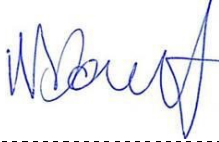




Financial Procedures Manual Summary

November 2023

Signed (Chair of the Trust board):	
Date:	November 2023
Date of Review:	November 2024

The Arbor Academy Trust reviews this policy annually. The Trustees may, however, review the policy earlier than this, if the Government introduces new regulations, or if the Trust receives recommendations on how the policy might be improved. This document is also available in other formats e.g. e-mail and enlarged print version, on request to the School Offices and is displayed on the schools' websites.

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1. INTRODUCTION, ORGANISATIONAL STRUCTURE AND FINANCIAL RESPONSIBILITIES

INTRODUCTION

The purpose of this manual is to ensure that the Arbor Academy Trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the ESFA.

All Accounting policies are available, this summary provides a clear bespoke financial operation system at the Academy Trust

The academy must comply with the principles of financial control outlined in the Academies Financial Handbook published by the ESFA. This manual includes details on practices and provides detailed information on the academy's accounting procedures and system manual should be communicated and read by all staff involved with financial systems.

Finance Team regularly hold meeting to discuss any updates and implication to the Academy Trust, (ESFA updates weekly)

ORGANISATIONAL STRUCTURE

The academy Trust has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for Trust Board, Governors and employees.

Regularity and Independent Scrutiny

Arbor Academy Trust appointed auditors are Buzzacott. Their function is to audit the financial provision of the academy, to ensure the academy meets the financial guidelines set out in the ESFA Academies Financial Handbook and to produce the annual accounts. The Trust appointed MHA to deal with the Internal Assurance in line with changes in the Academy Financial Handbook. These hold regular meeting with CEO, CFO and Finance Lead to agree timetables and deadline

Other Staff

The CEO , CFO, Executive Principal, Heads of School , Finance Lead, Finance Officers, will have financial responsibilities. All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

2. REGISTER OF INTERESTS/BUSINESS INTEGRITY

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 Directors, Members, Governors and staff are required to declare any financial interests they have in companies or individuals from which the Trust may purchase goods or services. The register is open to public inspection. A summary document is provided on our web site.

The register should include all business interests such as directorships, shareholdings or other appointments of influence within a 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 Member, Director, 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 Member, Director, Governor and staff to declare interests whenever they are relevant to matters being discussed by the Mat Board, local

governing body or a sub-committee. Where an interest has been declared, Governors and staff should not attend that part of any committee or other meeting.

The Register of Interest should be updated annually in September and presented to the LGB and Mat Board. It should be a standing agenda items on all Governor Meeting that any declaration of business interest be declared.

3. ACCOUNTING SYSTEM

Arbor Academy Trust uses PS Financial to record all accounting transactions. The Academy Trust has one Central Finance Team and Accounting based at Davies Lane, with Finance Officers running each school

System Access

All access to the Accounting System is password restricted, currently the Finance officer at Davies Lane is the system administrator, all contacts with PS Financials have to go through the administrator

The Trust subscribes to the advantage service by PS Financials, major settings are created by PS Financial on authorisation of the administrator

Back-up Procedures

The PS Financials system is hosted by the company using a cloud based system.

Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the agreed delegated authority controls. CEO, Executive Principal and Heads of school have the delegated authority depending on the threshold

Transaction Reports

CFO and Finance Lead prepare all monthly management reports with the help of the Finance officers responsible for input transaction

Adjustments are made by the CFO and Finance Lead

Reconciliations

CFO and Finance Lead reconcile all accounts

Finance officers ensure all bank files are updated with all supporting documents and signed off monthly by the Finance Lead and CEO

All control accounts must reconcile monthly and variances and queries clearly highlighted. (Sales, Purchase, Payroll, Vat, Bank control accounts)

Vat paid on supplies and services is claimed from HMRC monthly through VAT126 claim form

4 Annual Budgets

The Academy Trust CEO, Executive Principal, CFO Heads of School , Finance Lead are responsible for preparing and obtaining approval for the annual budget. The budget must be ratified by the MAT Board.

The Trust uses HCSS Access Budget planning software updated regularly by the CFO and Finance Lead

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

The annual budgets will reflect the best estimate of the resources available to the Trust/Academies 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 – Meeting CEO and Heads, CFO and Finance Lead
- 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 Trust/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. Salary increases/ increments, inflation and other anticipated changes. Salaries, Services Level Agreements

Balancing the Budget

Academy Trust has agreed in principle to have a reserve of 5% of GAG for or Monthly salary, there are cases when this isn't viable and the board is always notified and alternative measures devised.

Monitoring and Review

Monthly Management Accounts reports will be prepared by the finance team. The report has to be published on the 21st of the following month.

All processing by Finance Officers ends on the 11th of the following month unless there are major unexpected circumstances

Every monthly is closed off and necessary reports prepared and verified

Final reports are discussed at school level and Trust Level.

5. PAYROLL

Arbor Academy Trust currently uses Strictly Education to manage Payroll for all employees. . The MAT Board will monitor the performance of the payroll provider annually through information provided by the HR Manager.

Staff Appointments

The HR Manager maintains personnel files for all members of staff which include contracts of employment.

Payroll Administration

All staff are paid monthly through the payroll provider.

