

Fioretti Trust

 *Aspiration*  *Wisdom*  *Compassion* 

Financial Regulations Manual

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This policy supersedes all previous pay policies

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1. Introduction

1.1 The purpose of this manual is to ensure that Fioretti Trust, maintains and develops systems of financial control which conform to the requirements 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).

1.2 The Multi-academy trust must comply with the principles of financial control outlined in the academy's guidance published by the DfE. This manual expands on that, providing detailed information on the trust and the individual academy's accounting procedures and systems.

2. Organisation

2.1 The Multi-academy trust have defined the responsibilities of each person involved in the administration of trust and academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for trustees, governors and staff. The overarching aim is to achieve consistency across the Multi-academy trust. The financial reporting structure is illustrated below:

The Board of Trustees

2.2 The Trustees have overall responsibility for the administration of the trust and academy finances. The main responsibilities of the trustees and governors are prescribed in the Funding Agreement between the trust and academy and the DfE and in the trust and academy's scheme of government. The main responsibilities include:

- approving the trust and academy's financial controls and procedures through the Financial Regulations Manual;
- ensuring that grants from the DfE is used only for the purposes intended;
- approval of the annual budget;
- appointment of the CEO (Accounting Officer);
- appointment of a Headteacher within an academy;
- appointment of the CFO

- approval of the academies staffing structures

Finance, Audit & Risk Committee

2.3 The Finance, Audit & Risk Committee meets at least once a term, more frequent meetings can be arranged if necessary. The committee shall provide internal scrutiny which delivers objective and independent assurance.

Local Governing Body/Resources Committee

2.4 The main responsibilities of the local governing body are detailed in the scheme of delegation, which have been authorised by the trustees. The main responsibilities include:

- 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 2006 and the DfE guidance issued to academies;
- authorising the award of contracts and orders as detailed in scheme of delegation: authorising and reviewing the virement limits delegated to the Headteacher
- reviewing the reports from the internal audit on the effectiveness of the financial procedures and controls. These reports must also be reported to the Trust Board.

Headteacher

2.5 Within the framework of the Multi-academy trust's development plan as approved by the trustees and governors, the Headteachers have overall executive responsibility for the academy's activities including financial activities and retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any leadership staff posts which the trustees and governors has agreed should be approved by them
- authorising contracts and orders as detailed in the scheme of delegation
- authorising payroll payments
- authorising BACS payments and signing cheques in conjunction with another authorised signatory.

Chief Financial Officer

2.6 The CFO works in close collaboration with the external Finance Consultant (S4S) and CEO (Accounting Officer) through whom she is responsible to the trustees and governors. The CFO also has direct access to the trustees and governors via the local governing body. The main responsibilities of the CFO are:

- the day-to-day management of the Multi-academy trust's financial issues including the establishment and operation of a suitable accounting system;
- the management of the trust financial position at a strategic and operational level within the framework for financial control determined by the trustees;
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the trust and academy;
- the preparation of monthly budget monitoring reports (in consultation with the trust's Finance Consultant and staff members from each academy who have budget responsibility);
- ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.

The Internal Auditor

2.7 The Internal Auditor is appointed by the trustees and provides the governors and trustees with

an independent oversight of the Multi-academy trust's financial affairs. The main duties of the Independent Auditor are to provide the trustees and governors with independent assurance that:

- the financial responsibilities of the trustees and governors 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 considered in reaching decisions.

2.8 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 trustees. A report of the findings from each visit will be presented to the Local Governing Body (or Resources committee if the LGB delegate the actions to be dealt with at Resources level). The internal audit report is also shared at Trust level: Finance, Audit & Risk Committee. The trustees have requested that the Internal Auditor reports using a RAG rating system.

Other Staff

2.9 Other members of staff, primarily the Business Manager, Office Manager, Finance Administrator, senior leaders and budget holders, will have financial responsibilities. All staff members are responsible for the security of trust and academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the trust and academy's financial procedures.

Register of Interests

2.10 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 trust and academy trustees and 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 trust and academy's may purchase goods or services. The register is open to public inspection and displayed on the Fioretti Trust website.

2.11 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 and 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.

