errors or fraudulent use of the card.

Payroll

Salaries (see also Pay Policy in Staff Handbook)

- The Headteacher authorises all changes to staffing by way of a signed letter salary statement/letter to the member of staff
- Budget software showing costings of salaries from September to August is completed before the new budget is finalised in June
- This is checked monthly by the Business Manager and ASBM against the staff standard pay details with the payroll provider
- Salaries are entered onto the accounting system on a monthly basis. The ASBM/Finance Manager updates payroll portal to show any changes agreed by Headteacher
- The 'trial' payroll run is monitored online and the payroll provider is informed of any errors prior to the live run. The ASBM/Finance Manager prepares reports and provides them to SBM to double check accuracy. Headteacher advises SBM to authorise payroll on portal

Salary monitoring

- Budget software with salary costings from September to August is completed before the new budget is finalised in June. This is updated throughout the year
- This is checked monthly against the actual payroll costs.
- Salary costs are entered onto the accounting system on a monthly basis and reconciled to the bank account
- There is always a separation between authorisation of salary changes and informing the payroll provider of those changes
- The 'trial' payroll run is monitored online and the payroll provider is informed of any errors prior to the live run. The SBM sends confirmation to Headteacher that the payroll may proceed
- Salary costs are monitored monthly by the SBM against the budget software variances explained as part of monthly management accounts process with the Headteacher. The monthly payroll analysis is authorised by the SBM. An analysis of changes is attached to the monthly analysis
- Additional hours should always be authorised in advance. Timesheets must be submitted prior to the payroll deadline if they are to be paid in that month
- Timesheets must be signed by the member of staff and line manager to confirm that the hours have been worked
- Timesheets must be signed by the head teacher or delegated signatory before submission to the payroll bureau.

Timesheets

- Extra duties by the caretakers are checked by the Premises Manager and authorised by the Business Manager
- The member of staff in charge of lunchtime supervision checks timesheets and claims for additional hours by staff on lunch duty which are then authorised by the SBM
- The invoice for supply teachers is checked by the member of staff who has responsibility for cover arrangements

- The additional hours/payments are advised to the payroll provider and checked against the master salary spreadsheet by the SBM. ASBM/Finance Manager refers queries raised by the SBMs monitoring each month with Payroll.

Inventory and Fixed assets

Inventory

- Authorisation must be obtained from the Headteacher and Governing Body in advance of the disposal of assets
- The Finance Team updates the inventory on Parago/Every and security marks all assets
- The Finance Team audits the inventory by producing a report which is issued to departments annually in the summer term
- The equipment inventory is checked by HODS and delegated Support Staff via their SLT link, i.e. checking against the online record for items deleted is included as part of the SLT/HOD departmental monitoring process
- Goods purchased over £250 and items considered to be desirable are added to the inventory monthly by the Finance Team on receipt of the invoice
- To dispose of items a disposal form must be completed by the HOD or delegated Support Staff, agreed and signed by the SLT Link and authorised by the Headteacher. The IT Manager directs removal of IT items from the Parago/Every system once approval obtained from SLT link
- The annual audit of the inventory is to be completed during the Autumn term and disposals taken to the Governing Body meeting
- All items to be disposed during an academic year must be reported to the Finance Office
- Purchases of items of £1K and over are included in the Fixed Asset Register
- The disposal of assets appears as an agenda item for each Finance Governor Link meeting.

Fixed Assets

- Single item purchases of £1K or over are entered onto the Fixed Asset Register
- Capital grants fund fixed asset improvements to the buildings
- All expenditure relating to fixed assets is depreciated as follows:
 - a. Long Leasehold Property: 4% straight line
 - b. Furniture and Equipment: 15% straight line
 - c. Motor Vehicle: 20% straight line

SECTION TWO - GENERAL PROCEDURES

1. Insurance arrangements
2. Lettings procedures
3. Catering procedures
4. Computer System
5. Data Protection
6. Tutor Group Registers

Insurance Arrangements

- The school is covered for buildings and contents by the Risk Protection Arrangements
- School property is not covered if it is taken off the school premises
- In exceptional circumstances, approval may be given to taken school property off site. The item should be logged out in the book kept in the Finance Office by the Finance Team. Individuals must take full responsibility for the item's safe return and any loss will be recovered from the staff member.
- Schools will set up their own procedures for signing out equipment such as cameras
- This is monitored half termly by the SBM
- Claims for lost items are actioned by the SBM and Premises Manager dependent on the circumstances, ie lost or stolen
- Details of lost item/claims are kept in the Finance Office and analysed by the Premises Manager who reports to SLT if appropriate and remedial action is taken
- The school does not accept responsibility for personal items brought in by staff and students

