



## FINANCIAL SCHEME OF DELEGATION AND FINANCIAL REGULATIONS

Responsibility of ( <i>see policy tracking sheet</i> ):	Audit & Risk Committee and Trust Board
Approved by:	Audit & Risk Committee and Trust Board
Date Approved ( <i>by above</i> ):	Audit & Risk Committee = June 2024 Trust Board = July 2024
Next Review due by:	June 2026

## Contents

1.	Introduction.....	2
2.	Overall Responsibilities.....	2
3.	Financial Control.....	3
3.1	Budget Preparation.....	3
3.2	Budgetary Control.....	3
3.3	Capital Grants.....	4
3.4	Capital Expenditure from Revenue.....	4
3.5	Income.....	5
3.6	Expenditures.....	6
3.7	Banking.....	11
3.8	Assets.....	12
3.9	Salaries, Wages and Expenses.....	13
3.10	Insurance.....	14
3.11	Taxation.....	14
3.12	Audit.....	15
3.13	Accounting Policies.....	16
3.14	Financial Management.....	16
4.	Associated Documents.....	17

## **1. Introduction**

- 1.1.** Saracens Multi-Academy Trust ('Trust') is a company limited by guarantee and exempt for charitable purposes. Under the Companies Act 1985 the members of the Trust Board are deemed to be Trustees.
- 1.2.** The Articles of Associations of the Trust set out the objectives for which the Trust is established and the manner in which the activities of the Trust are managed.
- 1.3.** Under Article 105 of the Articles of Association the Trustees may delegate any of their policies or functions (including the power to sub-delegate) to any Trustee, committee, Local Governing Body (LGB), Chief Executive Officer (CEO), or any other holder of executive office. Any such delegation shall be made in writing and subject to any conditions the Trustees may impose and may be revoked or altered.
- 1.4.** The financial processes of the Trust must be conducted in accordance with the Provisions of the Academy Trust Handbook 2023 or any successor version of this Handbook (including the annexes).

## **2. Overall Responsibilities**

- 2.1.** This document sets out the Trust's Financial Regulations, which form part of the overall system of financial and management controls of the Trust and its schools, and should be used in conjunction with the Trust's policies and procedures.
- 2.2.** The Trust Board has ultimate responsibility for the Financial Regulations. Any amendment to the Financial Regulations for the supervision and control of the finances, income, expenditure, funds and assets of the Trust will be approved by them.
- 2.3.** Where the Trust Board has delegated powers to the Trust CEO (Accounting Officer), Chief Financial and Operating Officer (CFOO), or Local Governing Body, these powers will be exercised in accordance with the Financial Regulations.
- 2.4.** Compliance with the Financial Regulations is compulsory for all staff. It is the responsibility of the CEO, CFOO, Local Governing Bodies and Principals to ensure that their staff are aware of the contents of the Financial Regulations, and these are accessible by staff and adhered to.
- 2.5.** All staff are responsible for the security, custody and control of all the Trust's resources, including but not limited to land, buildings, plant, materials, equipment, vehicles and cash.
- 2.6.** Each employee is responsible for maintaining proper security at all times for all buildings, stocks, furniture, equipment, cash, etc. under his/her control. Any loss must be reported to the appropriate Line Manager.
- 2.7.** The Trustees, Governors and staff shall comply with:
  - all statutory and regulatory requirements, and
  - any financial policies and procedures agreed by the Trust Board, and
  - these Financial Regulations.
- 2.8.** The CFOO is responsible to the CEO for the administration and control of the Finance function which includes a review of these regulations every two years, or earlier if necessary.
- 2.9.** The Head of IT is responsible for ensuring that there are effective backup procedures for the school's on-site systems. Data is backed up on a daily basis to a dedicated on-site server. Copies of these backups are then synchronised to a secure off-site cloud backup storage system. Additionally, data in the school's cloud-based Google Workspace and Microsoft 365 accounts (which includes email and file data) is synchronised to this on-site server on a continual basis. Key MIS data (students, staff,

etc) from MIS system is exported to email on an automated weekly basis. Other cloud-based platforms are backed up on a manual or automated basis depending on the capabilities of the platform.

