

# Boleyn Trust

## Finance Policy

Based on the Academies Financial Handbook 2016 and the  
Tollgate Primary Finance Policy (January 2016)

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## 1. Introduction

This document sets out the financial arrangements within the Boleyn Trust and includes the roles and responsibilities of the Education Funding Authority (EFA), trustees, committee members, key management and staff.

The purpose of this policy is to ensure that the Trust maintains and develops systems of financial control which comply with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of the funding agreement with the Secretary of State for Education, through the EFA. All financial activity must therefore comply with financial statutes and best practice as documented in the Academies Financial Handbook issued by the EFA. As such, if there is any conflict within the LLT Finance Policy and the Academies Financial Handbook issued by the EFA, the latter takes precedence.

In addition, this policy aims to ensure that:

- The allocation of resources promotes the aims and values of the Trust;
- Resources are targeted on raising achievement and improving the quality of provision for students;
- Resources are used to support the educational needs of all students; and
- The principles of Best Value are applied in the allocation and management of resources.

The Finance, Audit and Risk Management (FARM) Committee will review this policy annually to ensure it reflects current guidance on accounting practices and governance as communicated by the EFA through the Academies Financial Handbook.

## 2. The Role of the Education Funding Authority (EFA)

The EFA is an executive agency of the Department for Education and acts as the agent of the Secretary of State within an agreed authority to take decisions on his behalf. The EFA through its accounting officer is responsible and accountable to Parliament for the regularity and propriety of the education budgets.

To discharge these duties, the EFA must be satisfied that any academy Trust has appropriate arrangements in place for sound governance, financial management, accounting and value for money.

Annual letters from the EFA to the Trust's Accounting Officer setting out their key responsibilities and highlighting any changes from previous years are shared with trustees, the Chief Finance Officer and other members of the senior leadership team.

The EFA has the power to intervene in the financial management of the Trust should it have any concerns about governance and financial management.

### **3. The Role and Responsibility of the Trustees**

The Trust Board has wide responsibilities under statute, regulations and the funding agreement.

Principally, the Board is responsible for ensuring that the Trust's funds are used only in accordance with the law, their powers under the funding agreement and the articles of association, and the Academies Financial Handbook. As such, the Board has responsibility for the proper stewardship of the Trust's funds, including regularity and propriety, for ensuring economy, efficiency and effectiveness in the use of the funds and for setting the Trust's educational and financial priorities.

The statutory duties of the trustees as company directors as set out in the Companies Act 2006 comprise their duties to:

- Act within their powers;
- Promote the success of the Trust;
- Exercise independent judgement;
- Exercise reasonable care, skill and diligence;
- Avoid conflicts of interest;
- Not to accept benefits from third parties; and
- Declare interest in proposed transactions and arrangements.

The Trust Board has therefore established proper financial management arrangements and accounting procedures and ensured that sound systems of internal control including safeguards against fraud, bribery and corruption are maintained in compliance with the Academies Financial Handbook.

The Trust Board is required to provide details of the academy Trust's governance arrangements in the governance statement published within the Trust annual accounts and on its website.

#### **4. The Finance, Audit and Risk Management Committee (FARM)**

The Trust Board has established a Finance, Audit and Risk Management (FARM) Committee whose role encompasses an overall responsibility to the trustees to ensure all aspects of financial management and compliance are discharged by the Accounting Officer and staff of the Trust.

The FARM meets regularly and at least termly to discharge their responsibilities as summarised below:

Financial oversight covering at least the following:

- developing the Trust's financial strategy;
- approving relevant Trust policies;
- recommending the budget and monitoring performance against the budget; and
- ensuring compliance with EFA and statutory requirements.

Audit matters covering at least the following:

- appointing, reappointing and monitoring Trust external auditors;
- ensuring adequate internal control systems are established; and
- advising the Board on the outcome of financial statements and regularity audit.

Risk Management matters covering at least the following:

- formulating the risk management policy and maintaining the Risk Register;
- analysing the effectiveness of mitigating actions.

The full terms of reference of the Finance Audit and Risk Management Committee are included in Appendix 1

#### **5. The Accounting Officer**

The Accounting Officer is the senior executive leader of the Trust whose duties include specific responsibilities for financial matters.

The financial responsibilities of the Accounting Officer include:

- Be principally responsible to the Trust Board, Parliament and the EFA for managing the financial resources under their control;

- Ensure value for money is secured in the use of resources within the Trust and to achieve the best possible educational and wider outcomes through the economic, efficient and effective use of the Trust funds;
- Ensure regularity through dealing with income and expenditure in accordance with current legislation, the terms of the Trust's funding agreement, the EFA's Financial Handbook and the finance policy of the Trust;
- Ensure propriety with expenditure and receipts dealt in accordance with Parliamentary standards of conduct, behaviour and corporate governance;
- Ensure that proper and adequate financial records are kept and that opportunities and risks are effectively managed;
- Delegate the delivery of the Trust's detailed accounting processes to the Chief Finance Officer; and
- Take personal responsibility for assuring the Board of compliance with this Finance Policy, the current Academies Financial Handbook and the funding agreement of the Trust.

The Accounting Officer will complete and sign a statement on regularity, propriety, and compliance each year and submit to the EFA with the audited accounts. The Accounting Officer will also demonstrate how the Trust has secured value for money via the governance statement in the audited accounts.

## **6 The Role and Responsibilities of the Chief Finance Officer**

The Chief Finance Officer leads on all financial management responsibilities as delegated by the Accounting Officer and the Trust Board.

The Chief Finance Officer ensures compliance with all financial statutes by the Trust and maintains financial records to allow appropriate scrutiny by stakeholders within the Trust.