Lettings Procedures

Administration

- These are administered by the SBM
- Schools which accept lettings income directly will ensure finance staff bank the monies

Setting schedule of charges

- Prices are reviewed and increased appropriate for the new academic year

Discretionary lets

- The Governing Body has approved a 25% reduction in the charges for staff wishing to hire the premises for events for themselves and those that may include a close family member, eg a birthday celebration for their child
- A booking must be made in the normal way

Payments

- Payments including monies to cover the cost of hire, insurance and caretaking are made in advance
- These should be made in sufficient time for cheques or BACS payments to clear before the booking takes place
- Booking terms and conditions are issued at the time the booking is made and monies collected
- Site staff report back on the let should any issue arise
- The school bookings documents are used to set up the hire

Public Liability Insurance

- This is provided by the hirer/lettings agent and a copy will be held in the finance system.

Catering procedures**Income is received as follows:**

- All cash is loaded onto individuals' accounts via the cash revaluation units. The re-evaluation units are emptied on a daily basis by the catering company.

Purchases are made by way of the biometrics cashless payment system. The Finance Officer allocates accounts to staff and students:

- Mealtime supervisors, catering staff and SLT carrying out a staff lunchtime duty may access a daily allowance which is then processed through payroll as a benefit in kind
- Students entitled to free school meals have an allocated daily subsidy
- A hospitality account is set up for hospitality
- Visitor accounts are available on the system

Daily Accounting

- The Catering Manager runs a monthly report which includes the following:
 - a. Daily Cash Sales
 - b. Hospitality
 - c. Free School Meal report
 - d. Staff Duty Meal report
- The Finance Manager carries out internal charges to the main account to reflect income and expenditure

Catering supplies purchasing

- Purchases are made by purchase order or the supplier's official order

Reporting

- The SBM monitors the facility through the accounting system

Free School Meals

- Free School Meal eligibility is checked either through a secure external provider or in-house
- A letter is included in the admissions pack which enables parents to give their authorisation for this check if their child is eligible for a free school meal
- Students are allocated a daily free school meal entitlement on the biometrics cashless system
- The catering provider invoices each school on a monthly basis for these FSMs

Computer Systems

- The accounting system is cloud-based and backed up daily by the provider
- A back up on the server is taken each time the system is closed down
- The school's IT systems are backed up daily

Data Protection

- The school is registered in accordance with the Data Protection Act 1998
- The Trust has a Data Protection Policy which is available on the website.

Appendix 2: Financial Year Planner Timeline

Month	Academies Planning Calendar (Based on 2020-21 planning – subject to change in future years)	Other Finance Actions
Every Month		<ul style="list-style-type: none"> • Month end procedures • Produce monthly management accounts and commentary – SBM and CFOO • Monitor payments and journals & assign pre payments – SBM and CFOO • Monthly reprographic charge – Finance teams • Monitor outstanding purchase orders (finance teams) • Income received transferred to department code – Finance Team
Every Half Term		<p>Budgets:</p> <ul style="list-style-type: none"> • Budget holder budget monitoring with SLT at link meeting
September	<p>Information and published guidance</p> <ul style="list-style-type: none"> • Academies Financial Handbook comes into effect • ESFA publishes key findings following the assurance work relating to Academy trust financial statements, Academy funding audits and financial management and governance reviews for the year just closed. 	<p>Year End:</p> <p>Finalise Year End Arrangements and post all transactions</p> <ul style="list-style-type: none"> • Creditors List <p>Monitor outstanding purchase orders/invoices from previous year's budget - SBM</p> <ul style="list-style-type: none"> • Debtors List • Fixed Assets • Receipts in advance (deferred income) • Payments in advance • Prepare financial statements and Trustee Report <p>Budgets:</p> <ul style="list-style-type: none"> • Agree and update list of budget holders • Budget allocated to departments on formula basis - SBM • Set up financial plan and submit to SLT link and Business Manager - BH • Raise purchase orders for supplies and all contracts known in advance - BH
October	<p>Trust action</p> <ul style="list-style-type: none"> • Complete autumn school census • Academies must publicly consult by 31 January on proposed changes to admission arrangements for entry in following September, or if they have not consulted in the past 7 years <p>Information and published guidance</p> <ul style="list-style-type: none"> • ESFA publishes guidance and workbook for the academies accounts return for the previous year just closed (Sept-Aug) • DfE issues guidance on the Condition Improvement Fund (CIF) for the next year • Audited financial statements submitted from 15 October 	<p>Audit:</p> <ul style="list-style-type: none"> • Trustee Report and Financial Statements • Management Letter • Agree adjustments • Regularity Audit