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

3. Accounting system

3.1 All the financial transactions of the trust and academy must be recorded on the accounting system (Hoge/Access Education Finance). The system is operated by the Finance Department and consists of:

- Journals
- Nominal Ledger
- Bank Transactions
- Purchase Ledger
- Sales Ledger

System Access

3.2 Entry to the Hoge system is restricted to 3 users and is password protected. The passwords are changed at least every 3 months.

3.3 Access to the component parts of the Hoge system can also be restricted and the Headteachers are responsible for setting access levels for all members of staff using the system.

3.4 The number of users on Access Education Finance is not restricted and entry to the system is password protected. User permissions in the system are restricted by location and user role and are managed by the CFO.

Back-up Procedures

3.4 Back-up procedures are performed remotely by the IT support company and so all data is secure off-site.

Transaction Processing

3.5 All transactions input to the accounting system must be authorised in accordance with the procedures specified at the end of this manual. Journals actioned by the Multi-academy trust's Financial Consultants are saved to the remote desktop and are exempted from additional authorisation. Journals input to Access Education Finance by the CFO do not require authorisation but are subject to further scrutiny by Headteachers. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the scheme of delegation at the end of this manual.

Transaction Reports

3.6 Reliance is placed on the Headteachers, with the support of the CFO and external Finance Consultant, to review the following system reports to ensure that only regular transactions are posted to the accounting system:

- audit trail reports;
- master file amendment reports for the payroll, purchase ledger and sales ledger;
- management accounts summarising expenditure and income against budget at budget holder level

Reconciliations

3.7 The CFO, with the support of the external Finance Consultant, 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.
- Cost centre report reconciled to trial balance
- VAT control

3.8 Any unusual or long outstanding reconciling items will be reviewed, and queries addressed by the CFO or external Finance Consultant.

4. Financial planning

4.1 The trust and each academy will prepare medium term and short-term financial plans.

4.2 The medium-term financial plan is prepared as part of the development planning process. The development plan indicates how the trust and academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

4.3 The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the trust and academy and the planned use of those resources for the following year.

4.4 The development planning process and the budgetary process are described in more detail below.

Development Plan

4.5 The development plan is concerned with the future aims and objectives of the trust and academy and how they are to be achieved; that includes matching the trust and academy'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 plans may be integrated.

4.5 The form and content of the development plan are matters for the trust and academy 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.

4.6 Each year the CEO (Accounting Officer) will work with the CFO and Headteachers to propose a planning cycle and timetable to the trustees and governors 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?"

4.7 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 Headteacher and monitored by the Accounting Officer (CEO).

4.8 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.

4.9 For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to a senior manager. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the Leadership team on a quarterly basis. The Headteacher will report to the trustees and governors if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

4.10 The CFO, in collaboration with the Headteachers and Business Manager, is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the CEO

(Accounting Officer) and the Trust Board. Each Headteacher will share the budget with their Local Governing Body.

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

4.12 The annual budget will reflect the best estimate of the resources available to the trust and 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.

4.13 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 and academy to assess likely level of receipts;
- review of past performance against budgets to promote an understanding of the trust and 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.

Balancing the Budget

4.14 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

4.15 Once the different options and scenarios have been considered, a draft budget should be prepared by the CFO for approval by the CEO (Accounting Officer), the Finance, Audit & Risk Committee and the trustees. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

4.16 The budget should be accompanied by a statement of assumptions and hierarchy of priorities (see the school development plan) 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.

Monitoring and Review

4.17 Monthly budget monitoring reports will be prepared by the trust and each academy and shared with the chair of trustees and CEO. The reports will detail actual income and expenditure against budget for Headteachers and at a summary level for the Local Governing Body.

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

4.19 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.

Commented [SB1]: No longer relevant, budgets are flexed rather than virements being actioned.

Other Government Funding

4.20 In addition to GAG funding from ESFA, the trust may be awarded specific funding for other projects e.g. Condition Improvement Funds, Character Bid funding, Additional Special Educational Needs funding etc. This funding may be from the Department of Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.

4.21 The Business Manager and the Finance Administrator are responsible for recording income and expenditure for each grant.

Other Grants and specific funding

4.22 In addition to the GAG funding from the ESFA and other government funding, the individual academy/MAT may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding, Football Foundation Funding, Charitable Grants etc. All applications for additional external funding must be approved and supported by the Board of Trustees. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.

4.23 The Business Manager and the Finance Administrator are responsible for recording income and expenditure for each grant.

