



Finance Policy

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Table of Contents

1. **Introduction**
2. **Organisation**
 - 2.1 Managing the Academy Finances
 - 2.2 The Finance and Audit Committee
 - 2.3 The CEO
 - 2.4 The Trust Finance Director
 - 2.5 Responsible Officer
 - 2.6 Other Staff
 - 2.7 Register of Interests
3. **Annual Budget**
 - 3.1 Monitoring and Review
4. **Accounting System**
5. **Payroll**
 - 5.1 Monitoring of the salaries budget
6. **Purchasing**
 - 6.1 Orders for goods and services
 - 6.2 Payment of Accounts
7. **Authorisation Limits**
8. **Value for Money**
9. **Forms of Tender**
 - 9.1 Open Tender
 - 9.2 Restricted Tenders
 - 9.3 Negotiated Tender
 - 9.4 Preparing for Tender
 - 9.5 Invitation to Tender
 - 9.6 Aspects to Consider
 - 9.7 Tender Opening Procedures
 - 9.8 Tendering Procedures
10. **Cash Purchases**
 - 10.1 Small Items of Expenditure
 - 10.2 Student Visits
 - 10.3 Petty Cash Float
11. **Income and Banking Arrangements**
 - 11.1 Trips
 - 11.2 Sports Lettings
 - 11.3 Custody
 - 11.4 Debtors
12. **Bank Accounts**
 - 12.1 Deposits
 - 12.2 Payments and Withdrawals
 - 12.3 Bank Reconciliations
 - 12.4 Cash Flow Forecasts
 - 12.5 Investments
 - 12.6 Internet Banking
13. **Fixed Assets**
 - 13.1 Security of Asset
 - 13.2 Disposals
 - 13.3 Loans of Assets
14. **Keys Inventory**

15. **Computer Systems**
16. **Charge Cards**
17. **Reporting**
 - 17.1 The Budget
 - 17.2 Budget Monitoring
 - 17.3 Annual Accounts
18. **Self-Assessment of Management and Governance**
- 19 **Authorisation of returns relating to Funding Agreements**
20. **Reserves Policy**
21. **Delegated Financial Authority**

Appendix

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 - Trustees – Directors of Horizon Multi Academy Trust

CEO overall lead officer and accounting officer for the Trust

Headteachers and deputy head refers to those posts within individual academies

Horizon Trust Business and Finance Manager is the Chief Finance Officer for the Trust

School Business managers (or individual academy equivalent)- responsibility for delegated finances within the individual academies

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 Finance & Audit committee will complete the following and feed back to the Board:

- 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 Trust Business Manager's or School 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.
- 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 Chief Finance Officer

The CFO works in close collaboration with the CEO through whom he or she is responsible to the Trustees. The main responsibilities of the CFO 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 EFSA 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.

The CFO 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 EFSA 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.

2.5 Finance and Audit Committee

The Finance and Audit Committee is appointed by the Trust board and provides Trustees with oversight of the trust's financial affairs. The main duties of the Finance and Audit Committee are to provide the Trust board with 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 Finance and Audit Committee will carry out financial reviews in order to provide the Trust board and indirectly the EFSA with the required assurance.

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 trustees, local governors and staff act, and are seen to act, impartially. To avoid any misunderstanding that might arise all members of the Trust board, local governors 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 Trustees, local 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, Trustees, local governors and staff should not attend that part of any committee or other meeting.

3 Annual Budget

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

The approved budget must be submitted to the EFSA each year by the deadline set by EFSA and the CFO 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:-

- The CFO will work with the head teacher and School Business Manager or equivalent to create a budget pack. The following will be considered during this process:
 - 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 Finance and Audit Committee for approval by the Trust Board. 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 CFO and presented to the Board. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the CEO and the Finance and Audit Committee.