The main responsibilities of the Chief Finance Officer include the following:

- Financial Planning, Monitoring and Reporting:
  - Compiles an annual budget in conjunction with the Accounting Officer that ensures financial integrity over the medium and longer term and supports the educational goals of individual schools within the Trust;
  - Prepares appropriate reports to enable the Board to approve the annual budget;

- Monitors and reports on the progress of the budget at least on a monthly basis to the Accounting Officer and at least termly or at every meeting of the FARM; and
- Submits the annual budget to the EFA in the required formats within the agreed timescales.
  
- Cash Management:
  - To manage banking and the cash flow position of the Trust; and
  - To avoid bank overdrafts and to ensure regular bank reconciliations are carried out.
  
- Investments:
  - To work with the Board and the Accounting Officer to evaluate and manage investments agreed by the board where applicable.
  
- Income Generation:
  - To work with the School Business Managers to maximise income generation within the ethos of the Trust ensuring an appropriate rate of return for services that falls outside the Trust's Charging and Remissions Policy (Appendix 6).
  
- Financial Reporting:
  - To ensure the financial results of the Trust are appropriately filed with the relevant statutory bodies in a timely and appropriate manner.
  
- Internal Control:
  - Maintaining the financial control framework agreed with the Trust Board including:
    - Coordinating the Planning and Budgeting Processes;
    - Financial Reporting;
    - Maintaining the Finance Policies and Procedures;
    - Ensuring delegated financial authorities are complied with;
    - The management and oversight of assets and major projects;
    - Transactional compliance with statutes and best practice including ensuring appropriate segregation of duties;
    - Managing the risk of fraud and theft;
    - Ensuring efficiency and value for money is prioritized; and
    - Coordinating a process of independent review of financial governance, controls and transactions (Internal and external audit)



## **7 Local Governing Bodies**

Each school within the Trust maintains a local governing body with a remit to ensure governance at a local level.

The primary aim of these local governing bodies is to gain assurance on the teaching and learning objectives and financial management at a local level as set in the Strategic Development Plan.

The full Terms of Reference for local governing bodies are outlined in Appendix 2

## **8 Delegated Authorities**

The Trust has been granted autonomy over financial transactions arising in its normal course of business but for some transactions, there are delegated authority limits beyond which the Trust will seek prior approval of the EFA.

The Trust Board ensures that spending is for the purpose intended, that there is probity in the use of public funds, all spending decisions represent value for money and that the procurement policy is complied with at all times.

In line with the funding agreement, EFA approval will be secured for the following type of transactions where applicable:

- Borrowings from any source where such borrowings is to be repaid from grant monies or secured on assets funded by grant monies including bank loans and overdrafts;
- Novel and/or contentious payments
- Finance leases or leasehold on land and buildings;
- Writing off debts or entering into guarantees, indemnities or letters of comfort (subject to a maximum of £250,000) for amounts exceeding 1% of annual income or £45,000 (whichever is smaller) per single transaction or cumulatively 5% of total annual income in any one financial year per category of transaction;
- Special payments including staff severance or compensation payments for amounts exceeding £50,000;
- Special payments comprising all ex-gratia payments;
- Acquisition and disposal of all freehold land and buildings.

### **Novel and /or contentious payments**

All novel and/or contentious payments which might give rise to criticisms of the Trust will be referred to the EFA for explicit prior authorisation.

### **Finance leases**

EFA prior approval is required for the following leasing transactions:

- a finance lease on any class of assets for any duration from another party
- a leasehold tenancy on land or building on a term of seven or more years
- granting a leasehold interest , including tenancy agreement, of any duration on land and buildings to another party.

The Trust Board will ensure that all lease arrangements are based on the principles of value for money, regularity and propriety.

### **Write-offs and entering into Liabilities**

In relation to the delegated limits of write-offs and liabilities, the Trust must take all reasonable steps to recover amounts owed to it, overpayments or erroneous payments as far as practicable. Gross losses may only be written off after careful appraisal of the facts following all possible actions to recover that amounts including consultation with the Academies Risk Protection scheme administrators.

Acceptance of any liabilities within its delegated authority should only be accepted following appraisal of the proposal, through an assessment of the costs and benefits of possible options.

### **Special Payments**

Special payments comprise staff severance payments, compensation payments and ex gratia payments.

**Staff severance payments** paid to employees outside of normal statutory or contractual requirements when leaving employment with the Trust must be confirmed by the Trustees to be in the interest of the Trust and must be justified based on a legal assessment of the Trust successfully defending the case at an employment tribunal. Staff severance payments must not be a reward for failure or gross misconduct or poor performance except for gross misconduct, where a legal assessment suggests the claimant is likely to be successful in an employment tribunal claim.

**Compensation payments** must be based on a robust level of scrutiny including value for money considerations and a careful appraisal of the facts including legal advice.

**Ex gratia payments** which include payments to employees to meet hardships caused by official failure or delay and payments to avoid legal action on the grounds of official inadequacy will always be referred to the EFA for prior authorisation.

**Acquisition and Disposal of Fixed Assets** including freehold land or buildings and disposal of heritage assets require prior written approval from the EFA.

### **Disclosure**

Irrespective of whether EFA approval is required, the Trust will disclose aggregate figures for transactions of any amount and separate disclosure for individual transactions above £5000, in the audited accounts for each of the following transactions:

- gifts made by the Trust
- writing off debts and losses
- guarantees, letters of comfort and indemnities
- special payments - compensations
- special payments - ex-gratia
- acquisition of a freehold of land and buildings
- disposal of a freehold of land or buildings
- disposal of heritage assets
- take up of a leasehold on land and buildings
- granting a leasehold on land and buildings

Staff severance payments of any value must be disclosed in total and individually.