### **3. Financial Control**

#### **3.1 Budget Preparation**

3.1.1 The Trust and its schools have a financial year that runs from 1<sup>st</sup> September to 31<sup>st</sup> August.

3.1.2 The CFOO, in consultation with the CEO and Principals, is responsible for ensuring that a budget for the Trust (including the three-year financial plan) is prepared on an annual basis for approval by the Trust Board. The budget must be approved before the start of the financial year to which it relates. The budgets will be in a form prescribed by the CFOO, meeting the reporting requirements of the Education & Skills Funding Agency (ESFA).

3.1.3 The budget will be prepared in line with the Trust's strategic plan. The budget will detail the academy's most accurate projection of its resources for the upcoming year, along with plans for their allocation and utilisation. Each school's staffing structure will be reviewed by the CFOO and Principal and, where necessary, updated for any changes as part of the budgeting process. The CFOO is authorised to approve the assumptions used to prepare the budget, such as inflation and interest rates.

3.1.4 A review of all charges levied by the Trust and its schools will be undertaken by the Trust Audit & Risk Committee, within the budget process, and any proposed alterations submitted to the relevant schools and then to the Trust Board for approval.

3.1.5 Once approved the budget becomes the basis for authority to set income generation targets and incur expenditure up to the approved budget limit subject to any reservation on specific items.

#### **3.2 Budgetary Control**

3.2.1 Responsibility and control of budgets after Trust Board approval will be delegated to the CEO and CFOO.

Strict budgetary control will be maintained by the Principals, CEO and CFOO for all income and expenditure for which they are responsible. Their limits of authority will be defined by the Scheme of Delegation in place.

The Trust Board shall receive monthly reports on the Trust's performance against budget.

In emergency circumstances the Financial Regulations shall not prevent a Trust's employee from incurring necessary expenditure capped to £500. Unbudgeted expenditure in excess of £500, to meet sudden emergencies can only be incurred with the prior approval of the CEO or Chair of the Trust Audit & Risk Committee.

The CEO or CFOO shall have authority to make necessary payments required by statute, payments under a Court Order or payments arising from legally binding agreements, including insurance claims, entered into by the Trust for which no budget provision has been made. Where possible the Trust Board will be advised of the liability before payment is required, but in any event any such action should be reported to the next meeting of the Trust Board.

Any in-year proposal to create a new policy, vary an existing policy of the Trust or change the staffing structure, which has financial effect of £20,000 and above will be reported to the Trust Board by the CFOO.

Virement of a school budget can be approved by a Principal or the CFOO up to a limit of £19,999. The CEO in consultation with the CFOO will have authority to approve any changes to an individual school budget provided the changes do not change the overall budget approved by the Trust Board by more than £20,000. Approval of the Trust Board is required for virement in excess of £20,000. Where it appears that any item of expenditure is likely to be exceeded or any item of income is unlikely to achieve the approved individual school budget and will change the overall position of the school's approved budget then the relevant Principal will seek approval from the Trust Board to authorise the change in the budget.

- 3.2.2 The CFOO is responsible for reforecasting the budget during the year and if the overall Trust's actual financial position is significantly different to the initially approved budget by the Trust Board, to support ongoing resource allocation decisions.

### **3.3 Capital Grants**

3.3.1 During the setting up phase of free schools, the DfE allocates capital funding for:

- ICT
- Furniture and equipment
- Improvements to short term leasehold premises.

3.3.2 All capital expenditure must be approved by the DfE and funds allocated through a claim process.

3.3.3 For the majority of this expenditure the DfE has determined the suppliers to be used.

3.3.4 With regards to leasehold improvements, the school has discretion in use of suppliers, usually after seeking three quotes.

3.3.5 All expenditure financed from DfE capital grants will be capitalised, however small and recorded in the fixed asset register.