Budget Forecast Return (BFR)

4.24 The approved Budget Forecast Return must be submitted to ESFA by August each year by the CFO. The CEO is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

5. Independent checking procedures

5.1 It is the Multi-academy trust's responsibility to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively. The arrangements that are in place are as follows:

- internal audit and assurance reviews
- supplementary programme from the external auditors
- the preparation of monthly management accounts by the CFO/external Finance Consultant
- the appointment of non-employed trustees.

6. Review of regularity

6.1 The Accounting Officer reviews the following documents termly to ensure the Multi-academy trust is working within the boundaries of regularity and propriety:

- reviews management accounts
- reviews compliance against the scheme of delegation
- reviews transactions and pecuniary interest forms for evidence of connected party transactions
- value for money practice

6.2 The Accounting Officer has delegated the following responsibilities to the CFO, Business Manager and Finance Administrator:

- adherence to tendering policies

- review of transactions confirming in line with delegated authorities as set out by the Academies Financial Handbook

7. Annual accounts

7.1 The academy trust must prepare annual audited financial statements for the accounting period to 31 August.

7.2 The accounts are outsourced to our auditors for preparation.

7.3 The accounts are then submitted as follows:

- By 31 December – to ESFA
- By 31 January – published to our own website
- By 31 May – to Companies House

Value for money statement

7.4 As part of the annual accounts the trust must include focussed examples of value for money.

7.5 The CEO is responsible for collating the examples which are then confirmed by the Finance, Audit and & Risk Committee.

Audit arrangements

7.6 External auditors must be appointed in accordance with the Academies Trust Handbook.

7.7 The CFO is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

Work undertaken during accounting period

7.8 The CEO, with the assistance of the CFO/external Financial Consultant, is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:

- accruals and prepayments
- accrued and deferred income
- control account reconciliations (bank, wages, debtors and creditors)
- close down of all sales and purchase ledgers
- pension valuation

8. Accounts return

8.1 The academy trust must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the ESFA in January. In exceptional circumstances, the ESFA have the power to extend this deadline. The annual accounts are prepared by the academy trust's auditors.

9. Document retention

9.1 Documents are retained for the following amount of time:

- Finance records – current year plus preceding 6 years

- Supply cover insurance – current year plus preceding 6 years
- Payroll and travel records – current year plus preceding 6 years
- Personnel records – 5 years after an employee has left

10. Payroll

10.1 The main elements of payroll are:

- staff appointments;
- payroll administration
- payments
- salary advances
- overtime
- severance payments and
- ex-gratia payments.

Staff Appointments

10.2 The trustees have approved a personnel establishment for the trust and academy. Changes can only be made to this establishment with the express approval in the first instance of the Finance, Audit & Risk Committee who must ensure that adequate budgetary provision exists for any establishment changes.

10.3 The Headteacher has authority to appoint staff within the authorised establishment except for positions on the leadership scale, whose appointments must follow consultation with the trustees and governors. All personnel changes must be notified to the CEO immediately. See Scheme of Delegation for appointment processes for leadership appointments. The CEO and Head of Operations have full access to the EPM and Every HR portals. Only the CEO has authority to authorise payroll across the whole trust.

Payroll Administration

10.4 The trust and academy payroll is administered by Education Personnel Management (EPM) Ltd and Dataplan (for St Thomas and St John's and St Peter's).

All staff members are paid monthly by BACS payments via EPM Ltd/Dataplan. A master file for each employee is held by EPM Ltd/Dataplan. and includes:

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

10.5 New appointment details or adjustments can be created by the Business Manager/Office Manager. Any amendments must be authorised by the Headteacher, CEO or Head of Operations.

10.6 A weekly staff return is completed which provides details for all staff of sickness and other absences during the week. The Office will keep the personnel systems updated with absence details and produce a report when requested. Absences will be monitored in line with the Sickness Absence management and Leave of Absence policies. New starters and leavers will be processed by the as approved by the Headteacher.

10.7 Data input to the payroll system should be undertaken by the member of staff responsible for inputting variances (overtime, non-payments for absence, travel claims etc). Before the

payroll is processed a print of all data input should be obtained and this should be checked against source documentation and signed by the Headteacher. The Headteacher must only authorise payroll (via the portal) if they have personally checked and all queries have been addressed. The CEO will authorise any academy in the absence of the Headteacher and the CEO will authorise the Trust payroll. A trustee will countersign the trust payroll.