In circumstance where urgent payments need to be made HR Manager should seek approval of the CEO

All payroll amendments must be entered on the payroll system or emailed to the provider by the agreed date to ensure payment is made.

All absences are input into the absence management system weekly to be included in the employee's payroll records.

The appointment/termination/variation of employee records need to be submitted on strictly education portal, within the agreed time frame.

Monthly pay reports are upload in the portal for checking and independent scrutiny –of these checks is reviewed by the HR Manager

It is the responsibility of the Head of HR to ensure the payroll is correct and if errors have been made these are notified to the payroll provider immediately.

Payments

All salary payments are made by BACS.

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. These payments are then made arranged by the provider on behalf of the academy.

The Payroll provider is responsible for remitting all contributions relating to Pension, Tax and NI to the relevant bodies

Finance Lead will post all payroll journals into the PS Financial system monthly.

HR Manager will notify all contractual changes to Finance to make necessary adjustments in the budget forecasts

6. PURCHASING

All Purchasing should follow guidelines in the Accounting Policies

The Academy Trust wants to achieve the best value for money from all its purchases. This means it wants to get what it needs in the correct quality, quantity and time at the best price possible. A large proportion of its purchases will be paid for with public funds and it needs 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.

All orders must be made, or confirmed, in writing using an official order form, available in the Finance and administration office

All orders are recorded on the PS financials systems and dispatched to the supplier by the Finance team.

The Finance Officers must make appropriate arrangements for the delivery of goods to the schools. On receipt, the budget holder must undertake a detailed check of the goods received against the goods received note (GRN) if received and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.

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

All invoices should be authorised for payment by the budget holder to be processed against the original order or Head of Finance /Principal/ Trust Director in their absence.

Creditor payment runs are completed as required to meet payments terms of suppliers/ contractors. The finance team will prepare the payment file and agree the contents and values to be paid with the Head of Finance before transmission. All payment runs must be authorised by two of the Chief Executive Officer, Trust Director or Head of Finance via the Lloyds Commercial banking facility.

7. INCOME

The main sources of income for the Academy Trust are the grants from the ESFA and the Local Authority. Currently Early Years and SEN Funds are received from the LA

The receipt of these Funds is monitored directly by the Finance Lead. The finance team are responsible for ensuring that all grants due to the Academy Trust are collected.

Academy Trust has other funds CIF, Specific Government Grants which need to be monitored separately

The Academy Trust also obtains income from:

- Wrap around care, Music Lessons, Uniform; trips
- Catering / School meals
- Parents donations.

Cash Collection

The Academy Trust maintains a cashless system for easy control, in cases where money has been collected this is kept in the school safe, Head of school is sole custodian of safe keys

Monies collected must be banked in their entirety in the appropriate bank account. The Finance Officers are responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each bank statement.

Cash Collection company G4s is used fortnightly.

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

- The amount of the deposit and
A reference, such as the number of the receipt or the name of the debtor

8. CASH MANAGEMENT

Bank Accounts

All Bank Accounts are set up with the authorisation of the MAT Board

The CFO is the administrator Trust bank accounts, setting up users, disable users

CEO,CFO, Executive Principal, Finance Lead, Finance Officers are set up as users, with different levels of authorisation.

Each school has a separate bank account where all funds and payments are processed, the Academy Trust has a Separate Trust Bank Account for central income and expenditure.

Any changes to personnel with Bank roles is promptly updated at the bank

Finance officers are responsible for loading all payments , two authorised approvers required for each payment to clear

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Payments and withdrawals

Academy Trust use BACS for all payments and Direct Debit, have to be authorised by the CEO.

There are set guidelines to those dealing with BACS before processing or approval of any payments

Every BACS should have supporting documents PS Financial Paylist and invoices being paid, with authorisation signatures.

Business Charge Card

Academy Trust has Business Charge Card to each school in the Trust, this is set up directly in the name of the Head of School who has responsibility for custody and use.

Monthly statements are produced for reconciliation to each school account

Petty Cash Accounts

The academies operate a small petty cash service for adhoc small purchases. All petty cash has to be approved by the Head of school before reimbursement by the Finance officer

A VAT receipt should be requested when purchasing items through petty cash.

All receipts should be countersigned by an approved signatory/ budget holder.

The Academy Trust has put stringent measures in the management of this area where the risk of fraud is greater.

Regular meetings are held by staff to find ways of limiting the risk of fraud in this section, any changes are updated regularly to all relevant staff and extra control measure are set and revised with the changing risk

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Cash Flow Forecasts

The CFO and Finance Lead is responsible for preparing cash flow forecasts to ensure that the Academy Trust has sufficient funds available to pay for day to day operations. The report has to be presented monthly with the Management Accounts as guided by the Academy Financial handbook

9. FIXED ASSETS

Asset register

All items purchased with a value over £1000 must be entered in an asset register. The asset register should include the following information:

The Asset Register helps:

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

Security of assets

Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores. Schools have strong rooms to keep valuable items, keys held by the Heads of School

will review and update the register at least half yearly. Cross referencing IT entries to the register of IT held at Trust/Academy level at least annually.

Loan of Assets

Items of Academy Trust property must not be removed from premises without the authority of the Chief Executive Officer and Executive Principal or Heads of School. A record of the loan must be recorded in a loan book/IT register and booked back into the academy when it is returned.