### **3.4 Capital Expenditure from Revenue**

3.4.1 Capital Projects are a financial commitment for assets such as land, buildings, furniture and equipment, including IT software and equipment, that are held for use

in the provision of services or delivery of business activity with a value of £2,000 or more, and more than one-year useful life.

- 3.4.2 Schools, in consultation with the CFOO, put forward their capital proposals to inform the budget process. A planned 3 year capital programme is reviewed and agreed by the Trust Board as part of the budgeting process.
- 3.4.3 The Trust Board must approve (unless approved as part of the budgeting process) the financial appraisal of any capital project over £100,001, prior to the contractual arrangement, subject to relevant criteria previously approved by the Trust Board and delegated authority to the CEO.
- 3.4.4 Preliminary costs on any single prospective/speculative project of up to £10,000 only, may be authorised by the CEO or by the CFOO in his/her absence. Additionally, when any capital project is submitted for approval to the Trust Board, the CEO shall inform the Trust Board about preliminary costs above £10,000 for any single project to indicate the risk level for the business if the project is subsequently aborted.
- 3.4.5 The CFOO may approve the write-off of any abortive preliminary cost of a single project of up to £10,000. For all abortive costs for a single project in excess of £10,000 a formal approval of the Trust Board is required. An annual report of all write offs for prospective/speculative projects shall be submitted to the Trust Board.

### **3.5 Income**

#### **3.5.1 General**

- 3.5.1.1 The CFOO is responsible for ensuring that appropriate procedures are in operation to enable the Trust to maximise collection of charges and other income (income); including the receipt of grants, donations and legacies, raising of invoices and payment of bills.
- 3.5.1.2 The basis of all fees and charges made, or variations thereof, are determined in accordance with the Trust's contractual agreements and internal policies and statutory and regulatory requirements, and shall be approved by the Trust Board after receiving a report from the CEO and CFOO.

#### **3.5.2 Income and Debt Collection**

- 3.5.2.1 All monies received on behalf of the Trust should be collected and deposited under the control of the CFOO, and without delay into an appropriate bank account in accordance with the approved system and procedures.
- 3.5.2.2 The CFOO shall ensure that effective procedures exist within the Trust for prompt collection of owed income.

#### **3.5.3 Write off of Debts**

- 3.5.3.1 Debts may only be written off as bad after all reasonable steps were taken for their recovery and any further actions will not provide value for money for the Trust.

3.5.3.2 All bad debts due to the Trust and its schools can be written off upon the following authority:

<b>Bad Debt</b>	<b>Approval Level</b>
Up to £500 per debt	Principal or CFOO
Up to £20,000	CEO
Up to £44,999	Trust Board
Over £45,000	Written Approval of the Secretary of State

### 3.5.4 ***Gifts, Grants, Legacies and Donations***

3.5.4.1 Written acknowledgement of cash or property (in form of gift, grant, legacy or donation) will be made by the CFOO or a nominated delegate. All such donations shall be properly recorded.

### 3.5.5 ***Lettings Income***

3.5.5.1 Schools' Finance Administrators are responsible for the arrangement of lettings and maintaining accurate records of bookings of school facilities.

3.5.5.2 Sales invoices will be generated through the Financial Information accounting system.

3.5.5.3 The Trust Finance Manager is responsible for managing and pursuing any debts arising from lettings income.

## 3.6 **Expenditures**

### 3.6.1 ***General***

3.6.1.1 The CFOO shall ensure that all payments to suppliers of goods and services to the Trust and its schools are made promptly.

3.6.1.2 Payments are normally to be made weekly by Banker Automated Clearing System (BACS) or by Direct Debit (DD). Urgent faster payments will be issued as an exception.

3.6.1.3 The school employs a cashless system across all operations. All expenses are subject to reimbursement through the payroll process following authorisation by line managers.

3.6.1.4 Petty cash accounts may be established exclusively to accommodate float funds for school events on the approval of the CEO.

3.6.1.5 The CFOO will draw the attention of the Trust Board or the appropriate Local Governing Body to any proposed expenditure or payment in respect thereof which either wholly or in part may be considered unreasonable or of doubtful legality.

