



Financial Policy for Horizon Multi Academy Trust 2016

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1.2	23.05.2017	Approved amendments to Tendering process
1.1	6.12.2016	Final adoption of amended policy and inclusion of Authorisation of returns relating to Funding Agreements
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1. **Scheme of Individual Academy Delegation**

1 Introduction

The purpose of this policy is to ensure that Horizon Multi Academy Trust (hereafter referred to as Trust) maintains and develops systems of financial control, which conform to the requirements of both propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of the Funding Agreement with the Department for Education.

The Trust must comply with the principles of financial control outlined in the academies guidance published by the DfES. This policy expands on that and provides detailed information on the trust's accounting procedures and system manual should be read by all staff involved with financial systems.

2 Organisation

The Trust board

The Trustees will manage their affairs in accordance with the high standards as detailed in "Guidance on Codes of Practice for Board Members of Public Bodies" and in line with the seven principles of public life:

Selflessness

Holders of public office should take decisions solely in terms of the public interest.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might 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 merits.

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 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.

Definitions - CEO overall lead officer for the Trust
Headteachers and deputy head refers to those posts within individual schools
Finance Director - oversight of finances of the Trust
Business managers - responsibility for delegated finances within the individual academies
Responsible Officer - Designated Board Member

2.1 Managing the Academy Finances

The Trust Board has overall responsibility for administration of the Trust's finances. The main responsibilities of the Trust board are prescribed in the Funding Agreement between the Trust and the DfE. The main responsibilities include:

- Ensure the grant from the DfE is used for the purposes intended
- Ensure that funds from sponsors are received according the Funding Agreement, and are used for the purposes intended.
- Approval of the annual budget
- Ensure a Scheme of Delegation is in place
- Ensure assets are managed
- Ensure accurate accounting records are maintained
- Ensure the budget monitoring statements are a true and accurate record on income and expenditure

2.2 The Trust Board

The Trust Board meets at least six times a year. At least termly the Board will:

- Initial review and authorisation of the annual budget;
- Regular monitoring of actual expenditure and income against budget;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies;
- Authorising the award of contracts in accordance with delegation of authorisation (appendix 1).
- Authorising changes to the personnel establishment.
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must be reported to the Trust Board.

2.3 The CEO

The CEO has overall executive responsibility for the trust's activities including financial activities. Much of the financial responsibility has been delegated to the Business Manager and Headteacher's of individual academies but the CEO still retains responsibilities for:

- Approving new staff appointments within the authorised establishment, except for any senior posts which the Trust board have agreed should be approved by them.
- Authorising in conjunction with the Finance Director (appendix 1).
- Signing cheques as detailed in the scheme of delegation (appendix 1)

The funding agreement identified the CEO as the Accounting Officer who is personally responsible to the Trust board for:

- Ensuring regularity and propriety
- Prudent and economic administration
- Avoidance of waste and extravagance
- Efficient and effective use of available Finances; and
- The day to day organisation, staffing and management of the trust

The Accounting Officer has the duty to take action if the Trust Board or Chairman is contemplating a course of action, which he or she considers an infringement of propriety or regularity. Objections should be put in writing to the Trust board details sent to the Permanent Secretary and the trust's external auditors.

The Accounting Officer may delegate, or appoint others to assist in these responsibilities.

2.4 The Trust Finance Director

The Finance Director works in close collaboration with the CEO through whom he or she is responsible to the governors. The main responsibilities of the Finance Director are:

- The day to day management of financial issues including the establishment and operation of a suitable accounting system.
- The management of trust's financial position at a strategic and operational level within the framework for financial control determined by the Trust board.
- The maintenance of effective systems of internal control.
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust.
- Preparation of monthly management accounts.
- Ensuring forms and returns are sent to the DfE in line with their reporting deadlines.
- Signing cheques/authorising BACS payments as per scheme of delegation (appendix 1)
- Responsible for monitoring cash flow and ensuring sufficient funds are available for salary payments to be made in a timely manner.