Any potential overspend against the budget must in the first instance be discussed with the CEO and CFO. The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to 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 CFO 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:

- Bank Transactions will have dual authorisation through the Central Business Managers, CEO or appointed senior administrator

- The External auditor will obtain and Review System Reports to ensure only regular transactions are posted to the accounting system twice yearly.
- The CFO 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 School Business Manager or equivalent will maintain personnel files for all members of staff, which include contracts of employment. All personnel changes must be notified, in writing, to the Central Business Managers to enable robust budget monitoring of the Salaries budgets and effective and timely HR amendment's to the payroll system to ensure accuracy in pay. Monitoring of staff contracts will take place on a termly basis by the head teacher and school business manager or equivalent and signed off and sent to central office for filing.

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, Trust Central Business Managers, Headteacher or Business Manager or equivalents 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 Central Business managers will undertake a monthly reconciliation between current months and previous months' gross salary advising the CEO of variance.

The Central Business managers will check each member of staff's gross pay against the payroll and advise the CEO of any variances on a monthly basis.

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 school's Business manager or equivalent 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 with the exception of:

- Utilities - The site caretaker/manager will periodically check meter readings to ensure correct usage is billed for
- Rates
- Petty cash via receipt of requisition form signed by a relevant budget holder along with proof of purchase
- Catering – The School Kitchen Manager will confirm goods are received by stamping and signing the invoice and the Trust Catering Manager will countersign. The trust kitchen manager will undertake termly stock takes to ensure accuracy of ordering.

Where a signed SLA exists no Purchase Order is required. 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 school's Business manager or equivalent. 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.

Payments will be made via BACS.

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 £15,000, three written quotations;
- For **supplies** - above £15,000 and up to £50,000, four quotations required in writing:
- For **contracts** - above £15,000 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;

Where it is not possible to obtain the required number of quotes, approval must be sought from the trust board prior to purchase.

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 £189,330 for supplies and Part A services and £4,733,252 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

Where 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 Trust Business Managers 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.

Where a quote/tender has been accepted within the previous three months, work of the same nature can be carried out by the successful supplier without the need to re quote/tender. If a framework agreement can be established with a supplier that is proved to be good value for money this can exist for a maximum period of one year.

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 Central Business Managers and the CEO.

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, CFO 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 £200. 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 school's Business manager or equivalent. 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 School's Business Manager or equivalent 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 Local Governing Board.

The School's Business Manager or equivalent/sites 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 School's Business Manager or equivalent will be responsible for chasing outstanding debts, no debts will be written off without the express approval of the Trust board. (the EFSA's 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 school's Business manager or equivalent 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 EFSA for approval to be written off.

The following debt recovery policy will be applied:

- The school's Business manager or equivalent 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 CFO must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliations will be prepared by the trust Admin and Finance Officer or equivalent and are subject to independent monthly review carried out by the CFO

12.4 Cash Flow Forecasts

The CFO 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 the CFO on a monthly basis as part of the Financial Reporting pack.

12.5 Investments

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Trust aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

The Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

This sets out the principles and typical circumstances in which the Trust may choose to invest surplus cash funds.

Implementation

The Trust will construct such budgets and cash flow forecasts as are required by legislation to ensure the viability and sustainability of the activities of the Academy and to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment.

From time to time, operational and strategic decisions will result in substantial cash balances at the bank over a sustained period. Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested only in the following:

- Interest bearing accounts with any UK registered bank offering the FSCS guarantee of £85,000
- Treasury deposits, with maturity dates which do not result in the cash funds being unavailable for longer than 8 weeks

Prior to investing funds, the CEO/Trust Board must be satisfied that the cash flow predictions provided by the CFO are accurate and that the amount/time period of the investment will not compromise the viability and sustainability of the activities of the School.

In making decisions regarding where and how any surplus funds should be invested, due regard will be given to the “Risk that the return on investments is not being maximised” and “Risk that trustees are not acting in accordance with their Investment Policy (e.g. investing in high risk investments which are not in the best interests of the Academy Trust)”

The principles which the Board of Directors will adopt are as follows:

- Where practicable the reserve is invested in tranches of up to £85,000
- Consideration should be given to investing each £85,000 tranche in a different financial institution
- All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment
- Trustees will ensure that exposure to investment products is tightly controlled, in order to ensure that security of funds takes precedence over revenue maximisation.
- The Multi Academy Trust will not place cash assets in stocks, shares, bonds or other such investment schemes.

