



Financial Regulations

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Introduction

The purpose of this manual is to ensure that the Trust maintains and develops systems of financial control which conform to the requirements of propriety, efficiency and regularity. It is essential that these systems operate properly to meet the requirements of the Funding Agreement with the Education and Skills Funding Agency (ESFA).

The Trust must comply with the principles of financial control outlined in the Academies Financial Handbook published by the ESFA. This manual expands on that and provides detailed information on the academy's accounting procedures and systems and should be read by all staff involved with financial systems in conjunction with the Scheme of Delegation of Financial Powers.

1. 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 academy governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the academy may purchase goods or services. The register is open to public inspection.

The register should include all business interests such as directorships, shareholdings or other appointments of influence within any business or organisation which may have dealings with the academy. 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 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 governing body or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

2. Accounting system

All the financial transactions of the academy must be recorded on PS Financials. The Finance system consists of a package of software including:

- PS Financials
 - Accounts software
 - Document Manager
 - PS Purchasing
 - PS Budgeting
 - Office Integration

2.1. System Access

Entry to PS Financials is password restricted. Access to the component parts of the system can also be restricted and the Chief Financial Officer is responsible for setting access levels for all members of staff using the system.

2.2. Back-up Procedures

In October 2022, the PS Financial System was migrated to the Cloud, this ensures that information is constantly backed up on the host cloud servers.

2.3. Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the bank account, payroll, the purchase ledger, and the sales ledger are included in the following sections of the manual.

2.4. Transaction Reports

The Chief Financial Officer 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:

- the monthly audit trail reports;
- payroll, purchase ledger and sales ledger reports
- management accounts summarising expenditure and income against budget

2.5. Reconciliations

The Chief Financial Officer 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;
- bank balance per the nominal ledger to the bank statement.
- Balance Sheet reconciled.
- VAT reconciliation and all other reports required by the Trust.
- All other debit and credit accounts.

The Chief Financial Officer will review and approve all reconciliations as evidence of this review.

3. Financial planning

The MET prepares both medium term and short-term financial plans. The medium-term financial plan is prepared as part of the development planning process. The development plan indicates how the academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years. The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the academy and the planned use of those resources for the following year. The development planning process and the budgetary process are described in more detail below.

3.1. Development Plan

The development plan is concerned with the future aims and objectives of the academy and how they are to be achieved; that includes matching the academy's objectives and targets to the resources expected to be available. Plans will be kept flexible and simple – they are the “big picture” within which more detailed plans may be integrated.

Each year the Chief Executive Officer (CEO) will propose a planning cycle and timetable to the Board which allows for:

- a review of past activities, aims and objectives - “did we get it right?”
- definition or redefinition of aims and objectives – “are the aims still relevant?”
- development of the plan and associated budgets – “how do we go forward?”
- implementation, monitoring and review of the plan – “who needs to do what by when to make the plan work and keep it on course” and
- 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. The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan 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 an academy manager. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the senior management team on a quarterly basis. The senior management team will report to the governing body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

3.2. Annual Budget

The Chief Financial Officer is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the MET Audit, Finance and Risk Committee before being submitted to the MET Board.

The approved budget must be submitted to the ESFA in time with the published submission date and the Chief Financial Officer 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 academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan 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 ESFA grant receivable;
- review of other income sources available to the academy to assess likely level of receipts;
- review of past performance against budgets to promote an understanding of the academy cost base;
- identification of potential efficiency savings, and
- review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g., pay increases, inflation and other anticipated changes.

Budget format

Budgets are created centrally by the Central Finance Team with support from school operations and school leadership and approved in accordance with the Trust Scheme of Delegation.

3.3. Budget preparation timeline

Each year, the Chief Finance Officer will prepare a budget setting strategy that will detail the timeline for setting the budget. This will be shared with relevant stakeholders, including school leaders.