2.5 Responsible Officer

The Responsible Officer (RO) is appointed by the Trust board and provides governors with an independent oversight of the trust's financial affairs. The main duties of the RO are to provide the Trust board with independent assurance that:

- The financial responsibilities of the Trust board are being properly discharged;
- Finances are being managed in an efficient; economic and effective manner;
- Sound systems of internal financial control are being maintained; and
- Financial considerations are fully taken into account in reaching decisions.

A programme of checks will be agreed with the Trust board and the RO will carry out financial reviews in order to provide the Trust board and indirectly the Department for Education with the required assurance.

The RO will undertake the checks and balances in line with the recommendations shown in Annex 2a of the Finance Handbook.

General areas for review will cover the following:

- Review that bank reconciliations have been carried out each month
- Review of monthly payroll to ensure that any changes have been appropriately authorised and agreed
- Check sample orders to delivery notes and invoices to ensure that the documentation is complete and has been appropriately checked and authorised.
- Check of sample payments back to invoices, orders and delivery notes to confirm they are bona fide purchases.
- Review a sample of expense claims to ensure the appropriate documentation to support the claim and that the claim is appropriately authorised.
- Review returns to Department for Education to ensure the information supplied is consistent with the underlying records and internal management reports.
- Carry out spot checks of petty cash balances and supporting vouchers
- Review all major contracts and ensure formal tender procedures exist and are being followed.

2.6 Other Staff

All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of Finances and conformity with the requirements of the Trust's financial procedures.

2.7 Register of Interests

It is vital that governors and staff act, and are seen to act, impartially. To avoid any misunderstanding that might arise all members of the Trust board and staff with significant financial spending powers are required to

declare any financial interests they have in companies or individuals from whom the trust may purchase goods or services. The register is open to public inspection.

Declarations should include all business and pecuniary (monetary) interests such as directorships, shareholdings and other appointments of influence within a business or other organisation. They should also include interests of related persons such as a parent, spouse, child, cohabitee and business partner where that person could exert influence over a governor or member of staff.

The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the Trust board or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

3 Annual Budget

The CEO with the Finance Director are responsible for preparing and obtaining approval of the annual budget. The Trust Board must approve the budget.

All Individual School's Budgets will be submitted by Local Governing Boards to the CEO and Business Manager by 31st May.

The approved budget must be submitted to the DfE each year by the deadline set by DfE and the Finance Director is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures the submission date is met.

The annual budget will reflect the best use of Finances available to the Trust for the forthcoming year and will detail how those Finances will be utilised.

The budget planning process will incorporate the following elements:-

- Schools should submit a budget "pack" containing the financial budget plus a short narrative by the above date. The narrative should identify:
 - Forecasts of likely pupil numbers to estimate the amount of DfE grant receivable
 - Review of other income sources
 - Historical review of past performance against budgets
 - Identification of performance weaknesses & the provision of costs to improve performance
 - Costs provided for building improvements [over & above general maintenance].
 - Identification of costs provided for Capital items.
 - Identification of amount provided to correct any Reserve shortfall.
 - Identification of efficiency and budget containment actions
 - Annual review of expenditure headings to reflect known changes
 - A summary financial projection for budget year + next 3 years.

The draft budget should be presented to the CEO and the Trust Board together with a supporting report for approval. Once the draft budget is agreed this should be communicated to all responsible budget holders to ensure they are aware of the overall budgetary constraints.

3.1 Monitoring and Review

Monthly reports will be prepared by the Business manager and presented to the Board by the Finance Director. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the CEO and the Responsible Officer.

Any potential overspend against the budget must in the first instance be discussed with the Finance Director. The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency.

The CEO may delegate elements of the budget to staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the Trust as a whole. Delegated budget holders will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are accountable to the Finance Director who is responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored and managed.