	<ul style="list-style-type: none"> ESFA publishes the 16 to 19 revenue funding allocation data current year <p>Payment</p> <ul style="list-style-type: none"> Second quarterly pupil premium payment for the current financial year 	
November	<p>Trust action</p> <ul style="list-style-type: none"> Deadline for new CIF applicants to register on the online portal Accounts return online form available <p>Information and published guidance</p> <ul style="list-style-type: none"> PE and sport premium conditions of grant and allocations issued for the current academic year <p>Payment</p> <ul style="list-style-type: none"> First payment of the PE and sport premium for the current academic year 	<p>Accounts:</p> <ul style="list-style-type: none"> Annual Return to Companies House for Middlesex Learning Trust Annual Return to Companies House for The Compton Trading Company Ltd (if necessary – currently dormant) Trustee Board to agree accounts and receive management letter Members to approve accounts <p>Census:</p> <ul style="list-style-type: none"> Submit Workforce Census <p>Audit:</p> <p>Internal Audit 1 of 3</p>
December	<p>Trust action</p> <ul style="list-style-type: none"> Land and buildings collection tool online form available 15 December Deadline for Condition Improvement Fund (CIF) bids <p>Announcement</p> <ul style="list-style-type: none"> DfE announces the schools revenue funding settlement for the next academic/financial year <p>Submit:</p> <ul style="list-style-type: none"> Financial Statements to ESFA NCTL Grant Audits to Financial Monitoring Collaborative Grant School Direct Grant ITT Bursaries Grant 	<p>Budgets:</p> <ul style="list-style-type: none"> SBMs draft re-forecasted Budget for January
January	<p>Trust action</p> <ul style="list-style-type: none"> Complete spring school census Trusts submit their audited financial statements, auditor's management letter, internal scrutiny annual summary report and accounts submission coversheet by 31 January Complete and submit the land and buildings collection tool by 28 January <p>Information and published guidance</p> <ul style="list-style-type: none"> ESFA publishes outcomes of requests from LAs for changes to high needs places for the next academic year. Academies have 2 weeks to submit a query about the outcomes <p>Payment</p> <ul style="list-style-type: none"> Third quarterly pupil premium payment for the current financial year 	<p>Budgets:</p> <ul style="list-style-type: none"> Re-forecasted annual budget agreed with LGB <p>Census:</p> <ul style="list-style-type: none"> Census (student numbers) to DfE – info given to SBMs <p>Publish Academy Trust Accounts on Trust website</p>
February	Trust action	Budgets:

	<ul style="list-style-type: none"> • Complete and submit the audited accounts return by 23 Feb • Trusts publish their previous year (Sept-Aug) audited financial statements on their website by 28 February • Academies must determine their admission arrangements for entry in the September in 19 months time by 28 Feb • Academies must publish their admissions appeals timetable for current year on their website by 28 Feb <p>Information and published guidance</p> <ul style="list-style-type: none"> • ESFA issues guidance on following year funding allocations for open academies • ESFA issues 16 to 19 allocation calculation toolkits (ACT) containing funding factors and student numbers, to schools and academies <p>School Budget Share allocations released</p>	<ul style="list-style-type: none"> • Trust Prepares Budget Assumptions
March	<p>Trust action</p> <ul style="list-style-type: none"> • Academies must publish their admission arrangements for entry in September in 15 months time on their website and send a copy to their local authority by 15 March <p>Information and published guidance</p> <ul style="list-style-type: none"> • ESFA issues Academy revenue funding allocations for next year including 16 to 19 allocations (plus student support, 16 to 19 Bursary Fund and free meals in further education) where applicable • ESFA publishes the Academies Accounts Direction 	<p>Budgets:</p> <ul style="list-style-type: none"> • Budget Assumptions issued by the Trust to schools to include: • Review National Insurance Rates • Review LGPS Contribution Rates • Review TP Contribution Rates <p>Submissions:</p> <ul style="list-style-type: none"> • Submit BFR accounts as at 31 March to ESFA (delayed during pandemic) • End of Year Local Government Pension report submitted by payroll providers to Local Authority <p>Audit:</p> <p>Internal Audit 2 of 3</p>
April	<p>Trust action</p> <ul style="list-style-type: none"> • Form for trusts to claim national non-domestic rates (NNDR) for the next financial year available • Budget forecast return outturn (BFRO) online form available • 16 to 19 revenue funding allocation business case for major data errors deadline 30 April • Trusts complete and submit the school resource management self-assessment tool (SRMSAT) <p>Information and published guidance</p> <ul style="list-style-type: none"> • ESFA publishes 16 to 19 funding regulations guidance, funding rates and formula guidance for next academic year • ESFA publishes 16 to 19 student support eligibility and guidance, including 16 to 19 Bursary Fund guidance • DfE publishes the CIF outcome 	<p>Budgets:</p> <ul style="list-style-type: none"> • SBMs and CFOO Draft Three Year Plan (3YP) based on budget assumptions • Check LA website for Pupil Premium and High Needs and adjust estimates on budget according to actual school level information