If a bank or building society authorised by the Financial Services Authority (FSA) is unable to pay back deposits held with it, the Financial Services Compensation Scheme (FSCS) can pay 100% of the first £85,000 of an eligible depositors claim, per authorised institution. The list of authorised institutions and those considered acceptable to use, is provided by the FSA at the following address:

http://www.fsa.gov.uk/Pages/consumerinformation/uk_groups/index.shtml

Periodically (at least annually) the trust will review interest, charging rates and level of funds invested with approved institutions and more frequently subject to market conditions in order to ensure that the assets of the Multi Academy Trust remain protected and not subject to an unacceptable level of institutional risk.

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 Central Business managers and school's Business manager or equivalent
- Total BACS payment not exceeding £5,000 will be authorised at school level and at central level
- Payments exceeding £5,000 and below £15,000, authorisation is required at school level and by two of the following
 - CFO
 - Central Business managers
 - Or named designated person
- Payments exceeding £15,000 and below £120,000, authorisation is required at school level, the CEO and by two of the following
 - CFO
 - Central Business managers
 - Or named designated person
- Payments exceeding £120,000, authorisation is required at school level, the CEO, Chair of Trustees and by two of the following
 - CFO
 - Central Business managers
 - Or named designated person

13 Fixed Assets

All items purchased with a value of over £1000 (capitalisation limit) must be entered in an asset register and reported to the Trust Board using the Capital Expenditure justification form. 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 and Audit Committee and where significant should be sold through competitive tender. The Trust must seek approval in writing from the EFSA 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 school's Business Manager or equivalent. 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 School's Business Manager or equivalent/site 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 Trust'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 SAGE 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 central office 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 held by the CFO.

17 Reporting

17.1 The Budget

The CFO is required to submit reports in the correct format as per EFSA requirements.

17.2 Budget Monitoring

The CFO will submit budget-monitoring returns to the EFSA, on an accrual basis, at the stages required by the EFSA.

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 Trustees' 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 EFSA deadline, but by no later than **30th June** (10 months after the end of the accounting year), a copy of the Trust Board's annual report and audited final accounts must be sent to Companies House Register.

18 Self-Assessment of management and Governance

The Trust board and the Finance and Audit Committee will ensure that annually a self-assessment is undertaken in order to provide the EFSA 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 EFSA.

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. A copy will also be sent to central office.

20 Central Costs

The trust specifies that schools pay a percentage of GAG to cover central costs. This is calculated during the budget setting process and is based on funds required from the schools within the trust in order to provide an efficient and effective central function. This is reviewed on an annual basis by the FAC. This currently sits at 5%.

21 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.

22 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

Notation		Horizon	Elburton	Ford	Hooe	Hyde Park Infants	Hyde Park Juniors	Plaistow Hill	Pomphlett	Victoria Road	Widewell
Board	Trust Directors	as registered @CH									
TCh	Chair of Trust Board	S Jones									
FAC	Finance and Audit Committee										
CEO	Chief Executive Officer	M Anderson									
CFO	Chief Finance Officer	M Ford									
LCH	Local Chair of Governors		A Clook	P Davey	S Shelley	T Greenfield		C French	H Connett	J Cook	E Roberts (Acting)
HT	Headteacher		K Smithers (Acting)	D Yuill	K Iewin	E Hill	T Jackson	S Burnett	C Makelis	K Duggan	C Prynne
LGB	Local Governing Board										
DHT	Deputy Head Teacher		S Lakey	C Harris	A Lynes (Temporary)	D Razy	M Dellow	A Rollinson/E Young	E Nicholls	SJ Collins	B Holder
CBM	Central Business Manager	A Pearce	M Ford	M Ford	M Ford	M Ford	A Pearce	A Pearce	A Pearce	M Ford	A Pearce
SBM	School Business manager or equivalent Officer		H Sherriff	T Templeton	M Bryan	V May	L Turner	K Blewett	D Reid	T Catterall	K Edmunds
AO	Administration Officer	B Heath	L Barrett	D Jones	J Webster	K Matthews	S Brown	C Harris	D Webber	V Smith	A Rockey
BH	Budget Holder		as nominated	as nominated	as nominated	as nominated	as nominated	as nominated	as nominated	as nominated	as nominated