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

All delegated budget holders **must** receive finance training to enable them to manage their budgets effectively and efficiently.

Limits of Authority are outlined in the Trust's Scheme of Delegation (appendix 1), which is updated each year.

4 Accounting System

All financial transactions must be recorded on the accounting package.

- All financial transactions relating to the Trust's budget must be recorded using the accounting package. There must be a clear audit trail for all financial transactions from the original documentation to accounting records. Finance records must be stored for 7 years in accordance with the Companies Act.
- Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.
- Authorisation and supervisory controls should be adequate to ensure transactions are properly recorded or that errors are identified.
- All records should be protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.
- The finance data must be backed up daily using a robust procedure.

Transaction Processing:

- All journal transfers will require signed authorisation by the Business manager and Headteacher, in accordance with Scheme of Delegation [Appendix 1]
- Bank Transactions should be input by an Administration Officer, checked, and authorised by the Finance Director.
- The Finance Director will obtain and Review System Reports to ensure only regular transactions are posted to the accounting system.
- The Finance Director will ensure monthly reconciliations in respect of the Sales; purchase, payroll, suspense and nominal ledgers are carried out.

5 Payroll

The main elements of the payroll system are:

- Staff appointments
- Payroll administration
- Payments

The Trust board has approved a personnel establishment for the Trust. Changes can only be made to this establishment with the express approval in the first instance of the Trust Board who must ensure that adequate budgetary provision exists for any establishment changes.

The CEO has the authority to appoint staff within authorised establishment. The delegated Business manager will maintain personnel files for all members of staff, which include contracts of employment.. All personnel changes must be notified, in writing, to the Finance Director to enable robust budget monitoring of the Salaries budgets.

All Payroll transactions relating to Trust staff permanent or casual will be processed through the payroll system. Payments for employment will not be made to staff or visiting lecturers through any other mechanism.

All personnel files shall be stored in a lockable cabinet. The CEO, Finance Director, Headteacher or Business Manager will have access to staff files but individuals can request to see their own files in line with data protection policies.

An Administrator is responsible for keeping the staff personnel database up-to-date via the personnel recording system.

5.1 Monitoring of the salaries budgets

The Responsible officer will undertake a monthly reconciliation between current months and previous months gross salary advising the CEO of variance.

6 Purchasing

The Trust will aim to achieve best value for money for all its purchases ensuring that services are delivered in the most economical, efficient and effective way, within available Finances, and with independent validation of performance achieved wherever practicable. The Business Manager is responsible for ensuring procedures are in place for testing the market, placing of orders and paying for goods and services by following the general principles of:

- Probity – an approach to all interested parties in the disclosure of information that lends itself to necessary scrutiny.
- Accountability – the process whereby individuals are responsible for their actions and decisions.
- Fairness – that all those dealt with by the Trust are dealt with on a fair and equitable basis.

6.1 Orders for Goods and services

Budget holders will be informed of the budget available to them at the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not

overspent. A print detailing actual expenditure against budget will be supplied to each budget holder a week after the end of each month.

Orders will be raised via the financial system except, utilities, rates and petty cash via a receipt of requisition form signed by a relevant budget holder. Budget holders must be able to prove Value for Money has been sought at all times. Where appropriate quotes must accompany requisition forms as proof.

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

6.2 Payment of Accounts

Invoices will be paid when the budget holder has shown approval that goods or services have been received and are of the quality expected any discrepancies must be notified to an Administrator for appropriate action to be taken.

No photocopied or faxed invoices will be paid. Payments will be made via BACS where possible, otherwise cheques will be raised and signed in accordance with the scheme of delegation (appendix 1).

