



Kaleidoscope

Learning Trust

Embracing diverse approaches to educational excellence

Manual of Financial Procedures

To be read in conjunction with 'Memorandum of Understanding – Scheme of Delegation' for individual partner academies.

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1. Introduction

The purpose of this manual is to ensure that the Trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).

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

2. Organisation

The Trust has defined the responsibilities of each person involved in the administration of Trust / Academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for directors and staff. The financial reporting structure is illustrated below:

The Board of Trustees

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

- ensuring that grant from the DfE is used only for the purposes intended;
- approval of the annual budget;
- approval of tenders that are non-budgeted or greater than budgeted expenditure
- appointment of the Chief Executive Officer (Accounting Officer) and
- appointment of the Chief Financial Officer [CFO] and other SLT members, in conjunction with the CEO

The Board Finance, Audit and Risk Sub-Committee

The Board Sub-Committee is a committee of the Board of Trustees. The Board Sub-Committee meets at least once a term but more frequent

meetings can be arranged if necessary.

The main responsibilities of the Board Sub-Committee are detailed in written terms of reference which have been authorised by the Board of Trustees. The main responsibilities include:

- the initial review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- authorising the award of contracts for budgeted amounts over £20,000
- authorising changes to the academy staffing structure and
- reviewing the reports of the Responsible Officer/Internal Scrutiny reports on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Board of Trustees.

The Chief Executive Officer (CEO)

Within the framework of the Trust's development plan as approved by the Board of Trustees, the CEO has overall executive responsibility for the Trust's activities, including financial activities. Much of the financial responsibility has been delegated to the CFO but the CEO still retains responsibility for:

- approving new staff appointments within the authorised structure, except for any senior staff posts which the Board of Trustees have agreed should be approved by them;
- authorising purchase order expenditure up to £20,000
- obtaining approval from the Board for any expenditure over £20,000.
- signing cheques/approving BACS payments in conjunction with another authorised signatory

Chief Finance Officer [CFO]

The CFO works in close collaboration with the Head of School of the Trust's Academies to provide strategic vision and operational leadership in the operation, maintenance and development of systems, processes and procedures relating to financial management. The main responsibilities of the CFO are:

- the establishment and operation of a suitable accounting system;
- the management of the Trust's financial position at a strategic and

operational level within the framework for financial control determined by the Board of Trustees;

- implementation and operation of rigorous and robust audits and control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- the preparation of monthly and annual management accounts;
- the day-to-day management of financial issues;
- ensure finance and payroll systems are effectively managed;
- writing bids for funding and development;
- the maintenance of effective internal controls;
- authorising orders and invoices below £2,000 in conjunction with budget holders;
- to manage the tendering of all service contracts
- the monitoring of all insurance policies.

Internal Audit

The Internal Audit is appointed by the Board of Trustees and provides trustees with an independent oversight of the Trust's financial affairs. The main duties of the Internal Auditor are to provide the Board of Trustees with independent assurance that:

- the financial responsibilities of the Board of Trustees are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained and
- financial considerations are fully taken into account in reaching decisions.

The Internal Auditor will undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Board of Trustees. A report of the findings from each visit will be presented to the Board Sub-Committee.

Other Staff

Other members of staff will have some financial responsibilities. All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial

procedures.

Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all Trustees & Local Governing Body [LGB] governors and staff are required to declare any interests they have in companies or individuals from which the Trust may purchase goods or services. The register is open to public inspection via the school website.

The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the Trust. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a trustee, governor or a member of staff by that person.

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

3. Accounting system

All the financial transactions of the Trust must be recorded into Access Education Finance (AEF), the computerised financial information accounting system. This system is operated by the administrative/finance staff.

System Access

Entry into AEF is password restricted and users should ensure that passwords are changed regularly.

Access to the component parts of AEF are restricted to the CFO who is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

The CFO is responsible for ensuring that there are effective back up procedures for the system. Backups of the Curriculum and Administration servers are completed remotely each night, using the Altaro VW Backup software. The Access Education Finance system is an online, hosted system, so no data is stored on the school site. AEF have their own back-ups to ensure data is not lost.