	<p>Payment</p> <ul style="list-style-type: none"> • Final quarterly pupil premium payment for the 2020 to 2021 financial year 	
May	<p>Trust action</p> <ul style="list-style-type: none"> • Complete summer school census • Trusts must submit their audited financial statements to Companies House within 9 months of the end of the accounting period which is 31 May <p>Information and published guidance</p> <ul style="list-style-type: none"> • ESFA publishes guidance and workbook for the budget forecast return three year (BFR3Y) for 2021 <p>Payment</p> <ul style="list-style-type: none"> • Second payment of the teachers' pay grant and teachers' pension grant for the 2020 to 2021 academic year • Final payment of the PE and sport premium for the 2020 to 2021 academic year 	<p>Budgets:</p> <ul style="list-style-type: none"> • Submit first draft of budget to Trust – mid May • Re-forecasted annual budget drafted for agreement with LGB (if reforecasting in May) • Monitor all outstanding purchase orders, cancel those not live to free up commitments - SBMs • Deadline approaching for expenditure for financial year end of August. All non-critical expenditure stops end of May. <p>Submissions:</p> <ul style="list-style-type: none"> • Corporation Tax return to HMRC • Audit of Teachers Pensions EOY certificate by end of May. (Audited in September) • Apply for Business Rates refund
June	<p>Trust Action</p> <ul style="list-style-type: none"> • Combined budget forecast return outturn and 3-year budget forecast return online form available <p>Information and published guidance</p> <ul style="list-style-type: none"> • ESFA publishes the 2021 to 2022 Academies Financial Handbook • ESFA publishes the 16 to 19 sub-contracting controls guidance for 2021 to 2022 	<p>Budgets:</p> <ul style="list-style-type: none"> • Agree budget (3YP) at LGB • Agree budget (3YP) at Trustee Board <p>Audit:</p> <ul style="list-style-type: none"> • Hold annual audit meeting with auditors (CFOO, Accounting Officer and Chair of B&A) and agree dates with auditors for year-end audit • Agree Internal Auditors and plan schedule for next academic year <p>Other:</p> <ul style="list-style-type: none"> • SBMs meet with Finance Officer/Manager to clear outstanding purchase orders <p>Audit:</p> <p>Internal Audit 3 of 3</p>
July	<p>Trust action</p> <ul style="list-style-type: none"> • Complete and submit the combined budget forecast return outturn and 3-year budget forecast return <p>Information and published guidance</p> <ul style="list-style-type: none"> • ESFA refreshes the 16 to 19 interactive census tool • DfE publishes the academies sector annual report and accounts (SARA) <p>Payment</p> <ul style="list-style-type: none"> • Final payment for universal infant free school meals for the 2020 to 2021 academic year 	<p>Submissions:</p> <p>Submit Budget Forecast (BFR) for next academic financial year (TIMINGS MAY CHANGE AFTER PANDEMIC)</p>
August	<ul style="list-style-type: none"> • Complete end of year arrangements 	<p>Budgets:</p>

	<ul style="list-style-type: none"> • Arrange for valuation of LGPS pension scheme – every 3 years – arranged by local authority 	<ul style="list-style-type: none"> • Budgets uploaded to system for new year. Once complete, Purchase orders may be raised for urgent supplies required for beginning of Autumn Term • Finance team preparing end of year Company Accounts and financial statements for October annual audit.
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Abbreviations:

SBM – School Business Manager

CFOO – Chief Finance and Operating Officer

BH – Budget Holders

Appendix 3: Budget Holders Handbook

This handbook should be read alongside the Financial Procedures (Appendix 1) and the following policies:

- Charging and Remissions
- Financial Leadership
- Fraud
- Gifts and Hospitality
- Register of Business Interests
- Reimbursement of Expenses
- Whistleblowing

Capitation

At the beginning of the financial year (as an Academy this is September), each department (cost centre) is allocated its capitation to be spent by the end of August the following year. The amount allocated should be checked to ensure that it is based on the correct number of students at each Key Stage.