3.4. Balancing the Budget

Each School should endeavor to propose a balanced budget based upon expected funding levels for the following year. This should include all forecasted grant and commercial revenue, and the costs associated to deliver planned activities. Daily operating expenses should never be budgeted to come from Reserves or Contingency and must be allocated to the annual funding received. 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 at a Trust level. The Trust board may approve budgets containing individual school deficits, so long as the overall Trust budget is in surplus.

3.5. Finalising the Budget

A draft budget should be prepared for approval in line with the Trust Scheme of Delegation. The budget should be communicated to all staff with responsibility for departmental budgets so that everyone is aware of the overall budgetary constraints. The Chief Financial Officer will consolidate all budgets into one organisational Trust budget for submission to the Board.

The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

3.6. Monitoring and Review

Monthly reports will be prepared by the Chief Financial Officer. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Headteacher and the Audit, Finance and Risk Committee. The Chair of Trustees will review the Management Accounts monthly. Any potential overspend against the budget must in the first instance be discussed with the Headteacher.

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, in line with the delegated financial powers.

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. Budget holders can check their budget balance through their PSF logons.

4. Reserves Policy

Not used

5. Treasury & Investment Policy

Not used

6. Payroll

The main elements of the payroll system are:

- staff appointments;
- payroll administration and
- payments

6.1. Staff Appointments

Staff appointments may only be made in accordance with authority delegated in the Trust Scheme of Delegation and guidance provided by the Trust Executive Team. Any appointment outside the scope of Trust Scheme of Delegation, must be approved by the Trust Executive Team or Trust Board, where appropriate.

The HR Department must maintain personnel files for all members of staff which include contracts of employment. All personnel changes must be notified to the HR Department. Payments may not be made until after the correct submission of information by individuals.

6.2. Payroll Administration

The academy payroll is processed by the designated Trust payroll provider. Master personnel records are held on the designated Trust HR/MIS system, access to which is password controlled. Password control procedures and backup arrangements are described in section two of this policy. The master record on the packages contains: -

- pay scale.
- duty information & hours
- bank account details;
- taxation status;
- personal details and
- any deductions or allowances payable

Changes to contracts, including details of any new appointments, terminations, contract changes or additional payments are prepared by the HR Department and must be authorised by the Head Teacher, CEO, COO or CFO before being submitted to the payroll provider.

New staff can only be added to the payroll with the express authorisation of the Director of HR in conjunction with the CEO, COO or CFO. New staff must complete all relevant payroll documents issued by the school office or HR department. Failure to do this may result in nonpayment of salary. In these circumstances, the salary payment may not be made until the next payroll run in the following month.

The HR Department must complete the monthly staff return which provides details for any sickness and other absences to the payroll provider so any necessary adjustments can be made to pay.

Overtime claims must be submitted to the HR Department for checking and coding within the timeframes decided upon by the Trust in order to process for payroll. All overtime claims must be approved by the Head Teacher before processing for payment.

6.3. Payments

After the payroll has been processed but before payments are dispatched a print of salary payments by individual and showing the amount payable in total must be provided so it can be reviewed by the HR Department. This should be reviewed against the previous month's gross salary payments to check adjustments have been made for new appointments, resignations, pay increases and to ensure that no payments have been added for non-school staff. The data must be reviewed and authorised together with authority to release payment by the HR Department and the Head Teacher, CEO, COO or CFO. This process is managed directly online through the HR system.

Once approved, the external payroll provider, will process all payments via BACS and provide pay slips for staff electronically. Deductions will be made for tax, national insurance, pensions

and any childcare vouchers or bike scheme payments due.

After the payroll has been processed the salary information will be added to the Accounts System by the central Finance team and a monthly check run on the budget vs actual. Discrepancies identified will be investigated. On an annual basis the HR Department 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 on the designated Trust MIS /HR system.