A hard copy of the nominal ledger should be printed each month and should be stored separately from the accounting system.

The CFO should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by directors of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks.

Transaction Processing

Detailed information on the operation of the Financial Information System can be found in the user manuals held in the Finance Department.

Transaction Reports

The CFO will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include management accounts summarising expenditure and income against budget at budget holder level.

Reconciliations

The CFO is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- sales ledger control account;
- purchase ledger control account;
- payroll control account;
- all suspense accounts and
- bank balance per the nominal ledger to the bank statement.

Any unusual or long outstanding reconciling items must be brought to the attention of the CEO. The CFO will review and sign all reconciliations as evidence of review.

4. **Financial Planning**

Overview

The Trust each year prepares a short/medium term strategic plan, deployed at Local Governing Body [LGB] level via supporting development plans. An integral part of the strategic plan is the short/medium term financial plan. Together, they describe how the Trust's educational and other objectives are going to be achieved within the expected level of resources for the following year [short term] and the ensuing two years [medium term].

For the short term, these planning documents provide the framework for the annual budget. The budget is a detailed statement of the expected financial resources available to the Trust and the planned use of those resources across the Trust for the following year.

Each LGB will be allocated an annual budget to support its short-term development plan. Dependent on the degree of autonomy prescribed within each LGB's Memorandum of Understanding [MoU], the management of the budget will be fully or partially delegated or retained at Trust level.

The planning and budgetary processes at Trust and LGB levels are described in more detail below.

Planning Process

The strategic plan is concerned with the future aims and objectives of the Trust and how they are to be achieved; that includes matching the Trust's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed development plans at Trust and LGB level may be integrated.

The form and content of the strategic plan and supporting development plans are matters for the Trust to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the DfE.

Each year at the May meeting of the Board Finance, Audit and Risk Committee the CEO will propose a planning cycle and timetable for both the strategic plan and supporting development plans which allow for:

- a review of past activities, aims and objectives – “did we get it right?”
- a definition or redefinition of aims and objectives – “are the aims still relevant?”
- the development and integration of the plans and associated budgets – “how do we go forward?”
- the implementation, monitoring and review of the plans – “who needs to do what, by when to make the plans work and keep them on course” and
- how to feedback into the next planning cycle – “what worked successfully and how can we improve?”

The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the CEO for staff members and the Board Chair for trustees.

The completed strategic plan and supporting development plans will include detailed objectives for the coming academic year and outline objectives for the following two years. The plans should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

For each objective, the lead responsibility for ensuring progress is made towards the objective will be assigned to a Trust/academy/school manager. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the senior leadership team on a termly basis. The senior leadership team will report to the Board of Trustees if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

The CFO is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the CEO, the Board Sub-Committee and the Board of Trustees.

The approved budget must be submitted to the DFE by 31 July each year and the CFO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

The annual budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the strategic plan, development plans, objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of DFE grant receivable;
- review of other income sources available to the Trust to assess likely level of receipts;
- review of past performance against budgets to promote an understanding of the Trust cost base;
- identification of potential efficiency savings and
- review of the main expenditure headings in light of the strategic plan, development plans, objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

Balancing the Budget

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

Finalising the Budget

Once the different options and scenarios have been considered, a draft budget should be prepared by the CFO for approval by the CEO, the Board Sub-Committee and the Board of Trustees. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

The budget should be seen as a working document which may need revising throughout the year as circumstances change.

Monitoring and Review

Monthly reports will be prepared by the CFO. The reports will detail actual income and expenditure against budget both for budget holders and at a

summary level for the Chair of the Board Sub-Committee and the Chair of the Board of Trustees.

Any potential overspend against the budget must in the first instance be discussed with the CFO. The accounting system will not allow payments to be made against an overspent budget without the approval of the CEO.

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency. All budget virements over £20,000 must be authorised by the Board Sub-Committee, and under £20,000 by the CEO.

5. **Payroll**

The main elements of the payroll system are:

- staff appointments;
- payroll administration and
- payments.

Staff Appointments

The Board of Trustees has approved a staffing structure for the Trust and partner academies that it operates. Changes can only be made to this structure with the express approval in the first instance of the Board Sub-Committee who must ensure that adequate budgetary provision exists for any structural changes.