10.8 The CEO will undertake an unannounced termly monitoring check of payroll authorisation procedures for each academy.

Payments

10.9 After the payroll has been processed, but before payments are despatched, a print of salary payments by individual and showing the amount payable in total is sent from EPM Ltd. This report must be reviewed and authorised the Headteacher.

10.10 The Headteacher compares the actual salary costs for each individual against the budgeted figures and makes appropriate note regarding variances.

10.11 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 report and BACS payments for these amounts are automatically processed by them.

10.12 After the payroll has been processed the nominal ledger will be posted. The CFO/Business Manager/ external Finance Consultant will make postings to both the payroll control account and to individual cost centres.

Salary advances

10.13 The trust does not award salary advances.

Overtime

10.14 Overtime is recorded by the individual and submitted each month to the Headteacher for authorisation.

10.15 Claim forms must not be submitted prior to work having been undertaken.

10.16 No payments for work undertaken will be made other than via the payroll system.

Severance payments

10.17 The Multi-academy trust can self-approve the non-contractual element of severance payments up to published amounts. A business case must be presented before agreeing a payment, using the form provided by ESFA on Gov.uk.

10.18 Where the non-contractual element is on or over the published amount, prior approval from ESFA must be sought.

10.19 The Accounting Officer must sign off and review each business case.

Ex-gratia payments

10.20 Any ex-gratia payments must be made in line with the Academies Financial Handbook and submitted to the ESFA for prior approval.

11. Purchasing

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

Routine Purchasing

11.2 Budget holders will be informed of the budget available to them at least one month before 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 will be supplied to each budget holder each month.

E-procurement

11.3 Any member of staff wishing to make a purchase on the charge card must complete a purchase requisition form in the usual manner and pass this to the Business Manager/Finance administrator to raise the purchase order. All order forms detailing the purchase must be authorised by the Headteacher.

11.4 Occasionally the charge card is used to purchase smaller items, where it is not possible to order these elsewhere.

Orders

11.5 See the Multi-academy trust's scheme of delegation at the end of this manual.

Trading with related parties

11.6 Pecuniary interest forms are completed annually and cross referenced to the supplier list where necessary. The Chair will also enquire at the start of each board meeting whether any Trustee had any direct, indirect or pecuniary interest that needs to be disclosed.

11.7 The trust must keep sufficient records, and make sufficient disclosures in their annual accounts, to show that transactions with these parties, and all other related parties, have been conducted in accordance with the high standards of accountability and transparency required within the public sector.

11.8 The trust must report all contracts and other agreements with related parties to ESFA in advance of the contract or agreement commencing, using ESFA's related party on-line form. This requirement applies to all such contracts and agreements made on or after 1 April 2019.

11.9 The trust must obtain ESFA's prior approval, using ESFA's related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party agreed

on or after 1 April 2019 where any of the following limits arise:

- a contract or other agreement exceeding £40,000
- a contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £40,000 in the same financial year ending 31 August.

Trading with connected parties

11.8 A body is connected to another individual or organisation if it is controlled by the individual or organisation, or controls the organisation, or is under common control with the individual or organisation. For these purposes, control means:

- holding more than 20% of the share capital (or equivalent interest), or
- having the equivalent right to control management decisions of the body, or
- having the right to appoint or remove a majority of the board or governing body.

11.9 The Multi-academy trust must be even-handed in their relationships with connected parties by ensuring that trustees understand and comply with their statutory duties as company directors to avoid conflicts of interest; not to accept benefits from third parties; and to declare interest in proposed transactions or arrangements.

11.10 See the Academies Financial Handbook for further details on 'at cost' requirements.

Goods and services for private use

11.11 No goods are ordered, or services provided, to include any elements of private use by governors and staff.

Forms of Tenders

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

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the CEO 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.
- **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 is such that only specific suppliers can be expected to supply the trust and academy's requirements,
 - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
- **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.

Preparation for Tender

11.13 Full consideration should be given to:

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

11.14 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.

Invitation to Tender

11.15 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.

11.16 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.

Aspects to Consider

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 environmental health and safety control procedures

- Details of previous sales and references from past customers.

Other Considerations

- Pre-sales 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.

Tender Acceptance Procedures

11.17 The invitation to tender should state the date and time by which the completed tender document should be received by the trust and 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.