7. Purchasing

The Trust wants to achieve the best value for money from all our purchases. This means we want to get what we need in the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds and they 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 academy;
- **Accountability**, the academy is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness**, that all those dealt with by the academy are dealt with on a fair and equitable basis.

“No PO No Pay”

Mowbray Education Trust Operates a No PO No Pay approach details of which can be found the No PO No Pay Policy.

7.1 Payments Process

In the first instance a supplier should be chosen from the list of approved suppliers maintained within PSF. A quote or price should be obtained before any order is placed, in the case of maintenance calls an estimate should be used. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list, i.e. a better price is found on the internet, this request must be completed on a new supplier form and submitted to the central Operations team who will review the request and if approved, will ensure it is made available to raise PO's and invoices on from the Purchasing and Accounts System.

The person responsible for purchasing within the school must make appropriate arrangements for the delivery of goods to the academy. On receipt a thorough check of the goods received must be made against the goods received note (GRN) and this should be recorded in PS Financials on the day the item is received (or services performed). Any discrepancies between the goods delivered and the GRN should be raised immediately with the supplier by the person conducting the check. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, this should be updated in PS Financials. The Central Operations Team will keep a central record of all goods returned to suppliers.

All invoices should be sent to the Central Finance team. They will then enter the invoice onto the

system.

Payments will be made by the chosen payment method (BACS is the default); at least 1 BACS payment run will be made every month.

Bacs payments will then be countersigned by two members of the MET Central Team (CFO or designate) before payment is processed.

Use of the Debit Card does not negate the requirement to obtain approval for such spend. i.e., via the PO process, it is merely a method of payment.

The below thresholds relate to the expectations on staff for appropriate actions to be taken when purchasing. The Trust/school staff must still observe separate approval requirements as directed in the Trust Scheme of Delegation.

7.1.1 Orders less than £10,000 (VAT inclusive)

All staff have a requirement to ensure that they are making purchases for the best value for money, and to take best efforts to ensure they are receiving a fair price for services.

For purchases less than £10,000 staff are expected to have either:

- Use an approved Trust supplier from the approved supplier list on PSF Financials.
- researched appropriate costs before submitting a purchase order request and are required to give evidence of this this research on the PurchaseOrder.

7.1.2 Orders between £10,000 and £40,000 (VAT inclusive)

The DFE recognises procurements of between £10,000 and £40,000 as “medium value procurements”. Mowbray Education Trust also recognises the same range as medium value.

For medium value procurements the Trust shall in the first instance consider the use of “Buying for Schools” recommended framework agreements. The Trust may make awards in accordance with the individual award rules of each individual framework agreement.

Where it is impractical to use a framework agreement for purchases may be made by first obtaining at least three written quotations should be obtained for all orders 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, and written confirmation of quotes has been received before a purchase decision is made.

7.1.2 Orders between £40,001 and the UK procurement threshold

The DFE recognises procurements over £40,000 as a “High-value procurement”.

The Trust shall in the first instance consider the use of “Buying for Schools” recommended framework agreements. The Trust may make awards in accordance with the individual award rules of each individual framework agreement.

If it is not practical or possible to obtain the goods or services via a framework agreement the

Trust shall run a managed tender process in accordance with the section below “Forms of tender”.

7.1.3 Orders above current UK procurement threshold

All goods/services ordered with a value over the current UK PCR threshold, or for a series of contracts over the current UK PCR threshold must be subject to formal tendering procedures. The Trust/Schools must adhere to the requirement of the Public Procurement Regulations 2023.

7.1.4 Cumulative Contracts

The Trust will actively monitor cumulative spend with suppliers to ensure adherence to applicable procurement thresholds and regulations.

Cumulative spend refers to the total value of all contracts, purchase orders, or agreements made with a single supplier over a “defined period”. This includes both individual transactions and aggregated purchases made by different departments or teams within the Trust.

The defined period for Mowbray Education Trust to monitor cumulative spend is within a 12-month financial year (September to August).