The CEO has authority to appoint staff within the authorised structure except for Headteacher/CFO/other members of SLT whose appointments must follow consultation with and involvement of the Trustees. The CFO maintains personnel files for all members of staff which include contracts of employment. The CFO must be notified of all HR changes immediately.

Payroll Administration

The Trust payroll is administered through the Trust's payroll provider, currently SGW Payroll.

All staff are paid monthly through the payroll provider. A master file is held in SGW Online Dashboard for each employee which records:

- salary;
- bank account details;
- taxation status;
- personal details and
- any deductions or allowances payable.

New master files can only be created by the CFO with the approval of the CEO. Any master file amendments made by the CFO must be authorised by the CEO.

The CFO records all staff absences and any new appointments or terminations. The staff return must be authorised by the CEO. Authorised staff returns should be sent to CFO who then files the documents for payroll processing.

Any deductions or allowances must be evidenced by the relevant paperwork and authorised by a member of SLT. In the case of allowances for the CEO, this must be signed by the Chair of the Board of Trustees.

The payroll provider has distributed a timetable for payroll processing specifying key dates for the year, to which the CFO must adhere.

Payments

Before payments are dispatched a data file should be obtained from the payroll provider and this should be checked against source documentation by the CFO. Any errors or omissions must be notified immediately to the payroll provider.

All salary payments are made by BACS.

The CFO should prepare a reconciliation between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc.

The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay print and BACS payments are processed by the payroll provider.

The CFO should select one employee at random each month and check

the calculation of gross to net pay to ensure that the payroll system is operating correctly.

After the payroll has been agreed, deductions from the payroll control account and a journal to individual cost centres will be processed in Access Education Finance (AEF). The Finance Department should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

On an annual basis the CFO must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file.

6. **Purchasing**

The Trust wants to achieve the best value for money from all its purchases. This means obtaining the correct quality, quantity and time at the best price possible. A large proportion of its purchases will be paid for with public funds. There is therefore a need to maintain the integrity of these funds by following the general principles of:

- **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust;
- **Accountability**, the Trust is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness**, that all those dealt with by the Trust are dealt with on a fair and equitable basis.

Routine Purchasing

Budget holders will be informed of the budget available to them at the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget can be viewed by the budget holder at all times by logging into the finance software, and running the cost centre holder report.

Routine purchases up to £1,000 can be ordered by budget holders. If

possible a supplier should be chosen from the list of approved suppliers maintained by the office, and listed within the finance system. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the CFO.

All orders from budget holders must be made, or confirmed, using the online requisitioning and ordering system. Orders will automatically be forwarded to the CFO / CEO for approval, then ordered by either the CFO or the Finance Officer once approved.

Certain routine purchases do NOT require a Purchase Order to be raised. These are: taxis, utilities, phone bills, emergency repairs and credit card purchases. Should the amount be greater than £500 a purchase order is required.

Approved orders will be recorded in the purchase order module of the financial information system which allocates a reference number. Orders will be dispatched to the supplier from the office.

The budget holder must make appropriate arrangements for the delivery of goods to the Trust. On receipt the budget holder must undertake a detailed check of the goods received against the delivery/despatch note and make a record of any discrepancies. Discrepancies should be notified to the CFO without delay.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the CFO should be notified. The CFO will keep a record of all goods returned to suppliers.

All invoices should be sent to the Finance Officer in the first instance who will match them to the Purchase Order and attach the delivery/despatch note. The Finance Officer will enter the invoice on to the AEF system - if the total amount (excluding VAT) is less than £5,000, the CFO will authorise payment. If over £5,000, the invoice will be approved by the CEO [see Appendix 1]. The invoice will be checked for the following before approval:

- The invoice is arithmetically correct;
- The goods/ services have been received as ordered;
- The prices are correct;
- VAT has been treated correctly and

- The invoice has been correctly coded

Once approved, the following process takes place:

- BACS payment file created;
- payment authorised;
- payment made.