Tender Opening Procedures

11.18 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:

- The Headteacher and the CEO (or a trustee)

11.19 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.

Tendering Procedures

11.20 The evaluation process should involve at least two people. 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.

11.21 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.

11.22 Full records should be kept of all criteria used for evaluation and a report should be prepared for the Finance and Audit Committee highlighting the relevant issues and recommending a decision.

11.23 Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.

11.24 The accepted tender should be the one that is economically most advantageous to the trust and academy. All parties should then be informed of the decision.

Insurance

11.25 We have opted in to the Department for Education's Risk Protection Arrangements.

Trustees' expenses

11.26 All Trustees of the Multi-academy trust are entitled to claim the actual costs, which they incur

as follows:

- childcare or baby-sitting allowances (excluding payments to a current/former spouse or partner)
- cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner)
- the extra costs they incur in performing their duties either because they have special needs or because English is not their first language
- the cost of travel relating only to travel to meetings/training courses at a rate of 45 pence per mile which does not exceed the specified rates for school personnel
- travel and subsistence costs, payable at the current rates specified by the Secretary of State for the Environment, Transport and the Regions, associated with attending national meetings or training events, unless these costs can be claimed from the any other source
- telephone charges, photocopying, stationery, postage etc.
- any other justifiable allowances

11.27 The Governing Body acknowledges that:

- Trustees are not paid an attendance allowance
- Trustees are not reimbursed for loss of earnings

11.28 Trustees wishing to make claims under these arrangements, must complete a claim form together with the relevant receipts. The form must be submitted to the Finance Department within two weeks of the date when the cost were incurred, when they will be submitted for approval by the Chair of Trustees or to be presented to the Finance, Audit & Risk Committee for final approval.

11.29 Claims will be subject to independent audit and may be investigated by the Chair of Trustees if they appear excessive or inconsistent.

Gifts

11.30 Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £30 are reported to the Accounting Officer in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses. See Gifts & Hospitality Policy.

11.31 Gifts that have been reported are entered onto the gifts and hospitality register.

Energy management

11.32 The Premises Team, or another member of staff as directed by the headteacher, is responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be checked before authorising any invoices from the utility providers. Any discrepancies or unusual readings should be raised with the Business Manager/ Finance Administrator immediately.

11.34 The Premises Team, or another member of staff as directed by the headteacher, will ensure that the

school is purchasing energy at the most competitive prices available.

12. Income

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

12.2 The receipt of these sums is monitored directly by Business Manager/Finance Administrator who is responsible for ensuring that all grants due to the academy are collected.

12.3 The trust and academy also obtain other income from parents/carers, for educational trips, catering, lettings, before and after school club and extended nursery provision.

12.4 See the Multi-academy trust's scheme of delegation at the end of this manual.

Gift aid

12.5 The CFO will oversee any claims for gift aid and ensure the Multi-academy trust, in its position as an exempt charity, receives all the monies it is entitled to.

Bad debts

12.6 Write offs need to be in line with the delegated authorities set out in the Academies Financial Handbook.

12.7 The Multi-academy trust chases all monies due, and those that have not been paid within 30 days of an invoice being issues, by telephone or email.

12.8 If the debt remains unrecoverable after 6 months, or it becomes clear that the debt will not be repaid, the Business Manager/ Finance administrator will report the details to the Accounting Officer. The Accounting Officer will take the necessary action based on the amount that is unrecoverable.

12.9 The following write off limits apply:

- Up to £150 – Accounting officer / Headteacher
- £151 to £500 – Finance and Resources committee
- Over £500 – Full governing body/Trustees and refer to debt collecting agency

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13. Cash Management

Bank Accounts

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

Cash Deposits

13.2 Particulars of all cash deposits are recorded on the Banking Book. The details include:

- the amount of the deposit;
- the name of the debtor;
- and the total income banked broken down over different cost centres.

Payments and withdrawals

13.3 All instruments authorising withdrawal from trust and academy bank accounts must bear the signatures of two of the following authorised signatories:

CEO (Accounting Officer)
CFO
COO
Headteacher
Deputy Head Teacher
Assistant Head Teacher
Trustee

13.4 This provision applies to all accounts, public or private, operated by or on behalf of the trustees and governors of the trust and academy.. The purchasing system provides a division of duties.