7 Authorisation limits

Limits are defined in Appendix 1

8 Value for Money

Quotation and Tendering

The minimum required numbers of tenders or quotations from appropriate contractors for a given estimated value of contract are:

- Above £1,000 and up to £2,500 two oral quotations;
- Above £2,500 (£5,000 for works) and up to £10,000, three written quotations;
- Above £10,000 and up to £50,000, three formal quotations to be submitted in writing by a specified date and time and based on a written specification and evaluation criteria;
- Above £50,000 and up to EU thresholds, four tenders;

Over EU thresholds, five tenders.

The values are for single items or groups of items, which must not be disaggregated artificially.

The sterling equivalents of EU thresholds (net of VAT) are £164,176 from 1/1/16 for supplies and Part A services and £4,104,394 from 1/1/16 for works. The sterling equivalents are changed on 1 January of each even-dated year.

For tenders expected to exceed EU thresholds, advertisements must also be placed in OJEU (the Official Journal of the European Union) and must follow EU procurement requirements with particular regard to be given to the timescale for such tenders.

9 Forms of Tender

A Professional Independent Project Manager would carry out the tender process in full. In the event that a Professional Independent Project Manager has not been appointed the following tender options should be followed.

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below:

9.1 Open Tender

This is where potential suppliers are invited to tender. The budget holder must discuss and agree with the Director of Finance & Resources how best to advertise for suppliers. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

9.2 Restricted Tenders

This is where suppliers are specifically invited to tender and are appropriate where:

- There is a need to maintain a balance between the contract value and administrative costs,
- A large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the Trust requirements,
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

9.3 Negotiated Tender

The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- The above methods have resulted in either no or unacceptable tenders,
- Only one or very few suppliers are available,
- Extreme urgency exists,
- Additional deliveries by existing supplier are justified

9.4 Preparing for Tender

Full consideration should be given to:

- Object of project
- Overall requirements
- Technical skills required
- After sales service requirements
- Form of contract

It will be necessary to rank all the requirements and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

9.5 Invitation to Tender

An invitation to tender should include the following:

- Introduction/background
- Scope and objectives of the project
- Technical requirements

- Implementation of the project
- Terms and conditions of the tender
- Form of response

9.6 Aspects to consider

Financial

- Comparison of like with like cost
- Hidden costs
- Scope for negotiation

Technical

- Qualifications of contractor
- Experience
- Descriptions of technical and service facilities
- Compliance to CDM
- Certificates
- Quality control procedures
- Details of previous sales and references

Other considerations

- Pre sales demonstrations
- After sales service
- Financial status of supplier

9.7 Tender Opening Procedures

All tenders will be opened at the same time and in the presence of at least two nominated representatives which could include the CEO, MAT Trustee, local governor or Head teacher and details of the contractor, quotation and any other details recorded at the time of opening,

No contractor will be allowed to amend the tender after the time fixed for receipt.

A separate correspondence file for each tender which will contain copies of all correspondence or other relevant information.

9.8 Tendering Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, which may influence their objectivity.

Those involved must take care not to accept gifts or hospitality from potential suppliers.

Full records should be kept of all criteria used for evaluation.

For purchases up to £50,000, provided the expenditure is included in the budget, the decision as to which tender to accept will be taken by the Head teacher, in consultation with a MAT Business Manager and the Finance Director.

For purchases exceeding £50,000, provided the expenditure has been budgeted for, a decision will be recommended to the Trust Board. The decision will need to be ratified by the Trust Board.

Where expenditure is not included in the budget or anticipated expenditure exceeds the budget allocation, the decision as to which tender to accept will be taken by the CEO, Finance Director and Chair of the Trust, and then ratified by the Trust Board; and

The reasons for accepting a particular tender must be documented, especially if it is decided to accept other than the lowest tender. All decisions must be reported to the Trust Board.

9.9 Acceptance of Tender

The following points will be considered when deciding which tender to accept:

The overall price and the individual items or services which make up that price.

Whether there are any 'hidden' costs; that is additional costs which the academy will have to incur to obtain a satisfactory product.

Whether there is scope for negotiation, while being fair to all tenderers.