Threshold Monitoring: The Trust will track cumulative spend to ensure that the combined value of contracts with a supplier does not exceed public procurement thresholds without a competitive tendering process.

Aggregation of Contracts: When assessing procurement thresholds, the Trust will take into account the total cumulative value of all contracts awarded to a single supplier. This includes contracts across different departments and schools, ensuring that all purchases are aggregated for compliance purposes.

Procurement Thresholds: If the cumulative spend with a supplier reaches or exceeds the current procurement thresholds a formal competitive procurement process must be initiated, regardless of the individual contract values.

7.1.5 Social Value

The Public Services (Social Value) Act 2012 is a piece of legislation in the UK that requires public authorities to consider the economic, social, and environmental benefits of the services they commission. The Trust recognises that when procuring services, we are legally required to think about how we can use the procurement process to create additional value for the community.

Mowbray Education Trust is committed to ensuring social value within its procurement. The Trust shall ensure that for all formal tender activity includes a score category for “social value” (or similar) that accounts for at least 5% of the overall score for the tender assessment. The Trust shall score social value preferable where:

- a) Communities associated with our schools/ the Trust are clear beneficiaries of social value activities.

b) Social value activities that further the aims of our Vision and Value

i. Forms of Tenders

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

- 1) **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Operations Manager how best to advertise for suppliers e.g., general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
- 2) **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - there is a need to maintain a balance between the contract value and administrative costs.
 - a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements.
 - the cost of publicity and advertising are likely to outweigh the potential benefits of open tendering.
 -
- 3) **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - the above methods have resulted in either no or unacceptable tenders.
 - only one or very few suppliers are available.
 - extreme urgency exists.
 - additional deliveries by the existing supplier are justified.

7.2.1. Preparation for Tender

Full consideration should be given to:

- the objective of the project
- overall requirements
- technical skills required.
- after sales service requirements
- form of contract

It may be useful after all requirements have been established to rank requirements (e.g., mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

7.2.2. Invitation to Tender

If a restricted tender is to be used, then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry. An invitation to tender should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project;
- terms and conditions of tender and
- form of response

7.2.3. Aspects to Consider

The UK Procurement Act 2023 states that tenders about the PCR threshold must be awarded to “the most advantageous” bid. This is a change from previous regulations which stated it must be the “economically most advantageous”.

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation?

Technical/Suitability

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers.

Other Considerations

- Presales demonstrations
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

7.2.4. Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the academy. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

7.2.5. Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:

- For contracts over the UK procurement threshold - either the CEO, CFO, COO, the Head Teacher or a member of the Audit, Finance and Risk Committee.

A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

7.2.6. Tendering Procedures

The evaluation process should involve at least two people, drawn from the following list:

- CEO
- COO
- CFO
- Deputy CFO
- Headteacher/ Executive Headteacher
- Chair of Board
- Member of Audit, Finance and Risk Committee

Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest, then that person must withdraw from the tendering process. Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Full records should be kept of all criteria used for evaluation and a report should be prepared for the Audit, Finance and Risk Committee highlighting the relevant issues and recommending a decision. Where required by the conditions attached to a specific grant from the ESFA, the department's approval must be obtained before the acceptance of a tender. The accepted tender should be the one that is most advantageous to the academy. All parties should then be informed of the decision.

8 Income

The main sources of income for the academy are the grants from the ESFA. The receipt of these sums is monitored directly by the Central Finance Team who is responsible for ensuring that all grants due to the academy are collected.

The academy also obtains income from:

- students, mainly for trips, dinner, and clubs
- the public, mainly for lettings
- Other schools and organisations for consultancy services

Mowbray Education Trust is a "cashless trust". This means it does not accept cash or services it provides to students, parents/carers or third parties. Explicit exceptions to this policy are

detailed below.

To support cashless aims schools are permitted to have point of sale (POS) systems to take card payments such as “SumUp” or “Square”. These will be approved the Trust Finance Team who must be given access to these systems.