### 3.6.2 **Authorities and Control**

3.6.2.1 Invoices shall be certified for payment by authorised designated officers and processed in accordance with the procedure laid down by the CFOO and in compliance with the Procurement Policy.

3.6.2.2 Principals are responsible for procurement within their own areas of responsibility. This may be delegated to named individuals.

3.6.2.3 The CFOO will examine, so far as is considered necessary, certified accounts passed for payment, and shall be entitled to receive such information and explanations as required.

3.6.2.4 Official orders and invoices for goods and services shall be actioned and authorised in accordance with financial procedures related to Purchase Order and Procurement Policy processing.

### 3.6.3 **BACS payment**

3.6.3.1 Payment runs are subject to review and approval by two authorised signatories, with payments processed in accordance with predetermined limits.

3.6.3.2 BACS payments are processed within the terms stipulated by the invoice date.

### 3.6.4 **Charge Cards**

3.6.4.1 School Charge Cards may be used as an alternative for online purchases or transactions requiring immediate payment.

3.6.4.2 The card is kept by the cardholders and is their responsibility to ensure it is kept safe and used appropriately.

3.6.4.3 Any department intending to make a purchase using a charge card must fill out the standard order form for processing. All order forms detailing the purchase must receive approval from the budget holder.

3.6.4.4 Upon receipt of the card statement, each entry is supported by a signed order form corresponding to the transaction. A VAT invoice is mandatory for all purchases, and efforts may be required to follow up with suppliers for compliance.

3.6.4.5 The charge card statement and all associated supporting documents are forwarded monthly to the CFOO for review.

### 3.6.5 **Contracts**

3.6.5.1 All contracts placed on behalf of the Trust will be subject to the Procurement Policy.

3.6.5.2 The CFOO will be informed as soon as possible of all contracts, agreements, awards or other instruments involving the payment or receipt of money on behalf of the Trust.



- 3.6.5.3 All contracts will be recorded on the Trust's contract register to support budgeting and contract management.
- 3.6.5.4 Payment to contractors in respect of contracts will be authorised only on a certificate signed by the authorised employee, or appointed principal contractor in the case of insurance claims, showing the total amount of the contract, the value of the work executed to date less retention money required, amount paid to date and the amount to be paid.
- 3.6.5.5 Every variation to a contract will be authorised in writing by the employee authorised to agree such variations.
- 3.6.5.6 The final certificate of a contract or accepted estimate will not be issued by the authorised employee until a detailed statement of account together with such vouchers and documents as the CFOO may require relating to prime cost items and particulars of additions and omissions has been produced.
- 3.6.5.7 The CFOO along with the Finance employees will keep an online register of contracts, which shall be available for inspection by the Trust Board. The contract register includes the date the contract was entered into and the expiry date, the value of the contract and a copy of the contract.
- 3.6.5.8 Claims from contractors in respect of matters not clearly within the terms of the contract will be referred for legal opinion and/or insurance company for consideration before any settlement is reached or offer of settlement made.
- 3.6.5.9 Where completion of a contract is delayed beyond the contract period it is the duty of the authorised employee concerned to consider and where appropriate, take necessary actions in respect of any claim for liquidated damages.

### 3.6.6 **Purchase Order and Authorisation Approvals**

3.6.6.1 The Trust has different requirements for the purchase of goods or services, depending on the value of the contract. These are as follows:

Value of anticipated spend (excl. VAT)	Approval Level	Tender process required
Up to £2,500	Budget holder  (SLT, Facilities Co-ordinator, School Operations Manager, Head Chef, Trust People Manager, Trust Finance Manager)	Best value for money  Two quotations over £2,000
£2,501 - £20,000	Head of IT Trust Estates Manager Primary Principals	Three written quotations over £10,000*
£20,001 - £50,000	Secondary Principals CFOO	Three written quotations*
£50,001 to £100,000	CEO	Medium Value Business Case (for services) Three written quotations or tender
£100,001 to OJEU limit: £189,330 (Good and Services) £4,733,252 (Works)	Trust Audit & Risk Committee (Trust Board over £189,330)	High Value Formal tender process UK
Over EU threshold	Trust Board	OJEU tender process