A BACS run will be completed approximately once a week. The Proposed Payments List will be printed and signed off by the CEO and CFO, and BACS payments will be processed using Lloyds Corporate Online Banking. They will be uploaded by the Finance Officer, and approved by 2 authorised signatories. Cheque payments and BACS payments must be authorised by two of the nominated cheque signatories [see Appendix 1].

Budgeted Higher Value Purchases [for authority levels see Appendix 1]

Orders up to £5000

No competitive process is required for purchases below £5000, although the Budget Holder should endeavour to achieve Value for Money, even for purchases of a relatively low value.

Orders over £5,000 but less than £20,000

At least three written quotations should be obtained for all orders between £5,000 and £20,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced before a purchase decision is made.

All quotations will be compared and the decision to accept one over another fully documented. Where quotations other than the lowest in financial terms are accepted the reasons will be reported to Board Sub-Committee.

In the case of emergency, the Chair of the Board of Trustees and/or Chair of the Board Sub-Committee may make an on-the-spot decision which should be ratified and minuted at a later date by the appropriate committee.

Orders over £20,000 but less than £40,000

Three written quotations should be submitted in writing by a specified date and time and based on a written specification and evaluation criteria. See the Procurement and Tendering Policy for details.

Orders over £40,000

These purchases should be put out to formal tender. See the Procurement and Tendering Policy for further details.

Use of Credit/Debit Cards

The Board of Trustees should authorise the use of any such cards, taking into account the potential risks.

Credit card accounts must be cleared in full at the end of each month to avoid infringing schools' borrowing restrictions.

Clear, written control systems must be approved by the Trustees and those using the cards must be aware of the systems.

The Trustees have approved the use of charge/credit cards by the following (monthly spending limits in brackets):

- CEO (£500)
- CFO (£1500)
- Head of Care (£1500)
- Site Manager (£1000)
- Finance Officer (£1500)

As outlined above, purchase orders are not required for credit card purchases, unless the total purchase cost is greater than £500.

The CFO is appointed to control the use of the cards and will reconcile the accounts each month and ensure that they are only being used in conjunction with the core purpose of the school.

The Trustees have approved the use of a debit card for the sole use of the Finance Officer (FO), which is for withdrawing petty cash and paying in deposits at the local Post Office for time-saving efficiencies.

Contracts Register

The CFO is responsible for maintaining the Trust contracts register.

The CFO has a responsibility to update the contracts register on the renewal of existing contracts/subscriptions and as new contracts are entered into.

The contracts register will be checked monthly as part of the Monthly Management Accounts process.

7. **Income**

The main sources of income for the Trust are the grants from the ESFA and from the placing authorities. The receipt of these sums is monitored directly by the CFO who is responsible for ensuring that all grants due to the Trust are collected.

The Trust also obtains income from:

- the public, mainly for sports lettings;
- Students and parents, mainly for uniform, meals and trips;
- Staff, mainly for meals.

Sports Lettings

The Trust currently uses the services of Vivify Ltd to generate the most income from letting its facilities. Should the Trust return to self-hiring the following will apply:

The CFO is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation.

Details of organisations using the sports facilities will be held by the CFO who will establish a sales ledger account and produce a sales invoice from the AEF system.

No debts should be written off without the express approval of the Board of Trustees (the DfE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter). See the Debt Recovery Policy for more details.

Organisations using the sports facilities should be instructed to make payments via BACS or send cheques to the CFO.

Custody

Official, pre-numbered academy receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash

and cheques must be kept in the safe prior to banking. Banking should take place every month or more frequently if the sums collected exceed the £2,000 insurance limit on the safe.

Monies collected must be banked in their entirety in the appropriate bank account. The FO is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared at least monthly.

8. **Cash Management**

Bank Accounts

The opening of all accounts must be authorised by the Board of Trustees who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

Deposits

Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

- the amount of the deposit and
- a reference, such as the number of the receipt or the name of the debtor.

Payments and withdrawals

All cheques and other instruments authorising withdrawal from Trust bank accounts must bear the signatures of two of the following authorised signatories:

- CEO;
- Headteacher
- Chief Finance Officer

This provision applies to all accounts, public or private, operated by or on behalf of the Board of Trustees of the Trust. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

Administration

The CFO must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the Trust's cash book;
- adjustments arising are dealt with promptly.