The Trust has put in place an internal scheme of delegation that is applied within the Trust as described below (paragraph 9) and outlined in Appendix 3. For the avoidance of doubt all the above types of transactions, regardless of amount or Scheme of Delegation, require approval of the FARM.

## **9 Boleyn Trust Scheme of Delegation in Finance**

The Board and the Accounting Officer delegates the day-to-day activities of financial management to the Chief Finance Officer and the individual School Business Managers.

There is adequate segregation of duties in all financial processes and especially for procurement, cash handling and recruitment within the Trust.

The Scheme of Delegation lists the financial responsibilities of the staff, the Accounting Officer and the Chief Finance Officer.

The FARM reviews the scheme annually ensuring that the correct levels of delegated powers are given to individuals, teams and committees. The Trust Board endorses the review before any changes are exercised.

Delegated powers include both financial and non-financial functions.

The scheme sets out the delegated powers that come with the responsibility of a particular role. It assumes that the delegated power transfers to the new post holder if the original post holder leaves the school

The scheme ensures that no one individual has the authority to perform an entire process where school delegated funds are involved. All staff have been made aware of the delegated powers that they have been given.

The Trust Scheme of Delegation is detailed in Appendix 3.

## 10 Business and Pecuniary Interests

It is the responsibility of the Accounting Officer to ensure that all trustees, members, local governors and staff do not directly or indirectly benefit financially when spending public money.

To control this conflict of interest, the Trust has established a Register of pecuniary and related business interests. The Register of pecuniary and business related interests captures relevant business and pecuniary interests of governors of academies within the Trust, members of the senior leadership team and with staff involved in procurement.

Trustees, members, local governors and senior employees are required to disclose any relevant business interests they have in any local or national firms if relevant including:

- Directorships, partnerships and employments with businesses; and
- Trusteeships and governorships at other educational institutions and charities.

For each interest, the name of the business, the nature of the business, the nature of the interest and the date the interest began must be declared.

The register also identifies relationships between governors and members of the school staff including spouses, partners and relatives and relationships between school staff including consultants.

The School Business Managers of each school maintains the Register of pecuniary and business interests, individual declaration forms and the related guidance to the scheme. All Trust wide declarations are held on a register kept by the Human Resources Director based at the lead school. A blank copy of the register and declaration form can be found in Appendix 4 for information.

The Trust will publish on its website relevant business and pecuniary interests of members, trustees and the Accounting Officer.

The Trust is even-handed in its relationships with connected parties by ensuring that:

- Trustees understand and comply with their statutory duties as company directors to avoid conflict of interest, by not accepting benefits from third parties and declaring their interest in proposed transactions or arrangements.
- No trustee, member, local governor, employee or related individual or organisation uses their connection to the Trust for personal gain and or at preferential rates.
- Payments to trustees comprise only those permitted by the articles of association or by express authority from the Charity Commission.

Where the Trust trades with a connected party this must be declared by the Board who will ensure that payments are limited to cost of goods or services provided. This 'at cost' requirement applies to contracts for goods and services from a connected party exceeding £2,500, cumulatively in any one financial year of the Trust, with elements beyond the £2,500 limit charged at no more at cost.

A connected party can be:

- A member or trustee of the Trust;
- A relative of a member or trustee and any organisation controlled by them;
- An individual or organisation carrying out business in partnership with a member or trustee (or relatives);
- A company where a member or trustee (or relative) holds more than 20% of shares and/or voting rights;
- An individual or their relative that has been given the right under the articles of association to appoint a member or trustee of the Trust.

## **11 School Development Plans**

The Accounting Officer works with the local leadership team to produce an annual teaching and learning development plan. The aim of this plan is to develop a strategy for improvement in all aspects of teaching and learning in the schools.

The Strategic Development Plan (SDP) also aims to cover the medium term (up to three years) strategy that is linked to the financial budgets.

The Chief Finance Officer will confirm the funding of the SDP is available for each academic year.

The Local Governing Bodies reviews the SDP every term or when necessary.

This SDP does not cover premises and asset development planning

## 12 Financial Planning, Monitoring and Reporting

### Budgeting

The Trust Board approves a balanced budget and any significant changes to the budget for the financial year to 31 August, which can draw on unspent funds brought forward from previous years and such approvals are recorded in the minutes of the Trust Board.

The Trust must submit annual budget plans to the EFA by 31<sup>st</sup> July each year in a consistent format specified by the EFA.

The budget is drafted in June of each year and must be reviewed by the FARM Committee and if appropriate recommended for approval by the Trust Board before being uploaded to the EFA Document Exchange, the secure portal used by the EFA for all returns.

The Trust Board through the Finance, Audit and Risk Management committee ensures that:

- there has been sufficient rigour and scrutiny in the budget management process to enable them to understand and address significant variances between the budget and actual income and expenditure
- they receive, review and if appropriate approve reports on financial performance comprising a comparison of budget versus actual financial performance, at least three times a year and take corrective actions if necessary
- the Trust complies with their funding agreement and the current Academies Financial handbook
- good financial management and effective and robust internal controls are in place

It is the responsibility of the Chief Finance Officer to monitor the budget at least on a monthly basis and present monthly Management Accounts comprising of a comparison of the budget versus actual income and expenditure to the Accounting Officer for her review.

Any material variances in expenditure against budgets are reported to the Head Teacher of the school and the Accounting Officer as soon as they are noted. For the avoidance of doubt, any variation over £5,000 or more than 5% of the original budget, whichever is lower, is regarded as material.

The Chief Finance Officer will report the latest monthly budget monitoring report in the form of Management Accounts at each of the FARM committee meetings. The FARM committee will then report the latest financial position to the Trust Board.