- up to £1,000 a written quotation is preferable and transactions must be supported by receipts from suppliers
- £2,001 to £10,000 – all efforts will be made to obtain two quotations, which can be emails of downloaded online quotations
- \*£10,001 to £50,000 - all efforts will be made to obtain three quotations. However, where the value is less than £50,000 and we are unable to obtain three quotations or where the opportunity cost in staff time of getting three quotations is considered greater, two written quotations can be accepted with the approval of the CEO, or Chair of the Trust Audit & Risk Committee
- £20,001 to £50,000 - as well as written quotations, at least one reference will be obtained, with every effort to obtain both written and verbal confirmation from the school/Trust providing the reference. A check of any company on Companies House will also be

undertaken to ensure accounts are up to date and no obvious concerns are raised

- £50,001 to £100,000 - the business case must include:
  - Specification of requirements/Scope of works
  - Benefits to the organisation and best value for money
  - Evaluation criteria

The CEO will approve the preferred bidder in line with the business case and the evaluation outcome

- Above £100,001 and up to EU thresholds, formal tender undertaken by the CFOO, unless the purchase is for equipment only in which case quotes are acceptable. It is expected that for tenders of such size, external procurement support would be sought
- Contracts are to be reviewed at least every 5 years or at the end of the contract or agreement term. It is expected that major contracts will not be signed for more than three years if they do not have a break clause in them
- The above authorisation limits will apply once a member of staff has completed their probationary period. Prior to that, manager authorisation is required.

#### 3.6.6.2 Spending authority limits as per invoice:

Authorised signatory	Value
Budget Holder	£0 - £2,500
Head of IT, Trust Estates Manager, Primary Principals	£2,501 - £20,000
Secondary Principals, Chief Financial & Operating Officer	£20,001- £50,000
Chief Executive Officer	£50,001 - £100,000
Chair of Trust Audit & Risk Committee, and Chief Executive Officer	£100,001 - OJEU limit
Chairman of Trustees	Above OJEU limit

3.6.6.3 If a contractor requests payment of an invoice for more than 50% of the total cost upfront, this has to be signed off by the next more senior approver and will not normally be agreed to.

3.6.6.4 Budget Holders are only authorised to commit the Trust to any expenditure after ensuring that sufficient funds are available to meet the purchased cost of goods and services.

#### 3.6.7 **Related Party Transactions**

3.6.7.1 All trustees and employees must complete a declaration of interest form.

- 3.6.7.2 Any conflicts of interest or related party transactions will be promptly reported to the Accounting Officer, CFOO, and the Trustees.
- 3.6.7.3 The CFOO will notify or seek approval from the ESFA in advance of signing any contracts involving related parties, in accordance with the thresholds specified in the Academy Trust Handbook.
- 3.6.8 **Staff Severance Payments**
- 3.6.8.1 Any staff severance payment must be made in accordance with the conditions laid down in Annex C of the current Academy Trust Handbook.

### **3.7 Banking**

#### **3.7.1 Banking Arrangements**

- 3.7.1.1 The Trust's bankers shall only be appointed with the approval of the Trust Board.
- 3.7.1.2 All arrangements with the Trust's bankers concerning the Trust's bank accounts will be made through the CFOO.
- 3.7.1.3 The CFOO will be authorised to operate such banking accounts as are deemed necessary on the approval of the CEO under their delegated powers. The number of accounts in existence shall be reviewed to ensure they remain necessary.
- 3.7.1.4 The BACS run must be authorised by two of the nominated cheque signatories approved by the Trust Board and as per the latest authorised bank mandate.
- 3.7.1.5 The CFOO shall ensure that all bank accounts are subject to regular reconciliation and independent review and that large or unusual items are investigated as appropriate.