8.1 Trips

A lead teacher must be appointed for each trip to take responsibility for the organisation of the trip. The sum to be charged for the trip must be discussed and authorised by the Headteacher using the appropriate trips permission form.

The letter and permission slips will then be prepared by the staff within the school and a record created of all the students going on the trip. Parents must make all payments using the electronic payment system.

The School Administrator should maintain an up-to-date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a weekly basis so they can chase up additional permission slips and payments or be available through the electronic payment system on demand.

8.2 Catering Income

Parents will pay dinner money using electronic payment mechanism or online via the respective schools payment system.

Where an outsourced catering provider provides a cash payment system directly to students, such as a “top up card” system, this is outside the scope of this policy as funds are dealt with directly by the provider.

Parents who struggle to pay for school meals should speak to a member of school staff to assess whether they may be entitled to free school meals and support them with their application wherever possible.

Receipts should be issued to confirm receipt of payment or account statements printed off when required. The Head Teacher must be notified immediately of any discrepancies. Monthly reconciliation should take place between receipts and invoices from providers.

8.3 Dinner Numbers Reconciliation

Monthly catering invoices are reviewed and reconciled by the school administration teams. Once approved, the invoice will be processed and paid by MET Finance.

8.4 Free School Meals

Free School meals can only be provided if there is an entitlement.

8.5 Dinner Money Arrears

Individual pupil’s arrears should not exceed 10 serving days or £20.00 (whichever is the greater)

at any one time. Parents/guardians should be notified as soon as the arrears for the individual pupil are outstanding for 5 serving days.
Any debt in excess of this shall be managed in line with the Trust's Debt Management Policy.

8.6 Music Tuition

The School Administrator in each school is responsible for collecting music tuition fees each term. Tuition should be set up on the electronic payment system and separately as a project within PS Financials.

8.7 Clubs

The School Administrator or lead teacher for the club is responsible for the activity club sign-ups. Payment should be collected at the time of booking the club and all income must be recorded on PS Financials. Where possible parents should be encouraged to make online payment using the electronic payment system to reduce cash handling in the office.

8.7.1 Lettings

The Lettings Manager is responsible for maintaining records of bookings of facilities and for identifying the sums due from each organisation. School Hire is the system used to log bookings and monthly invoices are received which are entered in the finance system gross of commission and the commission logged separately as a cost.

8.8 Online Payments

Online secure payments should be encouraged and facilitated where possible and reconciled against PS Financials weekly.

8.9 Charitable collections/Fundraising

It is recognised that fundraising activity, either for the purpose of a school or third-party charity, often rely on cash collections as a mechanism to generate funds. This is an express exception to the Trust's cashless position.

Where schools have collected cash for fundraising purposes funds received must be counted by two members of staff on the day of the fundraising activity and the amount banked within two working days.

8.10 Disadvantaged pupils

It is recognised that a strict cashless policy may disadvantage certain demographics including disadvantaged families. Mowbray Education Trust will apply discretion to the application of this position. Schools will discuss options available to them with the Finance team to ensure there is no barrier to participation within our schools.

8.10 Debts

Debts should be managed in line with the Trust Debt Management Policy

9 Cash Management

9.1 Bank Accounts

The opening of all accounts must be authorised by the Trust.

The Trust will maintain a single bank account for operations and may open as many bank accounts as required for investment purposes.

The account signatories are: -

- Chair of Trust Board
- Chair of Audit, Finance and Risk Committee
- CEO
- COO
- Chief Financial Officer

9.2 Payments and withdrawals

All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of any two of the authorised signatories. (BACs payments require the signature of someone from the Trust Central team as one of the signatories).

This provision applies to all accounts, public or private, operated by or on behalf of the governing body of the academy. Authorised signatories must not sign a cheque relating to goods or services which they have also ordered.