The qualifications and experience of the supplier, including membership of professional associations.

Compliance with the technical requirements laid down by the school.

Whether it is possible to obtain certificates of quantity.

The supplier's own quality control procedure; pre sales demonstrations, after sales service and, for building works, a six month defects period and insurance guarantees.

The financial status of the supplier.

References from other establishments.

Understanding & compliance with Health & safety, CDM regulations and Child Protection issues related to working on a school site

In the case of building works, where the tendering process is being carried out by the architect or quantity surveyor, they will be responsible for checking the documents of the lowest tender before making a recommendation to the academy.

Once a tender is accepted an order should be issued immediately to the supplier in the normal way.

The successful contractor should be informed that the school is a NON SMOKING site

The Schools' Funding Agreement should be considered when applying this policy

10 Cash Purchases

10.1 Small items of Expenditure

The Headteacher or Deputy Headteacher may authorise the use of Petty Cash for items of expenditure up to £250. Payments of petty cash will not be made without receipts and signed authorisation. The Petty Cash system is not for benefit of staff to cash personal cheques. The following supplies may be obtained without special circumstances.

Up to £200 may be used to purchase stamps.

Up to £100 may be used to purchase fuel for transport co-ordination services leased vehicles, or hire vehicles.

Up to £100 may be made available to the Premises team for 'over the counter' purchases of goods and materials for repairs and improvements.

VAT receipts will be obtained for purchases where appropriate.

10.2 Student visits

When it is necessary for staff to have access to money during a Trust visit every effort will be made to minimise the amount of cash being carried. Authorisation for cash to be taken may be given by the Headteacher or the Business Manager. The amount authorised will be consistent with the budget previously approved for the visit.

10.3 Petty Cash Float

Petty Cash Float will not exceed £200. Petty Cash Floats to be maintained on Imprest basis.

11 Income and Banking arrangements for Trips

11.1 Trips

A lead teacher must be appointed for each trip to take responsibility for the budgeting of the trip and collecting the sums due. The lead teacher must prepare an Education Costing Calculating Sheet record for the budgeting of the trip. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the EDCS supported by the class collection sheet must be completed and must be given to the Business Manager after the visit.

11.2 Lettings

The policy for lettings of premises is contained in a separate document. The Policy and charges will be reviewed annually and approved by the Finance Committee.

The Business Manager is responsible for maintaining records of bookings facilities and for identifying the sums due for each organisation. Payment must be taken in advance for individual facility use. Invoices are to be raised at timely intervals for the use of the facilities for clubs who make regular bookings.

The Business Manager will be responsible for chasing outstanding debts, no debts will be written off without the express approval of the Trust board. (the DfE prior approval is also required if the debt to be written off is above the value detailed in the funding agreement).

11.3 Custody

Official, pre numbered receipts will be issued for all cash and cheques received where no formal documentation exists. All cash and cheques must be held in the Finance Office safe prior to banking. Banking will take place every week or more frequently if required.

The Business Manager is responsible for preparing reconciliations between sums collected, the sums deposited at the bank and the sums posted to the accounting system. Reconciliations must be prepared promptly.

11.4 Debtors

Debts under £100 may be written off by the Headteacher.

Debts over £100 may only be written off only with the approval of the Trust Board

Debts above the level as detailed in the funding agreement must be submitted to DfE for approval to be written off.

The following debt recovery policy will be applied:

- The Finance Officer will review outstanding debts as part of the month end procedures. Debts over 30 days will be chased appropriately.

12 Bank Accounts

The opening of all bank accounts must be reported to the Trust board who must set out in the Scheme of Delegation the arrangements covering the operation of accounts.

12.1 Deposits

Particulars of any deposit must be entered in a paying in slip and should include:

- The amount of the deposit and
- A reference , name of debtor or number of receipt

12.2 Payments and withdrawals

All cheques and other instruments authorising withdrawal from the Trust bank account must bear signatures in line with the scheme of delegation.