#### **3.7.2 Investment**

- 3.7.2.1 The CFOO shall be responsible for the management of the Trust's cashflow position.
- 3.7.2.2 Funds will only be deposited with major banks or building societies. Investments other than bank, building societies deposits shall only be undertaken after proper advice and with prior approval of the Trust Board.
- 3.7.2.3 The performance of deposits will be included as part of operational and financial review within Financial Statements and reported to the Trust Audit & Risk Committee.

#### **3.7.3 Borrowing**

- 3.7.3.1 The CFOO must seek ESFA prior approval for borrowing (including finance, leasing and overdraft facilities) from any source, where such borrowing is to be repaid from grant monies, or secured assets funded by grant monies, regardless of the interest rate chargeable.
- 3.7.3.2 Charge cards must only be used for business (not personal) expenditure, and balances will be cleared monthly.

### **3.8 Assets**

#### **3.8.1 General**

3.8.1.1 The CFOO is responsible for maintaining a fixed asset register of all property, furniture, equipment, vehicles, plant or other capital equipment.

3.8.1.2 Fixed assets acquired by the Trust will be depreciated in accordance with the Trust's accounting policy and best practice. Rates of depreciation for differing categories of fixed assets will be fixed by the CFOO in conjunction with the Trust Audit & Risk Committee.

3.8.1.3 The decision as to what should be capitalised within the accounts will rest with the CFOO and will be in line with the policy agreed by the Trust Board.

3.8.1.4 Authority to dispose of Trust and school property is as follows:

<b>Value of Asset</b>	<b>Approval Level</b>
Up to £5,000	Principals
Up to £20,000	CFOO
Over £20,000	CEO
Over £50,000	Trust Board

#### **3.8.2 Land, Properties and Other Assets**

3.8.2.1 The Trust must seek and obtain prior written approval from the Secretary of State for the following transactions:

- Acquiring of freehold of land or buildings
- Disposing of freehold of land or buildings
- Disposing of a heritage asset.

3.8.2.2 Stores and equipment records will be kept in a form to be approved by the CFOO.

3.8.2.3 The CFOO will be entitled to check stores and equipment and be supplied with such information relating thereto as may be required. Stores will not be held in excess of reasonable requirements.

3.8.2.4 Year end and stocktaking reports will be prepared in accordance with a timetable and instructions agreed with the CFOO.

3.8.2.5 Sale of surplus or obsolete stores and equipment will be affected by public tender except when in the opinion of the CFOO the financial interests of the Trust are better served by some other means of disposal.

3.8.2.6 Any material loss or damage to any individual assets coming to the attention of any member of staff shall be reported immediately to the appropriate Director and, where appropriate, consideration should be given to making an insurance claim.

3.8.3 **Inventory**

3.8.3.1 An inventory of all high value ICT and equipment and stores will be kept by the Head of IT and Estates Manager respectively. Managers will be responsible for notifying the Facilities Manager of all changes to the inventory and the Principal or Local Governing Body will approve all acquisitions and disposals.

3.8.3.2 The CFOO will, at reasonable times, have access to all property of the Trust to audit the inventories.

**3.9 Salaries, Wages and Expenses**

3.9.1 **General**

3.9.1.1 A complete segregation of duties between the Trust Human Resources Section and the Finance/Payroll section shall be achieved as follows:

- Source documents for the payment of all salaries, wages, pensions, compensation and other benefits shall be authorised by the Human Resources Section in accordance with the Authorities Schedules; and
- the Finance section shall make all arrangements for the payment of salaries and wages.

3.9.2 **Salaries and Wages**

3.9.2.1 The payroll budgets will be determined by the Trust Board as part of the budget process. No appointments shall be made outside the approved budget without the prior approval of the CEO and relevant approval level as per this Financial Regulation (point 3.1.3).

3.9.2.2 The CEO or any person so authorised by them will notify the Human Resources Section as early as possible of all appointments, resignations and dismissals. The CFOO or delegated officer prepares all offer letters for authorisation by the CEO.