Any purchase orders raised for the previous year for items received but not yet invoiced will show as a creditor, i.e. the expense for this will not be debited to the new year's allocation.

Referring to the previous year's printout, budget holders should plan expenditure for the current year's budget. Purchase orders need to be raised at this time for any known expenditure, i.e. maintenance contracts for equipment, hire of sporting venues. Copies of such contracts must be handed to the Finance Team for the Contracts Register.

Purchase Orders (web requisitions)

All purchases must be made by way of purchase order. This ensures that all anticipated expenditure is allowed for under the cost centre and appear on the purchase ledger. Budget holders can access the up to date financial position of their allocation through the on-line system.

Orders are placed on line (web requisitions) through the financial management system. Staff are designated as those who can requisition, budget holders who can authorise and finance staff who can approve orders. The finance staff submit the purchase order to the supplier once the order is fully (by the budget holder AND the SBM or the CFOO in the case of the Trust).

Invoices received without a purchase order and, therefore, not authorised will be referred to the SBM for a decision regarding payment.

Income

Contributions for trips, revision materials, resources, etc, are made via ParentPay (or equivalent system). This ensures that a limited amount of cash is held on the school premises. Any arrangements for cash collection must be agreed in advance with the Finance Office and appropriate counter-signatures obtained prior to banking. Credits will be transferred to budgets by way of a journal and will appear on budget holder statements.

Journals (Internal charges)

These will be passed throughout the year for reprographic work and the purchase of small sundry items from the main school office. There will be a monthly reprographic charge which is calculated on the readings of the photocopiers and an anticipated charge should be built into the financial plan for the department.

Cards/codes are available for all photocopiers. Please note that only those persons authorised by the Head of Department should be using the cards/codes.

Inventory

Items over a value of £250 must be included on the school's inventory (Parago/Every system). The serial numbers of such items should be forwarded to the Finance Team who will then arrange to security mark the item. Disposal forms must be completed prior to disposing of items that are no longer fit for purpose and signed off by the SLT link. The Finance Link Governor (on behalf of the Local Governing Body) is required to authorise any disposals of assets. The inventory is updated annually in September.

Delivery notes and invoices

Invoices are scanned into the finance system and authorised by the Budget Holder on line. They should be checked against the delivery note which should be passed to the Finance Team.

Petty Cash

The Trust is removing cash over 2021-22. Each school will decide a timetable which works for them. Staff expenses are refunded promptly and payment runs are made weekly.

Register of Business Interests

All staff are required to complete the register. Any disclosures will be referred to the CFOO and The Business and Audit Committee for discussion to ensure there is no financial irregularity.

The Bribery Act and receipt of gifts and/or hospitality

Any staff member receiving a gift with a value in excess of £50 is required to declare this to the Finance Committee of the Governing Body.

Fraud Policy

Staff with financial responsibilities should make themselves aware of the contents of the Fraud Policy which identifies policy and procedure for dealing with the risk of significant fraud or corruption. It provides a framework within which officers and employees are expected to conduct themselves and a framework of systems and controls that are designed to minimise the incidence of fraud, limit its impact and ensure its prompt detection. It also outlines the actions that will be taken in response to allegations and reports of fraud or dishonesty.