12.3 Bank Reconciliations

The Business Manager must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliations will be prepared by the Business manager and are subject to independent monthly review carried out by the Responsible Officer.

12.4 Cash Flow Forecasts

The Business manager is responsible for preparing cash flow forecasts to ensure that the Trust has sufficient funds available to cover day-to-day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds.

Cash Balances are to be reviewed by Finance Director on a monthly basis as part of the Financial Reporting pack.

12.5 Investments

Investments must be made only in accordance with written procedures approved by the Trust board.

12.6 Internet Banking

On Line banking authorisation will be as follows:

- Invoices already processed for payment will be carried out by an Administrator;

- Suppliers accounts set up to pay by BACS carried out on SAGE will be carried out by the Finance Director
- Total BACS payment not exceeding £10,000 will be authorised by the Headteacher; in his/her absence the Deputy Headteacher; or CEO.
- Payments exceeding £10,000 and below £80,000 authorisation on-line is required by TWO of the following

-

- Business Manager
- The Headteacher
- The Deputy Headteacher
- CEO
- Finance Director

12.7 Treasury Management

A Treasury Management Policy is in place to define

- the management of the Trust's cash flows, banking and investment transactions,
- the management of the risks associated with these activities
- the pursuit of optimal returns consistent with those risks

The objectives of this policy are to ensure that the trust: -

- maintains sufficient cash balances in its current account to meet its day to day commitments
- invests surplus cash to earn an acceptable rate of return without undue risk
- consider spreading risk between differing types of investment and institutions to reduce credit risk

13 Fixed Assets

All items purchased with a value of over £500 (capitalisation limit) must be entered in an asset register. The asset register should include the following information:

- Asset description
- Asset number
- Serial number
- Date of acquisition
- Asset cost
- Source of funding
- Expected useful economic life
- Depreciation
- Current book value
- Location
- Name of member of staff responsible for the asset

The asset register helps to ensure that staff take responsibility for the safe custody of assets, acts as a deterrent for theft, manage effective utilisation of assets and to plan for their replacement and finally to support insurance claims in the event of fire, theft, vandalism or other disasters.

13.1 Security of Assets

All items in the register should be permanently and visibly marked as the Trust's property and there should be a regular annual count other than by the person maintaining the register. Discrepancies should be investigated immediately and if significant reported to the Trust board.

13.2 Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Finance Director and where significant should be sold through competitive tender. The Trust must seek approval in writing from the DfE if it proposes to dispose of an asset for which a capital grant in excess of £20,000 was paid.

Disposal of equipment to staff is discouraged, as it is difficult to evidence the Trust obtained value for money.

13.3 Loans of Assets

Items belonging to the Trust must not be removed from individual Academies without the authority from the Business Manager. A record of the loan must be recorded in a loan book and booked back to the Trust when it is returned.

14 Keys Inventory

The Key inventory is the responsibility of the Business Manager to maintain and will be kept up to date at all times. It is the responsibility of staff to report all lost and stolen keys to enable new security ensures to be put in place and for the inventory to be updated.

15 Computer Systems

Systems should be in place to protect key computer data and control features will include:

- Back-up Procedures
- Passwords
- Disaster recovery plans

16 Charge Cards

Requisitions are raised for all orders using the School's Purchase Card and authorised in accordance with our financial procedures. All goods and services are ordered only by staff authorised to do so and the details of each order are completely and accurately recorded through the SIMS system. Cardholders agree to comply with the requirements of Financial Regulations, VAT instructions and any subsequent instructions that may be issued from time to time. Cardholders acknowledge that the card is solely for their own use on school business and is school property. Cardholders will not give the card or the number to anyone else to use. Cardholders will only disclose the card number to complete a purchasing transaction or when reporting the loss or theft of the card. Cardholders understand that the expenditure and transaction limits must not be exceeded and that they may contact the Bank at any time to query transactions or confirm available credit. Cardholders are not permitted to amend spending limits or categories.