3.9.2.3 The Principal or any person so authorised by them will notify the CFOO or delegated officer, of absences from duty on account of sickness, any unauthorised absence, transfers and changes in the remuneration, other than normal increments of employees.

3.9.2.4 The payment of all salaries, wages, gratuities, compensation or other allowances to the Trust Board, employees or former employees will be made under the control of the CFOO in accordance with statutory and local arrangements.

3.9.2.5 All staff receiving weekly and monthly pay will be paid through BACS on a specified day of the week or month or by faster payment in exceptional circumstances agreed by the CFOO.

3.9.2.6 All casual and part-time employees will be included on the payroll.

3.9.2.7 The payroll is authorised for payment, on a monthly basis, by the Principal or in his/her absence the CEO.

3.9.3 **Pensions**

3.9.3.1 The Trust is responsible for undertaking the role of employer in relation to staff pension arrangements with the pension schemes.

3.9.3.2 The CFOO or designated officer is responsible for day to day pension matters including paying over contributions to the pension schemes.

3.9.4 ***Travel, Subsistence and Other Expenses***

3.9.4.1 All claims for travel, subsistence and other business expenses will be in a form approved by the Line Managers and certified in the normal manner as per the expenses policy set by the Trust.

3.9.4.2 Payments to the CEO will be made upon receipt of the prescribed form duly approved by the Chairman or Vice Chair of the Trust, or in their absence the Chair of the Trust Audit & Risk Committee.

3.9.4.3 Claims for expenses will be met in accordance with the Trust's Terms and Conditions as agreed by the Trust Board.

3.9.4.4 Claims submitted more than six months after the incurrence of expenses will be paid at the discretion of the CEO.

**3.10 Insurance**

3.10.1 The CFOO will adopt the DfE's Risk Protection Arrangement, unless another insurance option is considered better value for money. Insurance will be reviewed at least every 5 years. Any insurance not covered by the RPA will be purchased on the basis of quotations.

3.10.2 The Estates Manager shall immediately notify the CFOO of all new risks, properties, vehicles and equipment, etc. which require to be insured and of any alterations affecting existing insurance policies.

3.10.3 The Estates Manager will immediately notify the CFOO of any loss, liability damage, or event likely to lead to a claim. Involvement of the police will be with the approval of the CEO.

3.10.4 The CFOO will review all insurance cover annually in conjunction with the CEO and report compliance and adequacy to the Trust Board.

**3.11 Taxation**

3.11.1 The CFOO will be responsible for the recording of all forms of taxation for which the Trust is responsible.

3.11.2 The CFOO will submit records to the appropriate taxation authority and act upon any instruction or requests made by these authorities.

3.11.3 The CFOO will be responsible for making all necessary tax deductions as required under legislation from employees of the Trust and firms working for the Trust without the necessary exemption certificates together with claiming the appropriate grants where applicable.

3.11.4 The CFOO will ensure that all necessary information is made available to taxation inspectors, internal and external auditors.

3.11.5 The CFOO will be responsible for ensuring that the Trust complies with current taxation legislation.

### **3.12 Audit**

#### **3.12.1 General Audit Regulation**

3.12.1.1 Both the external and internal audit services must be competitively re-tendered at least every five years, with separate firms providing external and internal audit services.

3.12.1.2 The CFOO shall be responsible for ensuring that the external and internal auditors have authority to see all assets, records and meet individuals as requested.

#### **3.12.2 Internal Audit**

3.12.2.1 The Trust, through the CEO and CFOO, accepts the role and responsibilities of internal audit as set out by the Charity Commission. The audit programme will be agreed by the Trust Board on recommendation from the Trust Audit & Risk Committee taking a risk-based approach.

3.12.2.2 Internal Audit reviews will normally be undertaken termly and must be undertaken at least twice each year and reported to the Trust Audit & Risk Committee.

3.12.2.3 The Trust Audit & Risk Committee will also receive each year a summary report detailing the outcome of the year's audit scrutiny programme and the continuing adequacy or otherwise of internal controls. This will be provided to all trustees and to the External Auditors.