Petty Cash Accounts

The Trust maintains a maximum cash balance of £500. The cash is administered by the Finance Officer and is kept in the safe.

Deposits

The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

Payments and Withdrawals

In the interests of security, petty cash payments will be limited to £20. Higher value payments should be made by BACS transfer directly from the main bank account as an invoice payment.

Administration

The CFO is responsible for approving all transactions into the petty cash records on a regular basis and regular cash counts should be undertaken to ensure that the cash balance reconciles to supporting documentation.

Physical Security

Petty cash should be held in a cash box in a locked safe.

Cash Flow Forecasts

The CFO is responsible for preparing cash flow forecasts to ensure that the Trust has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer funds from another bank account or to re-profile Income and Expenditure to cover potential cash shortages.

Investments

Investments must be made only in accordance with written procedures

approved by the Board of Trustees (Treasury Policy).

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

9. **Fixed assets**

Asset register

All items purchased with a value over the Trust's capitalisation limit of £1,000 must be entered in an asset register. The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

The Asset Register helps:

ensure that staff take responsibility for the safe custody of assets;

- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- to manage the effective utilisation of assets and to plan for their replacement;
- help the external auditors to draw conclusions on the annual accounts and the academy's financial system and
- to support insurance claims in the event of fire, theft, vandalism or other disasters.

Security of assets

Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

All the items in the register should be permanently and visibly marked as the Trust's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Board of Trustees. Inventories of Trust property should be kept up to date and reviewed regularly. Where items are used by the Trust but do not belong to it this should be noted. See the Inventory Policy for more details.

Disposals

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

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 with the disposal of computer equipment, as the Trust would need to ensure licences for software programmes have been legally transferred to a new owner.

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

All disposals of land must be agreed in advance with the Secretary of State.

Loan of Assets

Items of Trust property must not be removed from Trust premises without the authority of the CEO. A record of the loan must be recorded in a loan book and booked back into the Trust when it is returned.

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Trust's auditors.

Appendix 1 – Scheme of Delegation from April 2024

BANK ACCOUNT	
Cheque signatories and BACS Authorisers <i>Any two to sign for/approve any amount.</i>	Michelle Duval – CEO Rebecca Whyles – CFO Hannah Madeley – Chair of LGB Rob Newton – Headteacher (Cloughwood) Samantha Howarth – Deputy Head (Cloughwood)
Authorised to collect cash from bank	Nichola Couch – Finance Officer
Other party to the bank account	Nichola Couch – Finance Officer
CREDIT CARDS	
Credit Cardholders (monthly limit)	Carly Clarke (£1500) Michelle Duval (£500) Nikki Sharp (£1000) Rebecca Whyles (£1500) Nichola Couch (£1500)
LLOYDS COMMERCIAL BANKING ONLINE	
Commercial Banking Online card reader users	Samantha Howarth Michelle Duval (supervisor) Rebecca Whyles Rob Newton Nichola Couch
BACS Processers	Michelle Duval Rebecca Whyles Nichola Couch
Access Education Finance System	
Access Education Finance Users *Admin staff can ‘Enter and Approve’ orders on Access provided they have been authorised (i.e. signed) prior to keying.	Michelle Duval (superuser) Rebecca Whyles Nichola Couch
Access Education Finance Invoice Approvers	Michelle Duval – up to £20,000 Rebecca Whyles – Up to £2,000
PURCHASE ORDERS	
Approvers for orders	Michelle Duval – up to £20,000 Rebecca Whyles – up to £2,000 Samantha Howarth – up to £1,000

	Rob Newton – up to £1,000
APPROVAL OF TENDERS	
<u>Budgeted expenditure</u>	
<ul style="list-style-type: none"> • £20,000 – £50,000 • Over £50,000 	<p>CEO or CFOO plus a Trustee then ratified by Board Sub-Committee.</p> <p>Board Sub-Committee, then ratified by Board of Trustees.</p>
<u>Non-budgeted or greater-than-budgeted expenditure</u>	Board Chair's action in emergency, then ratified by Board of Trustees
BUDGET VIREMENTS	
Below £20,000	Michelle Duval – CEO
£20,000 and above	Board Sub-Committee