Whistleblowing Policy

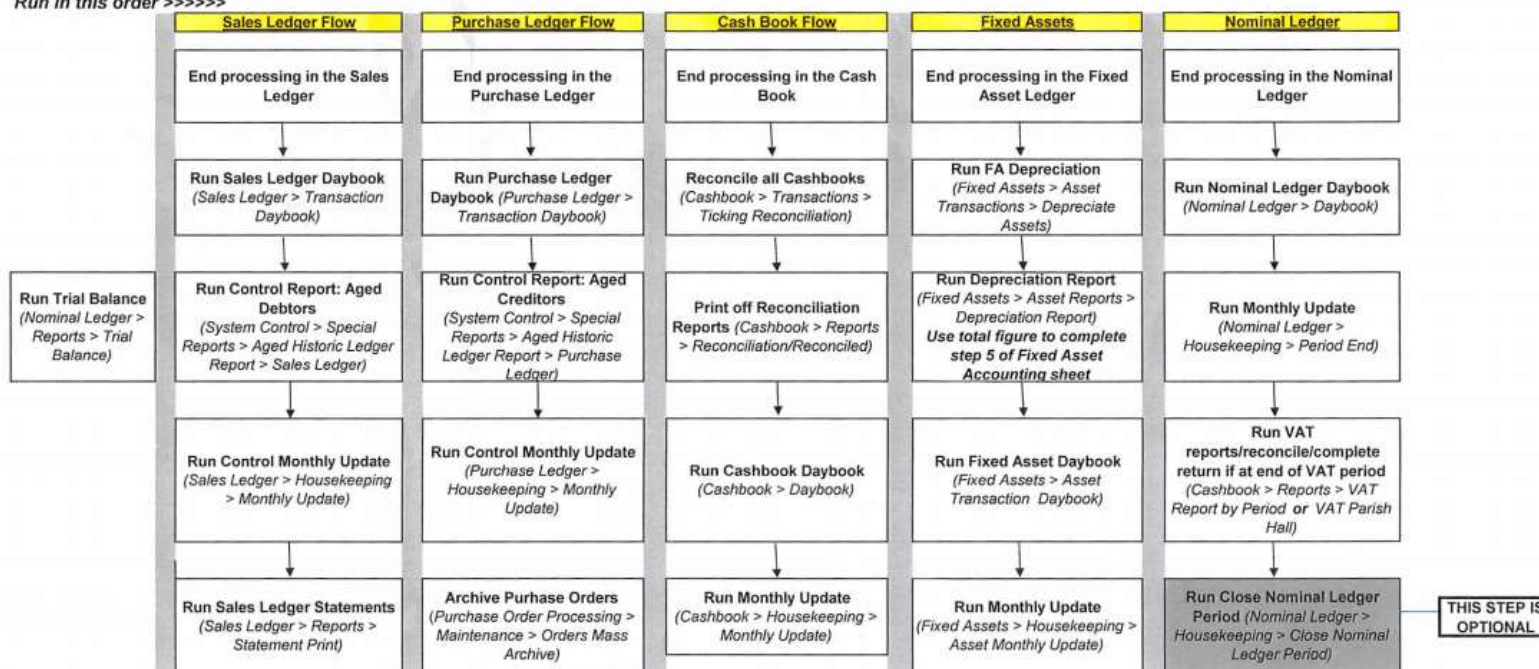
In the event that members of school staff or governors become aware of activities which give cause for concern, the Whistleblowing Policy acts as a framework to allow concerns to be raised confidentially and provides for a thorough and appropriate investigation of the matter to bring it to a satisfactory conclusion.

Appendix 4

End of Month and Financial Year End Procedures

Month End Procedures (Current Civica system – will update to PS Financials system September 2021):

Run in this order >>>>>



Part of the 'Soft Close'. Late transactions can still be posted into the closed period but the respective ledger daybook will need to be rerun.

Part of the 'Hard Close'. Once complete, the period is locked and no more transactions can be posted back into that period. This step is optional

Month End Checklist used by Finance Teams at Trust and School level each month:



Month End Checklist

Month: _____ Year: _____

	Sales Ledger	Purchase Ledger	CashBook	Nominal Ledger
Print and Check Trial Balance	Daybook Run	Daybook Run	Daybook Run	Daybook Run
Check Aged Debtors Report	Checked Aged Creditors Report	Reconciled all CashBooks	Monthly Update Completed	Monthly Update Completed
Monthly Update Completed	Monthly Update Completed	Current Account checked to TB	Run & Check VAT Reports	Run & Check VAT Reports
Outstanding Statements Printed	Mass Archive of Purchase Orders	Credit Card checked to TB	Complete VAT 126 form & Check	Complete VAT 126 form & Check
		Deposit Account checked to TB	Check Departmental Budget Reports	Check Departmental Budget Reports
		Petty Cash checked to TB	Update CashFlow Balance	Update CashFlow Balance
		Monthly Update Completed		
		Post PrePayment & Accrual Journals		

Month End Checklist Completed

Date

KEY

Finance Manager/Officer
School Business Manager/CFOD