9.3 Administration

Bank reconciliations are carried out by the Trust central team at least monthly. This procedure ensures that all bank accounts are reconciled to the academy's cash book.

Bank Reconciliations are prepared by the central team Finance Officers and reviewed by the Chief Financial Officer monthly.

9.4 Academy Debit and Credit Cards

Purchases are made in accordance with the Trust Purchase Card Policy

9.5 Petty Cash Accounts

The Trust does not permit the use of petty cash. Payments for sundries will be made using a payment card, in line with the Trust Purchase Card Policy.

Cash Flow Forecasts

The Chief Financial Officer is responsible for preparing cash flow forecasts to ensure that the academy has sufficient funds available to pay for day-to-day operations. Surplus funds are then invested in a more attractive interest-bearing account.

Regular cash flows are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for

payment.

10 Fixed assets

10.1 Fixed Asset Register

All items purchased with a value over the academy's capitalisation limit of £2,000 must be entered in the fixed asset register. The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from ESFA grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

The Asset Register and Inventory 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
- support insurance claims in the event of fire, theft, vandalism or other disasters.

10.2 Depreciation

Depreciation on assets is on a straight line basis over its expected useful economic life to its residual value as follows: -

- | | |
|----------------------------|-----------|
| • Long leasehold buildings | 2% |
| • Computer Equipment | 33% |
| • Fixtures and Equipment | 10% - 20% |
| • Minibuses | 10% |

Where in exceptional circumstances the useful economic life of an asset is deemed to differ from the prescribed policies to such an extent that it will cause a material concern with regards to substance over form, the CFO may choose to vary the depreciation policy for a said asset after providing due notice to the Audit, Finance and Risk Committee.

10.3 Security of assets

Stores must be used where they exist. Equipment must be secured by means of physical and

other security devices. Only authorised staff may access the stores.

All the items in the fixed asset register or inventory should be permanently and visibly marked as the academy'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 governing body. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

10.4 Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Head Teacher and, where significant, should be sold following competitive tender. The academy must seek the approval of the ESFA 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 permitted in any circumstance, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment. In addition, computer equipment must only be disposed of in a WEE compliant manner, and to a third party who can evidence destruction of data.

The academy 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 academy must repay to the ESFA a proportion of the sale proceeds. All disposals of land must be agreed in advance with the Secretary of State. This should be discussed with the Chief Financial Officer.

11 Loan of Assets

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

Where staff are assigned equipment for their role this must be recorded in in the Trust Mis system against their personal record. This record must be checked when the employee leaves the employment of the organisation to ensure all equipment is returned. An annual confirmation of equipment held by the employee must be signed and returned to the Group HR Office.

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 Chief Financial Officer.

Storage of Records

The school will retain all documents in accordance with our Data Retention Policy and Guidelines. Financial records need to be kept for 7 years. At the end of each financial year all records should be boxed up for secure storage – clearly listing the date for disposal.

12 Gifts

- Not used- see Trust Gifts and Hospitality Policy

13 Internal Audit Provision

The Trust has appointed a suitably qualified third party to carry out internal audit work for all schools within the Trust, and the Trust itself.

The Trust believes in being fully accountable and transparent and has therefore instructed internal audit across a wide range of areas under the Trust's remit. These reports will be made available to the Audit, Finance and Risk Committee, who after review, will recommend them to the Trust Board.

It is envisaged that this is an ongoing process and a critical component of our continual self-improvement cycle. Internal audit should not be viewed as a final judgement, but rather a supporting tool to develop the quality of the work carried out by the Trust.

The Academies' Handbook (ESFA) states that a Trust "must have in place a process for checking its financial systems, controls, transactions and risks." The employment of an internal audit service is an example of how this can be achieved. Whilst it is up to the Audit, Finance and Risk Committee to decide what is most appropriate for the Trust's circumstances, the view of the ESFA's External Assurance Manager is, "that the employment of an internal audit service is an example of best practice in meeting this requirement."