3.12.2.4 The CEO will report directly to the Trust Audit & Risk Committee and should he/she consider it necessary, directly report to the Trust Board.

3.12.2.5 The internal audit function will, so far as deemed reasonable, examine and audit the accounts, policies, procedures and other financial records of the Trust and for this purpose will have access to any books, documents or other records and may require explanation from any Trustee or employee.

3.12.2.6 Whenever any matter arises which involves, or is thought to involve, fraud, corruption or irregularity in the exercise of the functions of the Trust, the CFOO will immediately inform the CEO. The CEO will take all steps they consider necessary to deal with the matter, and will report it to the Trust Audit & Risk Committee.

#### **3.12.3 External Audit**

3.12.3.1 A timetable will be agreed with the External Auditors to carry out the annual audit of the Trust's Financial Statements. Following that audit, they will be required to produce a management letter highlighting any weaknesses which will be sent to CEO, and reported to the Trust Audit & Risk Committee and the Trust Board.

3.12.3.2 The CFOO or a designated officer will prepare all necessary working papers in preparation for external audit.



3.12.3.3 The Financial Statements will be submitted to the Trust Audit & Risk Committee before being recommended for adoption by the Trust Board. Final audited accounts will be presented for adoption at the Annual General Meeting of the Trust by the Members of the Trust.

3.12.3.4 Final audited and signed Financial Statements will be submitted to the Department for Education in accordance with their published requirements no later than 31<sup>st</sup> December after the financial year end.

### **3.13 Accounting Policies**

3.13.1 All accounting procedures and records of the Trust will be determined by the CFOO in accordance with the requirements of statutory agencies and authorities.

3.13.2 Production of the Financial Statements and financial management information of the Trust will be the responsibility of the CFOO who will specify the retention of financial records.

3.13.3 The Trust's accounting policies are arranged to ensure compliance with law, guidance and best practice, and are reviewed annually for compliance. The CFOO is responsible to present any changes to the Trust's accounting policy and seek approval by the Trust Audit & Risk Committee before submission of the Trust's Financial Statements.

### **3.14 Financial Management**

3.14.1 The Trust Board will be responsible for all aspects of financial policy within the Trust and its schools.

3.14.2 The prudent financial management of each school will be the responsibility of each Principal under delegation by the Local Governing Body.

3.14.3 The CFOO will be directly responsible to the CEO for the following:

- a) The review of financial administration of the Trust's activities to ensure that they are financially sound, efficient and effective.
- b) Future budgetary requirements and making recommendations to the Trust Board on monetary matters.
- c) The review of the accounting and budgetary control system.
- d) In the case of any irregularity, receive reports from auditors, bankers, Financial Conduct Authority and Charity Commission, and act upon them in consultation with the CEO and the Trust Board.
- e) To monitor and ensure the compliance with Financial Regulations.

3.14.4 The requirements and rules in the Procurement Policy shall apply to all financial and accountancy management arrangements.

3.14.5 Staff are expected to immediately notify the CFOO if any matter arises which involves, or is thought to involve, irregularities concerning cash or other property

or any suspected irregularity in the exercise of the financial functions of any part of the Trust. The CFOO shall investigate and decide what further action is necessary in consultation with the CEO.

- 3.14.6 If the suspected irregularities involve any Principal, CFOO or the CEO, staff may report any irregularities in line with the Confidential Reporting (Whistleblowing) Code.
- 3.14.7 The CFOO shall submit a report to the Trust Audit & Risk Committee if an employee:
- has made or is about to decide which involves or would involve any part of the Trust incurring unlawful expenditure; or
  - has taken, or is about to take, a course of action which if pursued to its conclusion would be unlawful and likely to cause a loss or deficiency.

#### **4. Associated Documents**

- Anti-Fraud, Corruption and Bribery Policy
- Confidential Reporting (Whistleblowing) Code
- Data Protection Policy
- Procurement Policy
- Staff Code of Conduct.