A list of card holders and limits is contained within the appendices details for each academy

17 Reporting

17.1 The Budget

The Finance Director is required to submit reports in the correct format as per DfE requirements.

17.2 Budget Monitoring

The Finance Director will submit budget-monitoring returns to the DfE, on an accrual basis, at the stages required by the DfE.

17.3 Annual Accounts

As a Charitable company the Trust must comply with company law as set out in the Companies Act 2006. This includes a requirement to prepare a governors' report and financial statement ('annual accounts') and for these to be independently audited by a registered auditor. Financial Statements should be prepared to **31st August each year**. They should include:

- Incoming Finances from all sources receivable in the period
- Finances expended on all activities within the period
- All assets and liabilities of the Trust at the balance sheet date
- All cash received and expended within the period
- Notes to the accounts

The Annual accounts must be submitted by **31st December**. As soon as the DfE deadline, but by no later than **30th June** (10 months after the end of the accounting year), a copy of the governors annual report and audited final accounts must be sent to Companies House Register.

18 Self-Assessment of management and Governance

The Trust board will and the Finance Director will ensure that annually a self-assessment is undertaken in order to provide the EFA with an annual assurance on the adequacy of the Trust's arrangements for financial management and governance.

The self-assessment will provide assurance to the Trust's accounting officer that conditions of funding are being met, and that appropriate systems of control are in place.

The format of the Self-Assessment is set by the EFA.

19 Authorisation of returns relating to Funding Agreements

To ensure funding criteria accuracy and compliance, once any form attached to funding (ie Annual Census, Free School Meal Returns) has been created and validated the summary report must be given to either the Headteacher or the deputy Headteacher to be checked and signed. Once signed the return will be authorised and uploaded to relevant body.

20 Reserve Policy

The reserve policy is required to minimise risk to creditors from volatile revenues.

The Trust will aspire for the balances of the Trust to maintain a sum at least equal to 1/12th of the Trust's payroll.

Each Academy in the Trust should aspire a pro rata amount to these reserves.

21 Delegated Financial Authority

Delegated Financial Authority will be granted to Local Governing Boards subject to the following conditions:

- Within the limitations and boundaries as listed in Appendix 1
- The school's 3 year budget forecast is not indicating a deficit budget

In the event of any of the above conditions not being met clear directions will be given by the Trust as to the degree of delegation continued to be held by the local Governing Board.

The Trust retains the right to withdraw Delegated Financial Authority to Local Governing Boards at any time.

Appendix 1



Horizon Multi Academy Trust

Scheme of Delegation

Supplies & Services:

Limit n/a	<15k	£15k - £5k	£5k - £1k	£1k - £250	£250 - £100	< £100
Ordering of Goods & Services included within Budget / SDP	Board	HT/BM	HT/BM	HT/BM	HT/BM	BH
Ordering of Goods or Services not included in Annual Budget /SDP	Board	LGB+CEO+FD	HT/BM	HT/BM	HT/BM	BH
Matching GRN to above	BM	BM	BM	BM	BM	BM
Authorising of Invoices in accordance with above	BM	LGB(CEO+FD)	HT/BM	HT/BM	HT/BM	BH
Travel & Sustenance	n/a	n/a	n/a	HT/DHT	HT/DHT	BM
Use of Charge Card	Board	CEO+ HT	HT/BM	BH	BH	BH

Payroll

Additional Employee (Permanent FTE if not agreed in budget to board)	CEO/LGB					
Joining new Employee	HT					
Authorisation of Overtime / additional expenses payable via Payroll	CEO	CEO	CEO	HT	HT	HT
Authorisation of Prolonged / Discretionary Absence up to 1 month	CH/HT					
Authorisation of Prolonged / Discretionary Absence greater than 1 month	LGB					
Authorisation of employee dismissal	CEO					
Reconciliation of Monthly Gross Payroll	BM					
Authorisation of Reconciliation	CEO					
Review of Reconciliation	RO/ FD					