In the management of the budget, there is, on occasion, a need to transfer funds - budget virements. These virements will generally be limited to changes in excess of £5,000.

All such changes up to £20,000 are approved by the school's Head Teacher and the Accounting Officer. All changes above this threshold must be approved by the FARM committee. In the case of urgent need, clearance must be sought from the Chair of FARM by email ex-committee and reported at the next meeting

Further details of budget virements, adjustments and authorisations are in the Scheme of Delegation in Appendix 3.

In the event that the Trust Board formally propose to set a deficit revenue budget for the current financial year which it unable to cover with reserves brought forward from previous years, the EFA must be notified within 14 days of the proposition.

### **Financial Reporting**

The Trust will prepare an annual report and accounts to 31<sup>st</sup> August annually incorporating accounting policies approved by the Board.

## **13 Internal Financial Control and Data and ICT Security**

All duties and financial procedures are in line with the guidance of the Academies Financial Handbook.

Internal Controls are reviewed annually based on this Finance Policy. The results of this review and any recommendations are presented to the FARM Committee. In addition, recommendations made by internal and external auditors will be used to enhance controls.

Staff members are properly trained in the financial systems and procedures in accordance with the requirements of their role. The Chief Finance Officer undertakes regular reviews of financial training needs and ensures that appropriate resources are engaged to support this.

At times, there are not always full cover arrangements in place for key financial staff and management. Where such requirements are needed, the Trust will engage external expertise to cover the performance of key tasks and the transfer of responsibility during the period of cover.

### **Internal Control**

The Trust has established an internal control framework that recognises public expectations about governance, standards and openness and includes:

- Co-ordinating the planning and monitoring of the budgeting;
- Management of capital projects and safeguarding of the Trust's assets;
- Procedures to ensure compliance with delegated authorities and to reduce the risk of fraud and theft;
- Financial management processes with appropriate segregation of duties; and
- Management of banking and the Trust cash flows.

### **Accounting System**

The Trust uses SIMS FMS at all its schools and all financial transactions of the Trust must be recorded on this system.

The Chief Finance Officer ensures adequate separation of duties between personnel entering and authorising data on the computer system is in place.

Access to the system is restricted to authorised employees of the Trust and those authorised by the Accounting Officer such as an external consultant.

The system is accessed by passwords unique to each user. Access for staff who are no longer employed by the academy is removed as soon as the staff member leaves.

All transactions including journals input into the accounting system are required to be authorised by the Chief Finance Officer.

The Chief Finance Officer obtains and review system reports regularly to preserve the accuracy and integrity of data and such reports could include amendments reports for the purchase and sales ledger and an income and expenditure report showing significant variances against the budget.

The Chief Finance Officer is responsible for ensuring there are effective backup procedures for the accounting system.

### **Authorised signatories list**

An authorised signatories list, including specimen signatures and covering all key financial systems is held in the Trust finance office for reference purposes.

### **Transactional Control**

Transactional control is supported by systems that include segregation of duties wherever possible and include:

- At least 2 people are involved in the ordering of goods and one provides a check for the other;
- Where possible, the duty of calculating, checking and recording of money is separated from duty of collecting and paying out money;



- Where required, any alterations to original documents (such as cheques, invoices and orders) are made in permanent form. The use of correcting fluid and the erasure of information is discouraged. Any alterations are properly and clearly recorded;
- Where transactions have been cancelled such as lost cheques, details are kept in the overall filing systems. In the case of lost cheques, the bank is immediately notified and the cheque is cancelled at the bank before it is reissued;
- All financial transactions are traceable from the original documentation to accounting records;
- Financial records are kept properly and securely in accordance with the requirements of the EFA regulations.

Control and security of data is maintained within the parameters of the Data Protection and Freedom of Information legislation.

All financial systems are cloud based and are hosted on secure servers of the PS Financials software provider.

The Trust has a service level agreement with Atomwide UK which ensures that only authorised software is used and includes security software that prevents unauthorised access and protects against computer viruses. All servers are backed up daily onto remote secure media.

## **14 Audit Requirements**

In accordance with Companies Act 2006, the Trust has:

- appointed an Auditor to certify whether the accounts present a true and fair view of the Trust's financial performance and position; and
- systems in place to produce audited accounts.

The contract for audit services is outlined in the letter of engagement which covers the external audit and provides for other terms and conditions in accordance with professional and regulatory requirements.

The EFA will be notified in the event of the removal or resignation of the auditors.

### **Regularity Audit**

The Accounting Officer's statement of regularity, propriety and compliance declaring that she has met her personal responsibilities to Parliament for the resources under her control during the year, is included within the Trust's annual report.

This includes a responsibility to ensure that:

- there is efficient and effective use of resources in her charge (value for money);
- public money is spent for the purposes intended by Parliament (regularity); and
- Appropriate standards of conduct, behaviour and corporate governance are maintained when applying the funds under her control (propriety).

The format of the statement will be in a consistent format as specified by the EFA within the current EFA Accounts direction. The Accounting Officer will advise the Trust Board and the EFA of instances of irregularity, impropriety or non-compliance with the terms of the funding agreement and or the current academies financial handbook.

The external auditors will review the contents of the Accounting Officer's statement on regularity, propriety and compliance and report on their findings to the Trust Board and the secretary of state through the EFA.

### **Funding audit**

Funding audits allow the EFA to gain assurance on the key raw data provided by the Trust which are used in the calculation of recurrent funding grants and whether this data is accurate, complete and supported by evidence. The Trust ensures there are adequate systems and processed in place to enable this audit to be conducted when required by the EFA.

## **15 Purchasing**

The Trust continues to follow the purchasing guidance that was in place prior to conversion to academy status, as these are compliant with current regulation, best practice and guidance.