13.1 Logistics

It is the responsibility of the Audit, Finance and Risk Committee to agree annually a three-year internal scrutiny plan to support the Trust's strategic priorities. Below are areas of coverage that the Audit, Finance and Risk Committee may consider, but is in no way exhaustive:

- Governance – Risk & Policies
- Safeguarding
- ICT Estate
- Risk Management
- Treasury Management / Investment Strategy
- Budgetary Planning
- Budgetary control, monitoring and reporting
- "Critical Friend" challenge to individual schools and local governing bodies
- Business Continuity
- Disaster Recovery
- Income
- Payroll
- Cyber Security
- Fixed Assets
- Purchasing/Expenditure

14 Other Policies

Separate policies exist and are addendums to these Regulations.

- Anti – Fraud policy

- Debt Management Policy
- Purchase Card Policy
- Whistleblowing
- Complaints
- Expenses (staff)
- Academy Due Diligence
- Terms of Reference
 - Audit, Finance & Risk Committee
 - Quality of Education Committee
 - Governance & Partnerships Committee
 - Remuneration Committee
 - Trust Board
- Scheme of Delegation
- Pay Policy

15 Log of Changes to Document

Date	Page	Change	Who:
Feb 16	Original document		
Jul 19	Throughout	Access changed to PS Financials	SC
Jul 19	Throughout	Chief Operating Officer changed to Chief Financial Officer or Operations Manager	SC
Jul 19	Throughout	Group Management Accountant changed to Chief Financial Officer	SC
Jul 19	Throughout	EFA changed to ESFA	SC
Jul 19	Throughout	Parent Pay to the electronic payment system	SC
Jul 19	Throughout	School Business Manager changed to School Administrator of Central Finance Officer	SC
Jul 19	7	'Incremental updates are backed up remotely each night and rolled up at the end of the month so a full back-up can be mirrored onto storage media and retained in line with the Trust back up policy.' Changed to 'Incremental updates are backed up each night in two separate buildings and every week there is a full backup of all data.'	SC
Jul 19	10	'The Headteacher in each academy is responsible for preparing and obtaining approval for the annual budget.' Changed to 'The Chief Financial Officer is responsible for preparing and obtaining approval for the annual budget.'	SC
Jul 19	11	'Schools are required to submit their budgets in the format prescribed by the Trust to aid consolidation of budgets across the Trust, and to facilitate reporting through the finance system.' Changed to 'Budgets are created centrally by the Central Finance Team using PS Budgeting.'	SC
Jul 19	12	Added 'The Chair of Trustees will review the Management Accounts monthly.'	SC

Jul 19	15	'The governing body approves a staffing structure for each academy. Changes can only be made to this structure with the approval of the Finance Committee who must ensure that adequate budgetary provision exists for the proposed changes.' Changed to 'The Headteacher in conjunction with the CEO and Central Team approves a staffing structure for each academy. Changes can only be made to this structure with the approval of the Central Team who must ensure that adequate budgetary provision exists for the proposed changes.'	SC
Jul 19	15	Payroll section – School Business Manager changed to HR Department	SC
Jul 19	15-16	HR Software changed from Carval to SIMS	SC
Jul 19	16	Payroll approvers extended to include CEO, CFO or Group Operations Manager, previously was just the Headteacher.	SC
Jul 19	17	Focal point changed to PS Financials	SC
Jul 19	18	Finance committee of local governing body changed to MET Audit committee	SC
Jul 19	18	'At least three written quotations should be obtained for all orders between £10,000 and £20,000 to identify the best source of the goods/services.' Changed to 'At least three written quotations should be obtained for all orders between £10,000 and £30,000 to identify the best source of the goods/services.'	SC
Jul 19	18	'All goods/services ordered with a value over £20,000, or for a series of contracts which in	SC
		total exceed £20,000 must be subject to formal tendering procedures.' Changed to 'All goods/services ordered with a value over £30,000, or for a series of contracts which in total exceed £30,000 must be subject to formal tendering procedures.'	