Horizon Multi Academy Trust											
Scheme of Delegation											

	Limit n/a		>£120	£15k-£120k	£15k - £5k	£5k - £1k	£1k - £250	£250 - £100	< £100
Supplies & Services:									
Ordering of Goods & Services included within Budget / SDP				Board	HT/CBM/ SBM	HT/CBM/ SBM	HT/DHT/ CBM/ SBM	HT/DHT/ CBM/SBM	CBM/BH
Ordering of Goods or Services not included in Annual Budget /SDP				Board	Board+CEO +CFO	Board/HT/ CBM	Board/HT/ CBM	HT/CBM	HT/LGB
Matching GRN to above				CBM	CBM	SBM	SBM/BH	SBM/BH	SBM/BH
Authorising of Invoices in accordance with above				CEO+CFO/ CBM	CBM/HT	HT/CBM/ DHT/SBM	HT/CBM/ DHT/SBM	HT/CBM/ DHT/SBM	CBM/BH
Travel & Sustenance				n/a	n/a	n/a	HT/DHT	HT/DHT	SBM
Use of Charge Card				Board	CEO+ HT	HT/SBM	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/CBM	HT/CBM	HT/CBM
Authorisation of Prolonged / Discretionary Absence up to 1 month	CH/HT								
Authorisation of Prolonged / Discretionary Absence greater than 1 month	TB/LGB								
Authorisation of employee dismissal	CEO								
Reconciliation of Monthly Gross Payroll	CBM								
Authorisation of Reconciliation (Two of the following)	CEO/CFO/ Horizon CBM								
Review of Reconciliation	CFO/FAC								
Payments [BACS, Cheques, Cash]									
Supplies & Services				CEO/SBM/ CFO	CBM/SBM/ HT	CBM/SBM/ HT	CBM/SBM	CBM/SBM	CBM/SBM
Payroll (Two of the following)	CEO/CFO Horizon CBM								
Petty Cash [not to be used for payments >£1k]				n/a	n/a	n/a	n/a	HT/SBM	SBM/BH
System Input				CBM /SBM	CBM/SBM	CBM/SBM	CBM/SBM	CBM/SBM	CBM/SBM

<u>Virements</u>				LGB (CEO)	HT/CBM	HT/CBM	HT/CBM/ SBM	HT/CBM/ SBM	SBM/BH
<u>Debtors</u>									
Review of Aged Debt Schedule	CBM/SBM/ HT								
Write off of Bad Debts				As per Funding	Agreement EFA	LGB (CEO)	HT	HT	HT
<u>VAT Returns [Quarterly] & other statutory returns</u>									
Compilation	CBM								
Authorisation	CEO/CFO								
Review	CFO/ FAC								
<u>Bank Reconciliations [Monthly]</u>									
Completion	SBM/ Horizon AO								
Review	CEO/ CFO								
<u>Capital Acquisitions</u>									
Note: <i>de minimus</i> limit of £1000 applies Trust board need to be informed of all expenditure over £1000.	Board								
<u>Capital Disposals</u>									
Asset Value >£20k	EFA								
Asset Value > £5k<£20k	Board								
Asset Value < £5k	CEO FAC								
<u>Management Reporting</u>									
Monthly Compilation [available to Trust Directors within 10 days of period end]	CFO								
Initial Review	Horizon CBM								
Trust Board Review	CEO + FAC								
Termly Presentation to Trust Board	CEO/FAC								

Statutory Accounting									
Conduct of Audit	CFO&CBM								
Governance Statement	CEO/CFO /FAC								
Review with Audit Partner	CEO/CFO /FAC								
Presentation to Trust AGM	Audit Partner / CEO/ CFO								
<i>(CEO,CFO etc.) Indicates new authority if delegated to LGB is withdrawn by the Board</i>									