Administration

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

- all bank accounts are reconciled to the trust and academy's finance system;
- reconciliations are prepared by the staff at academy level, but monitored by the CFO/external Finance Consultant;
- reconciliations are subject to an independent review carried out by the Independent Auditor and adjustments arising are dealt with promptly.

Petty Cash Accounts

13.6 There are no petty cash balances maintained at the schools or trust.

Cash Flow Forecasts

13.11 The CFO/external Finance Consultant are responsible for preparing cash flow forecasts to ensure that the trust and academy 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.

E-procurement & Payments

13.13 See the Multi-academy Trust's scheme of delegation at the end of this manual.

BACS payments

13.14 See the Multi-academy Trust's scheme of delegation at the end of this manual.

14. Investments

14.1 Investments must be made only in accordance with written procedures approved by the trustees.

14.2 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.

15. Reserves

15.1 Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year.

15.2 The CEO as Accounting Officer must inform the ESFA immediately if a deficit is anticipated.

15.3 If the Multi-academy trust is anticipating a deficit at the end of any financial year, the governing body and CEO have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The governing body must ensure that a recovery plan is submitted and approved by the ESFA.

15.4 If the Multi-academy trust has a surplus larger than 12% of its GAG allocation, the Governing Body through the Accounting Officer will need to submit a detailed plan stating why the academy trust requires reserves to be held at this level together with a plan for the date of expenditure.

15.5 The Multi-academy trust aims to maintain a contingency reserve equivalent of 1 month's expenditure.

16. Capital reserves

16.1 Any overall surpluses at the end of the year are carried over to the following year.

16.2 It is the responsibility of the CFO/external Finance Consultant to keep accurate records of the capital funds, especially where grants have been received for capital projects.

17. Fraud

17.1 The Multi-academy trust does not tolerate fraud. Where instances of fraud are found the CEO will notify the ESFA.

18. Whistleblowing

18.1 Please refer to the Multi-academy trust's policy which also references raising the issue with the ESFA. Whistleblowing Policy can be found on the Fioretti Trust website.

19. Leasing

19.1 In accordance with the Academy Trust Handbook 2024, finance leases are permissible for assets on the DfE Approved list without prior approval from the ESFA. Other forms of finance leases will require prior approval as they are a form of borrowing.

Prior approval is not required for operating leases as they are not considered to be a form of borrowing.

20. VAT

20.1 The CFO/external Finance Consultant is responsible for submitting the VAT 126 form on a timely basis.

21. Fixed assets

Asset register

21.1 All items purchased with a value over the trust and academy's capitalisation limit of £500 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
- source of funding (% of original cost funded from DfE grant and % funded from other sources)
- location
- name of member of staff responsible for the asset

21.2 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 trust and academy's financial system and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

Security of assets

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

21.4 All the items in the register should be permanently and visibly marked as the trust and 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 trustees and governors. Inventories of trust and academy property should be kept up to date and reviewed regularly. Where items are used by the trust and academy but do not belong to it this should be noted. The Resources Committee for each school are delegated to ensure the Asset Register is kept up to date and reported at each Resources meeting.

Disposals

21.5 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Finance, Audit & Risk Committee and, where significant, should be sold following competitive tender. The trust and academy 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.

21.6 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the trust and academy obtained value for money in any sale or scrapping of equipment. In addition, there

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

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

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

Loan of Assets

21.9 Items of trust and academy property must not be removed from trust and academy premises without the authority of the CEO (Accounting Officer) or Headteacher. A record of the loan must be recorded in a loan book and booked back into the trust and academy when it is returned.

21.10 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 Multi-academy trust's auditors.

22. Finance Scheme of delegation

	Actioned By
<p><u>Purchases</u></p> <p>Requests for all orders are placed on a purchase order requisition, signed by the individual member of staff, Headteacher, CEO and forwarded to the Business Manager/Finance Administrator/Office Manager* to ensure that sufficient funds are available for requests made.</p> <p>The requisition must state the following where applicable:</p> <ul style="list-style-type: none"> ● Supplier Name and Address ● Item Description ● Catalogue page number ● Part Number ● Net Cost (less VAT) each item ● Number required ● Net Total ● VAT Total ● Gross Total ● Budget code 	<p>All Staff, Business Manager/ Finance Administrator/ Office Manager*, CEO & Headteacher</p>
<p>On receipt of the purchase requisition form, the Business Manager /Finance Administrator/Office Manager* will raise the purchase order on the finance system.</p> <p>The following details must be completed on all orders raised:</p> <ul style="list-style-type: none"> ● Supplier/Creditor ● Delivery Date ● Description 	<p>Business Manager/ Finance Administrator/ Office Manager*</p>