The details of procurement methodology and procedure is outlined in the Trust's School Procurement Process and Procedures.

In the case of all capital expenditure, the procurement criteria set by the EFA for capital expenditure must be followed.

Capital expenditure is subject to EU legalisation and spending thresholds must comply with these requirements. In the case of larger projects this may require the need to engage an independent project manager to ensure compliance to statute, and best practice.

Approval of invoices is carried out in accordance with the authority granted within the Scheme of Delegation.

## 16 Income Management and Banking

The Trust Board has overall responsibility for ensuring that all income due to the Trust is properly accounted for. Day-to-day responsibility for this is delegated to the Chief Finance Officer.

The Chief Finance Officer is responsible for ensuring income is designated to the correct fund and budget area and provides updates on fund balances to the FARM at each of their meetings.

Any bids for funding from external sources are submitted only with the knowledge and consent of the Accounting Officer.

The main sources of income for the Trust are the grants from EFA. Receipt of this sum is monitored by the Chief Finance Officer and SBS.

Other than the delegated budgets comprising grants from the EFA, the school may collect income from the following sources:

- Students: - for school trips/journeys
- Students: - as funding-raising donations
- Staff: - payments for lunch
- Students: - for after school clubs as appropriate
- Other schools: - For Teaching School Activities
- Outside Organisations: - e.g. student placements and training courses

All income collection is accounted for within the individual school offices and recorded in the FMS income ledger and reconciled to the sums cleared in the bank account.

A record is kept for each type of income. The schools do not normally let out parts of the school to external users but if any such transaction occurs an invoice is presented to the hirer.

The school uses Lloyds Bank to manage its income.

Reconciliation of bank accounts are conducted on the FMS Financial system by the Chief Finance Officer at least on a monthly basis.

### **Banking Facilities**

The Trust Board is responsible for the appointment of the Trust's bankers and the only body authorised to open or close bank accounts.

The Trust does not overdraw its bank account or arrange with bankers for overdrafts, loans or any form of credit or deferred purchases.

Schools within the Trust hold separate bank accounts and these accounts are reconciled at least monthly by the Chief Finance Officer.

### **17 Petty Cash**

The Trust will not hold any petty cash accounts and all incidental expenses will be paid directly from the individual school budgets or from the main Trust budget.

### **18 Lettings**

The Trust schools do not normally let any of its premises for private use. However, there are some parts of Tollgate Primary used for local community groups

### **19 Inventory and Assets**

All items purchased with a value exceeding the Trust's capitalisation limit of £1,000 for individual assets or £3,000 for a group of assets must be entered on the Trust's fixed assets register with the following details:

- asset description
- asset number
- serial number (where applicable)
- date of acquisition
- asset cost
- source of funding (%of original cost funded from grant/other sources)
- expected useful economic life
- accumulated depreciation
- current book value
- location

Such fixed assets additions must be approved by the Head teacher and all IT related asset investments must be consistent with the Trust overall IT strategy.

The Trust maintains a Fixed Assets Register that supports the depreciation charges for capital assets and also for replacement planning and insurance and requirements.

Individual schools, where assets are located, hold separate inventory registers. However, all land and buildings will be at Trust level in the central register. All new assets deemed to be Trust-wide will also be held on a central register.

### **Security of Assets**

Equipment is, where possible, stored securely when not in use.

Individual school assets/inventory registers are controlled by the school business managers and the Chief Finance Officer will arrange for the assets/inventory registers to be reconciled to physical assets annually. Any discrepancies will be investigated and where significant reported to the Accounting Officer who will inform the trust of the loss and any known reasons for this. The insurers will be notified if appropriate.

### **Loan of Assets**

Items of Trust property, except staff and student laptops or other IT equipment removed from the Trust premises for business purposes are recorded in a loan book. Assets owned or leased by the Trust will not be loaned for personal use.

The length of time the asset will be off site is recorded together with the appropriate authority of the Accounting Officer or Chief Finance Officer.

### **Disposal of Assets**

Disposal of land and buildings will be carried out in accordance with the requirements of the academy's funding agreement and approval will be sought from the EFA in writing.

All disposals and write-offs of assets, other than land and buildings are authorised by the Accounting Officer if their value is less than £1,000. Disposals or write-offs of assets over this value will be authorised by the FARM committee.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications around the disposal of computer equipment, as the Trust would need to ensure licences for software programmes have been legally transferred to the new owner.

The following records will be kept for disposals:

- item disposed of
- date of disposal
- method of disposal
- proceeds of disposal or how disposed of if scrapped

- person authorising the disposal

The Trust will reinvest the proceeds from all asset sales for which capital grant was paid in other Trust assets. If the sale proceeds are not reinvested, then the Trust must repay to the EFA a proportion of the sale proceeds

### **Depreciation Policy**

The Trust will depreciate fixed assets in line with recognised accounting standards, best practice and EFA guidelines

Depreciation rules will be approved by the Trust Board in advance of preparing the annual financial statements and incorporated within the Trust's accounting policies.

## **20 Voluntary and Private Funds**

The Trust does not use Voluntary Fund accounts and all expenditure is channelled through the individual school budgets.

## **21 Personnel, Salaries and Wages**

The Trust Board has established procedures to approve all appointments, terminations and salary levels.

The Accounting Officer maintains a list of all staff employed by the Trust and their current salaries authorised by the Trust Board.

Recruitment follows the guidelines within the Boleyn Trust Pay Policy that is a full adaptation of the National Pay terms & conditions and the London Borough of Newham Model Pay policy. All appointments are confirmed by letter and further details are included in the employee's contract of employment

The Trust uses the NPW Payroll Service for Academies and the contract between the academy and NPW includes:

- The responsibilities of the Trust and that of NPW;
- The responsibilities for making returns to HMRC and the deadlines;
- Responsibilities for the control and accuracy of data;
- Details of authorised signatories for payroll amendments;
- Backup provisions; and
- Provision for access for academy staff and auditors.