Payments [BACS, Cheques, Cash]

Supplies & Services	CEO	BM/HT	BM/HT	BM	BM	BM
Payroll	Trust CEO					

Petty Cash [not to be used for payments >£1k]		n/a	n/a	n/a	HT/BM	HT/BM	BH
System Input		BM /AO	BM /AO	BM /AO	BM /AO	BM /AO	BM /AO
Virements		LGB (CEO)	HT/BM	HT/BM	HT/BM	HT/BM	BH
Debtors							
Review of Aged Debt Schedule	HT						
Write off of Bad Debts		As per Funding	Agreement EFA	LGB (CEO)	HT	HT	HT
VAT Returns [Quarterly] & other statutory returns							
Compilation	BM						
Authorisation	CEO/ HT						
Review	RO/ FD						
Bank Reconciliations [Monthly]							
Completion	BM						
Review	[HT]CEO/ RO						
Capital Acquisitions							
Note: <i>de minimus</i> limit of £500 applies Trust board need to be informed of all expenditure over £500.	Board						
Capital Disposals							
Asset Value >£20k	EFA						
Asset Value > £5k<£20k	Board						
Asset Value < £5k	CEO (FD)						
Management Reporting							
Monthly Compilation [available to Trust Directors within 10 days of period end]	BM						
Initial Review	HT						
Trust Board Review	CEO+FD						
Termly Presentation to Trust Board	CEO/FD						
Statutory Accounting							

Conduct of Audit	BM
Governance Statement	CEO / FD
Review with Audit Partner	FD
Presentation to Trust AGM	Audit Partner / CEO/ FD

(CEO,FD etc.) Indicates new authority if delegated to LGB is withdrawn by the Board

<u>Notation</u>		<u>Horizon</u>	<u>Elburton</u>	<u>Hooe</u>	<u>Pomphlett</u>	<u>Widewell</u>
Board	Trust Directors	as registered@CH				
TCh	Chair of Trust Board	S Jones				
CEO	Board Chief Executive Officer	D Bradford				
FD	Board Finance Director	TBA				
CH	Chair of Governors [School Level]		F Court	T Port	H Connett	A Evans
HT	Head teacher [Schools Level]		D Bradford	J Daykin	D Walsh	C Prynne
LGB	Local Governing Board (school level)					
DHT	Deputy Head Teacher		A Epps	K Lewin	C Makelis	B Holder
BM	Business Manager		M Ford	M Ford	A Pearce	A Pearce
AO	Administration Officer		H Sherriff	M Bryan	D Reid	K Edmunds
AO	Administration Officer		J Rickard as	J Webster as	D Webber as	A Rockey as
BH	Budget Holder		nominated	nominated	nominated	nominated
RO	Responsible Officer	tba				

<u>Notation</u>		<u>Ford</u>	<u>Plaistow Hill</u>	<u>Victoria Road</u>	<u>Hyde Park Infants</u>	<u>Hyde Park Juniors</u>
Board	Trust Directors					
TCh	Chair of Trust Board					
CEO	Board Chief Executive Officer					
FD	Board Finance Director					
CH	Chair of Governors [School Level]	P.Davey	C.French	J.Cook		
HT	Head teacher [Schools Level]	D.Yuill	S.Burnett	K.Duggan		
LGB	Local Governing Board (school level)					
DHT	Deputy Head Teacher	C.Harris	E.Young	C.Jenkinson		
BM	Business Manager	M.Ford	A.Pearce	MF & AP		
AO	Administration Officer	T.Templeton	K.Blewett	T.Catterall		
AO	Administration Officer	D.Jones	C.Harris	V.Smith		
BH	Budget Holder	as nominated	as nominated	as nominated	as nominated	as nominated
RO	Responsible Officer	tba				