<ul style="list-style-type: none"> • Payment method • Bank • Unit Cost • Number of units • Cost centre to be debited • Ledger Code <p>If ordering more than one item these must be listed separately.</p>	
<p>Following the purchase order being raised, the Headteacher/CEO will receive an email notification requesting them to authorise the purchase order on the finance system.</p> <p>Once authorised, the Business Manager/Finance Administrator/Office Manager* will forward the purchase order on to the supplier.</p> <p>It is not necessary to print and file purchase orders as the system provides adequate evidence of the individual who has authorised the order.</p>	<p>Business Manager / Finance Administrator/ Office Manager*, CEO & Headteacher</p>
<p>3 quotes must be obtained for purchases in excess of £10,000.</p> <p>Please refer to the approved list of suppliers for exemptions from the above.</p> <p>If contract spend is over the current World Trade Organisation's (WTO) Government Procurement Agreement (GPA) threshold, tenders legally need to be posted on Find a Tender.</p>	<p>Business Manager / Finance Administrator/ Office Manager*, Headteacher & CEO</p>
<p>Each Headteacher has the authority to authorise orders up to £10K Each Local Governing Body has the authority, in consolidation with the CEO, to authorise orders up to £25K Any order over £25K must be authorised by the Trust Board.</p> <p>St Thomas and St John's & St Peter's – in addition to these authorisation limits: Building Services Manager - £250 SENDCO - £500 Deputy Headteacher - £2,000 Interim Head of School - £5,000 COO - £10,000 – Catering only COO - £2,000 (ICT, Indirect Staffing, Professional Services only)</p>	<p>Headteacher, Governors, Trustees & CEO</p> <p>COO/Head of School/Deputy Headteacher/SEND CO/BSM</p>
<p>Once the order has been delivered, the Business Manager/Finance Administrator/ Office Manager will check the goods received against the delivery note, invoice and original order.</p>	<p>Business Manager / Finance Administrator/ Office Manager</p>
<p>Purchase invoices are then input on to the finance system by the Business Manager/ Finance Administrator/ Senior School Secretary.</p> <p>The Deputy Headteacher or Assistant Headteacher will be notified when invoices are awaiting approval and will log on to the finance system to</p>	<p>Business Manager / Finance Administrator/ Senior School Secretary/</p>

<p>authorise them. Interim Deputy Head of Trust / Director of Education will approve invoices for the Trust.</p>	<p>Administrative Assistant, Head of Operations, Deputy Headteacher or Assistant Headteacher.</p>
<p>BACS payments:</p> <p>Once invoices have been authorised on the system, the Business Manager/ Finance Administrator/Office Manager* will then generate the payment run and seek authorisation from the Headteacher/CEO/CFO.</p>	<p>Business Manager / Finance Administrator/ Office Manager* & Headteacher/CEO/ CFO</p>
<p>Charge cards:</p> <p>Authorisations and Processes</p> <p>Signatory on card CEO</p> <p>Signatory on card Headteacher</p> <p>Signatory on card Deputy Headteacher</p> <p>Signatory on card Assistant Headteacher</p> <p>Signatory on card Business Manager</p> <p>Signatory on card. Chief Operating Officer</p> <p>Signatory on card. Chief Finance Officer</p> <p>Security, Use and Restrictions</p> <p>The card should be used for internet purchases, generally for travel and other internet goods. In addition, CEO and Headteacher's are permitted to use it for expenditure to streamline the purchasing of certain goods.</p> <p>The trustees have agreed to the school(s) using a charge card to enable us to take advantage of purchasing items, usually over the internet, to further achieve value for money.</p> <p>The card will <u>not</u> be used to order <u>contracted</u> goods/services and will <u>not</u> be used to order goods/services where it is more appropriate that the usual purchasing process be used instead.</p> <p>A copy of the receipt is also kept in the finance office folder along with a paper order where applicable. The business manager/ finance administrator* posts these items weekly as nominal payments and files the receipts in journal number. The business manager/ finance administrator* reviews the monthly</p>	<p>CEO, Headteacher, Deputy Headteacher, Assistant Headteacher, Head of Operations Business Manager, Finance Administrator, Trustees.</p>