All information validly incurred and appropriately authorised by relevant personnel at the Trust regarding staffing is provided to the service to ensure the correct processing of individual pay. Such information includes authorised standing data amendments and overtime worked. Monthly Payroll files are received prior to payments being released and reviewed by the SBMs in each school.

Any variances are considered and investigated with NPW before the file is approved and payments can be made

Authorisation of additional payments outside normal contractual payments is made in accordance with delegated powers.

Payment of incidental expenses must be approved prior to the event where these are incurred. The staff expenses policy is outlined in Appendix 8

The Chair of the Trust Board notifies any changes to the salary of the Accounting Officer and the Chief Finance Officer will notify NPW of changes to individual pension arrangements.

Payments are made as follows by NPW from the Trust School Accounts:

- Net payments by BACs to employees of the academy;
- HMRC payments by NPW to HMRC;
- Pension payments by NPW to the pension authorities; and
- Overtime claims as part of net payments to staff through payroll.

Monthly salary payment are transmitted by NPW to the bank at least three working days before the payment date allowing the Trust to be made aware of any difficulties to transmit at least three working days before payment.

### **Staff Expenses**

The Trust has in place an expenses policy which provides guidance about expenses which can be reimbursed to members, trustees, governors and staff. The Trust expenses policy is outlined in Appendix 8.

All staff recruitment is conducted following the guidelines of the Boleyn Trust Recruitment policy and monitored by NPW who are the school's Human Resources service provider.

In terms of authority to recruit:

Staff recruitment is conducted by the Head Teachers in each school with support from other Leadership Team members and if required support from NPW personnel or other external experts.

However, recruitment of the Accounting Officer and the Chief Finance Officer is the responsibility of the Trust Board and its FARM Committee. The Board may engage recruitment experts if required.

Other school based leadership recruitment including the senior leadership team is conducted by the Individual school's Head Teacher with the support of the Accounting Officer and trustees where required.

## 22 Insurance

The Trust Board has ensured that the Trust has adequate insurances in place to comply with its legal obligations.

The Trust has opted into the Academies Risk Protection Arrangements (RPA). This covers the following areas:

- Employers Liability Cover
- Public Liability Cover
- Trustee Liability Cover
- Professional Indemnity
- Buildings & Contents Insurance
- ICT and other Mechanical Equipment cover
- School Trips

The RPA does not cover staff absence insurance and this cover has been sourced from the School Advisory Service

The School Business Managers are responsible for:

- Maintaining an inventory and asset records to support the RPA claims process;
- Ensuring that the indemnity is not given to any third party without the written consent of the Accounting Officer and insurers;
- Informing the insurers immediately of all relevant matters (losses or other incidents);
- Ensuring that cover includes school property (such as musical instruments and computers) when off the premises;
- Maintaining a check to ensure that claims are processed within the required period; and
- Ensuring that the police are informed of all claims where this is a requirement of the insurance.

Staff Absence insurance is arranged with the Schools Advisory Service (SAS) and covers absence for illness and maternity.



## **23 Anti-Fraud and Corruption**

The Trust is committed to ensuring that it acts with integrity and high standards of personal conduct. The Trust therefore ensures that there are effective controls in place to prevent, detect, and investigate any incidents of fraud, theft and irregularities.

All staff and trustees, members, governors and other stakeholders have a role to play in preventing, detecting and reporting fraud. It is the responsibility of the Auditors to review the adequacy of the measures taken by the Trust, to test compliance and to draw attention to any weaknesses or omissions.

All staff, governors, members, pupils and parents are encouraged to report any actions they consider to be improper and/or illegal.

The Whistleblowing policy of the Trust is available on the Trust Website and outlined in Appendix 9 and it ensures that any such wrong doing by management, governors or fellow employees are reported without recourse to the informant.

Any such event that may have a risk of more than £5,000 must be reported to the EFA.

Any unusual or systematic fraud regardless of value must be reported to the EFA with as much detail as possible such as:

- Full details of the event with dates.
- The financial value of the loss.
- Measures taken to prevent reoccurrence.
- Whether the matter has been reported to the police.
- Whether insurance or risk prevention arrangements have offset any loss.

The Trust will ensure that all trading activity does not fall foul of anti-corruption and money laundering legislation.

All suppliers must be vetted to ensure they have the right to trade with the school by confirming tax status and VAT requirements.

## **24 Review Process**

The FARM Committee will review the contents of this Finance Policy annually, usually in the Autumn Term.

The review considers any changes to associated publications such as the Academies Financial Handbook issued by the EFA and ensures the Finance Policy complies with any such changes.

The review will incorporate any recommended changes that result from internal or external audit processes.

The review considers changes to the structure and members and staff involved in finance.

Any changes in responsibilities are also recorded and updated in the policy or related procedures.

Where elements of the policy no longer apply, these are removed from the documentation.

The FARM Committee then recommends the adaptation of the revised policy to the full Governing Body.

## Appendix 1 – Terms of Reference for the Finance, Audit and Risk Management Committee

The role of the FARM Committee is to support the Trust Board in all aspects of financial decision-making and strategic development of the school.