Jul 19	20	<p>‘Two persons should be present for the opening of tenders as follows: For contracts over £20,000 - either the CFO or the Head Teacher plus a member of the Audit Committee. ‘Changed to ‘Two persons should be present for the opening of tenders as follows: For contracts over £30,000 - either the CEO, CFO, Operations Manager, the Head Teacher, or a member of the Audit Committee.’</p>	SC
Jul 19	20	Operations Manager added to list of people who can carry out tendering evaluation process.	SC
Jul 19	22	School Business Manager changed to Central Finance Team	SC
Jul 19	25	Banking frequency changed from weekly to half termly	SC
Jul 19	27	‘Credit cards are provided to the CEO and the COO, as these are attached to the main Trust current account.’ Changed to debit card as credit cards are no longer used.	SC
Jul 19	27	Added ‘No credit cards should be linked to any of the Trust bank accounts.’	SC
Jul 19	32	Data retention updated to refer to the Trust Data Retention Policy	SC
Jun 20	Throughout	Change Group Operations Manager to HR & Operations Director	SC
Jun 21	Throughout	Minor typos	CFO

Jun22	Throughout	<p>Updated Job Titles</p> <p>Emphasize use of debit card still required PO approval in Section 7</p> <p>Updated name of Academies Handbook from Academies Financial Handbook</p> <p>Removal of Appendix A (Accounting Officer Due Diligence Form) as this was not referred to in the main policy and is superseded by external internal audit services and reviews by the CFO and COO.</p> <p>Budgeting in PS Budgeting removed as this is not the system used to create the budgets.</p> <p>Section 8.8 updated to Lettings Manager and School Hire system referred to as opposed to creating separate manual invoices.</p>	CFO
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Jun 23	Throughout	<p>2.2 – Backup of finance system updated as we are now cloud hosted</p> <ul style="list-style-type: none"> – budget timetable updated – requirement to have all schools generating a surplus removed (so long as the Trust is able to set a surplus budget and AFR approve) – requirement to have all schools generating a contingency (so long as the Trust is able to set a surplus budget and AFR approve) <p>3.8 – sentence saying that the majority of trust reserves are LA generated removed</p> <p>4 - Reserves policy updated from 1 to 2 months of free reserves</p> <ul style="list-style-type: none"> – Includes reference to the Recruitment and Retention Team / also includes mention of CFO & COO. – Section updated to state that: - <ul style="list-style-type: none"> new suppliers now go through the Ops team. <p>Estimates must be used for maintenance call outs on the PO. PO's must be received on the finance system on the day goods received or services performed. Operations team will keep track of supplies returned to suppliers as they maintain the approved suppliers list.</p> <p>Included words 'In emergencies only' for no PO to be raised. BACS run frequency updated to min of 1pm</p>	Interim CFO
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		<p>7.1.1 – 7.1.3 – Updated to reflect new limits</p> <p>7.2.5 – HR & Ops Director changed to COO</p> <p>8.2 – catering income updated to reflect use of electronic payment systems</p> <p>8.3 – MET Operations now review and approve all monthly catering invoices</p> <p>8.7 – Clubs section updated to reflect use of electronic payment systems</p> <p>8.12 – Removed need for finance staff to be responsible for school banking for segregation of duties reasons</p> <p>9.5 – Review of CEO debit card changed from Trust Chair to COO</p> <p>9.6 - Removed need for finance staff to be responsible for school petty cash</p> <p>9.6.3 – Removed need for finance to perform unannounced petty cash checks monthly</p> <p>13.2 – Internal audit areas updated</p> <p>13.3 – Internal audit contract over local school processes removed</p> <p>14 – Other policies updated to reflect new policy names</p> <p>END</p>	CFO
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