<p>statement of charge card and ensures all payments are recorded as part of the bank reconciliation process.</p> <p><u>Nominated card holders</u> The designated individuals who have signed the cards and a declaration form stating they have received the card. A declaration form is to be completed each time a card is re-issued to the designated cardholder. The cards will <u>not</u> be shared with other staff.</p> <p><u>Restrictions on use of cards</u> Each card is in the name of the School / Trust and each user can be identified by different numbers.</p> <p>The cards will be used solely for school business and not for personal use. Any increase of this limit will need to be approved by the Chair of Governors or Chair of Resources prior to any transactions being processed or purchases made and recorded at the next Governing Body meeting.</p> <p><u>Card storage</u> The cards will be stored as securely as possible when not in use and will never be left unattended. The card number and PIN will be stored in the safe and misuse of the card may result in disciplinary action, which will be dependent upon the nature of the breach of the policy.</p> <p>The CEO and /or Chair of Governors review, on a monthly basis, transactions undertaken by the Headteacher to ascertain that they have been made in line with the charge card policy and for school purposes. Bank statements and associated paperwork relating to card transactions will be available at any time for inspection by governors if required. The Headteacher will review transactions taken by other staff who hold a charge card within their academy. The CEO will monitor the monthly transactions for the Head of Operations. A trustee reviews the transactions undertaken by the CEO.</p> <p><u>Commercial Banking On-line</u> CEO and Head of Operations has 'Admin' rights across the Trust. SLT and finance staff members for each school have access for their school.</p>	
<p><u>Income</u></p> <p>GAG income is recorded on the finance system by the Business Manager/ Finance Consultant.</p> <p>Most of the school income generated from parents and staff is paid into school via our on-line payment system. These payments include:</p> <ul style="list-style-type: none"> ● School dinners ● School trips ● Before/After school care ● Music Tuition ● Nursery Top Up Fees ● After School Clubs i.e. Dance- ● Governors Fund ● Staff dinners/tea and coffee fund ● Staff uniform <p>Admin login to on-line payment system daily to check recent payments, debts and overall balances. The Headteacher is informed of any debtors and</p>	<p>Business Manager/ Finance Consultant</p> <p>Office Admin/Headteacher</p>

<p>communication is sent to parents via letter or text or in more serious cases, a meeting is arranged for the parent to meet the Headteacher.</p> <p>Each week, finance staff records debits/credits on on-line payment system of meals taken by each child. They use the Attendance records to ensure accurate recording.</p> <p>On-line payment system transfers all payments into the school bank account. The office staff print a 'Collection Service Statement' report which is used when reconciling the bank account.</p>	<p>Office Admin</p> <p>Business Manager/ Finance Administrator/ Office Manager/Senior School Secretary</p>
<p>Invoiced income (includes lettings):</p> <p>All sales invoices are raised by the Business Manager/ Finance Administrator/Office Manager</p> <p>The aged debtors listing is monitored on a monthly basis by the Business Manager/ Finance Administrator/ Office Manager* and the CFO/external Finance Consultant.</p>	<p>Business Manager/ Finance Administrator/ Office Manager* & Finance Consultant.</p>

* Duties of the Office Manager are currently being covered by agency at St Marys CofE Primary Academy and Nursery.

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FINANCIAL REGULATIONS MANUAL

Appendix A

Approved list of suppliers for orders over £10K
 Orders over £10K – exempt from getting 3 quotes:

These suppliers would be exempt for **ALL** schools in Fioretti Trust; although the table below indicates which school currently uses the supplier:

Supplier	Used at:				
	St Barnabas	St Francis	St Mary's	St Thomas	St John's & St Peter's
S4S: Financial consultancy support	✓	✓	✓		
Birmingham Music Service		✓			
Capita Business Services (SIMs)	✓		✓		
Now Education & Education Staffing Link			✓		
Cygnus Atratus			✓		
Sports Zone		✓			
Arbor		✓		✓	✓
Access Education	✓	✓	✓	✓	✓
Electric and Gas suppliers					
Total Energies	✓	✓	✓	✓	
Corona Energy			✓	✓	✓

ESPO- Public Sector Buying Organisation provides framework for energy procurement for all Total Gas and Power Contracts.

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End of Manual