As such the FARM Committee must act within the terms of reference detailed below:

### Financial Oversight

- To develop the Trust's financial strategy for approval by the board and to monitor its implementation
- To approve the following policies on behalf of the Trust and to monitor compliance:
  - Finance
  - Procurement
  - Anti-Fraud
  - Anti-bribery
  - Whistleblowing
  - Investments
  - Reserves
  - Risk Management
  
- Recommend an annual budget plan for the Trust and the individual schools to the Trust board for approval.
- Monitor income and expenditure against an annual budget plan for the Trust and individual schools.
- Ensure the Trust achieves value for money and be satisfied funds and incomes are used for appropriate purposes
- Ensure systems are in place to manage conflicts of interests and connected parties transactions
- Ensure appropriate financial returns are submitted to the EFA and other statutory bodies
- Ensure there is adequate insurance is in place
- Approve an annual asset management plan
- Oversee the tendering process and award contracts in line with the procurement policy.
- Recommend to the Trust Board, capital projects (in line with the scheme of delegation)

- Recommend to the Trust Board or approve any business cases for funding and grant requirements
- Monitor expenditure of capital projects and approve variations in line with project plans

### **Audit**

- Appoint and reappoint the internal, external auditors and agree the contractual terms and fees
- Monitor the performance of the internal and external auditor
- Make recommendations to the Board regarding the dismissal of auditors
- To work with the Auditors in the preparation of financial statements and regularity audits
- Be responsible for preparing the governance statements for the financial statements
- Advise the Board on the outcome of financial statements and regularity audits.
- Ensure the approved audited accounts are submitted to the EFA and filed at Companies House and published on the Trust website
- Oversee the implementation of any recommendations arising from the post audit management report
- Ensure appropriate internal control systems are in place
- Ensure the adequacy of internal control systems and the arrangements in place for these systems to be independently reviewed

### **Risk Management**

- Prepare the risk management policy for approval by the board
- Prepare and maintain at all times a risks and issues register with risk mitigation plans
- Review the Trust's risk appetite and make recommendations to the Board
- Regularly analyse the strategic risks and effectiveness of the mitigations

**Appendix 2 - Terms of Reference of Local Governing Bodies**

We need to confirm the terms of reference for the local governing bodies

### Appendix 3 – Scheme of Delegation

The Trust Board delegates its responsibilities to the staff to manage the day-to-day financial activities of the Trust and its schools.

The scheme of delegation covers the following areas:

- Cheque signatories and payments
- Petty cash
- Ordering of goods and services
- Receiving goods and services
- Invoices
- Lease agreements
- Budget virements and adjustments
- Write off of bad debts
- Disposal of assets
- Staff expenses

#### Cheque Signatories and Payments

The persons authorised to sign cheques relating to the school and Trust bank accounts are as follows:

Trust Bank account	Tollgate Primary Accounts	Cleves Primary Accounts
Accounting Officer	Head Teacher	Head Teacher
Head Teacher - Cleves Primary	Deputy Head Teachers	Deputy Head Teachers
Deputy Head Teachers - Tollgate Primary	Assistant Head Teachers	Assistant Head Teachers
Assistant Head Teachers - Tollgate Primary		

In each bank account, two signatures are required for cheque or BACS payments.

At school level, the Head Teacher normally approves all payments and always signs cheques unless away from school for an unreasonable time (e.g. illness). If this happens, the Head Teacher will counter sign the payments made on their return.

At Trust Level, the accounting Officer will generally sign all cheques

If the goods/service has been ordered by any of the signatories, they will not sign the cheque or approve the BACS payment.

The FARM must approve direct debits or standing orders before they are set up.

### **Petty Cash**

Petty cash is not used in the schools within the Trust and all incidental expenses are paid by BACS or cheque from the related bank account and follow the normal procurement rules as documented in the Boleyn Trust Procurement Policy and Procedures.

### **Ordering of Goods and Services**

The table below shows the staff able to order goods and services on behalf of the entities within the Trust. Overspending on budgets is not allowed.

<b>Trust Board</b>	<b>Tollgate Primary</b>	<b>Cleves Primary</b>
Accounting Officer	Head Teacher	Head Teacher
Chief Finance Officer	Deputy Head Teachers	Deputy Head Teachers
Chair of Trust Board	Assistant Head Teachers	Assistant Head Teachers
Chair of FARM	School Business Manager	School Business Manager
	Individual Subject Leaders	Individual Subject Leaders

Subject Leads can order goods and services only for their own departmental budget / cost centres. The Head Teachers can order goods and services from any budget / cost centre.

### **Receipt of Goods and Services**

All goods delivered to the schools are checked on receipt. The Admin Staff generally receive the goods and signs the delivery note as not checked on delivery.

It is the responsibility of those who ordered the goods to confirm this check and report any discrepancies to the Finance Office immediately.

In terms of Services of Supply and Temporary staff, a timesheet is signed by the person in charge of cover to confirm the hours.

### **Invoices**

Where invoices match the purchase order and a signed delivery note is available, these are approved for payment by the School Business Managers or Chief Finance Officer. All invoices that do not match fully with the purchase order /delivery notes are to be approved by the School Business Manager.

No one person can order goods / services and sign the cheque or approve the BACS payment for the payment of that order.

The payment of the invoices must comply with any cheque signatory limits if set by the Trust Board.

### **Use of Purchasing Cards**

The individual schools use a Corporate Credit Card linked to the bank accounts of each school. The use of these cards are governed by the Purchasing Card Policy and Procedures and all transactions are subject to the normal procurement controls and approval requirements.

### **Lease Agreements**

The decision to enter into a leasing agreement must be accompanied by a viable business plan and agreed with the Accounting officer and Chief Finance Officer.

The FARM on behalf of the Trust Board must approve any Operating lease.

The Trust will not enter into any finance leases in accordance with the rules set by the EFA in the financial handbook for academies.

### **Budget Virements and Adjustments**

The Head Teacher of each school must approve any local budget changes up to £20,000. All budget changes are to be reported to the FARM Committee at least termly within regular finance reports.

The chair of the FARM committee or the chair of the Trust Board must approve any budget changes that alter the overall financial targets before any commitments are recorded against this change.



### **System Processing**

Generally, it is the aim of the Trust to ensure that staff who process financial transactions are not involved in the approval process.

### **Bad Debts, write Offs and entering into Liabilities**

- The Trust must obtain prior approval from the EFA for the following:
- Entering into Guarantees, letters of comfort or indemnities
  - Writing of Debts and losses subject to the following conditions:
  - All Bad debts are reported to the Trust Board via the FARM Committee as soon as the debt is deemed to be a risk.
  - The Chief Finance Officer is responsible for pursuing outstanding debts
  - Approval of debt write-off must be agreed with the Trust Board and must not exceed the following limits:
  - No more than 1.00% of total annual income or £45,000 (whichever is smaller) - to avoid doubt annual income DOES NOT include pupil related funding from the EFA or Local Authority.
  - Total Debt write-off in any budget period must not exceed 2.50% of total income in that period - to avoid doubt annual income DOES NOT include pupil related funding from the EFA or Local Authority

Total debt write-off in any income category in any budget period must not exceed 5.00% for that category of income.

### **Disposal of Assets**

The Trust has a policy for the disposal of assets (See Asset & Inventory Policy & Control Procedures)

### **Approval of Staff Expenses**

All staff expenses must be incurred only for the educational needs of the schools and must be approved by the local Head Teacher or authorised delegate

The Accounting Officer must approve expenses incurred by the Chief Finance Officer

The FARM committee or its chair must approve expenses for the Accounting Officer and the School Head teachers.

**Appendix 4 – Register of Business Interests**

The following register lists the persons who have been asked to complete a declaration of related business interests. The register is reviewed annually and Members, Trustees, local Governors and Staff involved in financial transactions are asked to sign an up to date declaration (the template is provided on the following pages).

The register is maintained by the HR manager of the Boleyn Trust

<b>Name</b>	<b>Position</b>	<b>Declaration Requested (Date)</b>	<b>Declaration Submitted (Date)</b>	<b>Declared Interests</b>	<b>Actions Taken</b>

Declaration Forms for signature are on the following 3 pages.

## Register of interests for

### **Academies Members, Trustees, Governors, senior school staff and staff involved in procurement**

To be completed annually (or sooner if circumstances change) by all governors, senior school staff and staff involved in procurement

**For each business interest you must declare the name and nature of the business, the nature of the interest and the date the interest began**

#### **Personal Details**

Your name:

Your Academy Trust/ School/Governing body:

#### **Employment, office, trade, profession or vocation**

Please complete this section if you are in paid employment, or you are self employed.

Are you self employed Yes/No\*

My employer is:

Their/ my business is:

My job is:

If you are employed as the head teacher, deputy head teacher or assistant head teacher at the school, and have other interests for which you personally receive remuneration please detail these interests below:

**Contracts**

Is there a contract, either existing or proposed, between you or your relatives (defined on the final page) or spouse (or someone living with you as if he or she were your spouse), an organisation/ society/club of which you are a member, or your employer, and the school where you are a governor or an employee? Yes/No\*

Are you a partner or director in a company or a body corporate or do you hold substantial (see footnote) securities?

Yes/No\*

**Interest in securities**

Do you hold any substantial <sup>1</sup> securities in any company or body corporate? Yes/No

If you have answered “yes” to any question you must declare the name and nature of the business, the nature of the interest and the date the interest began.

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(Please continue overleaf if necessary)

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<sup>1</sup>You have a substantial interest if you own shares or other securities in the company with a nominal value of more than £25,000 or more than 1/100th of the issued shares or securities. The notional value is normally the face value on the share certificate and is not the market value. If in doubt contact your broker. If there are several classes of shares or securities, the fraction of 1/100th applies to any of those classes. These limits also apply to deposits with industrial and provident societies, and co-operative societies.

**Membership of governing bodies or academy trusts**

Please record the details of governorships or trusteeships you hold on other schools. For each membership please record the name of the school, the office held and the date your membership began. If you do not hold any other governorships or trusteeships please write "not applicable" below.

(Please continue overleaf if necessary)

**Relationships between governors and members of the school staff including spouses, partners and relatives and relationships between school staff, including consultants.**

- Please declare below any relationship with a member of the school staff including spouses, partners and relatives. This includes spouse, partner, parent, parents-in-law, son, daughter, step-son, stepdaughter, child of a partner, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece.

**5. Declaration**

I declare that to the best of my knowledge the foregoing is accurate, and I am aware that the above information is open to inspection. If my circumstances change, I will immediately inform the governing body and make an appropriate declaration.

**Signature** ..... **Date** .....

**Once you have completed this form please return it to the school where you are a governor or an employee.**

**Please remember you need to declare an interest if your relative or spouse (or someone living with you as if he or she were your spouse) would be considered to have an interest in any item discussed at a meeting.** The definition of a relative includes spouse, partner, parent, parents-in-law, son, daughter, step-son, stepdaughter, child of a partner, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece.

**Appendix 5 – Financial Systems Access (Finance Modules Only)**

Access rights are divided into categories that follow the tasks performed on the system.

The level of access to the system granted to staff is based on the tasks each of them needs to perform.

The school aims to segregate system duties so as to prevent a single person performing entries and authorising and initiating payments. However, there are some occasions where this is not possible.

The Table below shows the access rights of all members of staff that use the Sims FMS Financial Systems only

The Chief Finance officer and the Atomwide Systems Manager control access to FMS.

<b>Level of Access</b>	<b>Position</b>
Administrator Access	Chief Finance Officer
Manager Level	Chief Finance Officer SBM - School Level
Transactional Access	SBM - School Level Finance Officer - School Level