

**Standing Financial Instructions (SFI)
Policy**

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Originator:	Julia Delaney
Responsible Operational Committee:	Finance and Resources Committee
Responsible Individual:	CFO
Linked policies	Pay Policy Managing Employee reductions (redundancy) procedure Special Payment policy Charging and remission policy Investment policy Reserves policy LGPS Discretions policy Fraud prevention, gifts and Interests policy
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Version	Section	Amendments	Date	Author
1.0	All	Review of original and update of whole document.	March 17	HM
2.0	All	Review and update of whole document	May 17	HM
3.0	All	Review and update of whole document	May 17	JCD
4.0	All	Reviewed and update of document to increase levels requiring authorisation by CEO/CFO to reflect the delegation to Heads for items within the overall academy approved budget. Increased clarity. Increased capitalisation limit to £5k	August 17	JCD
5.0	All	Updated for Academies Financial Handbook changes (related parties, novel and contentious items, no alcohol, monthly management accounts to Board), PSF accounting system changes, HR system changes Credit card limit change (credit card change already approved by FRC) Added budget change approval form and spreadsheet Removed requirement for 3 signatures for payments over certain levels as the banking system will not facilitate	August 18	JCD

If you have any suggestions for improving this policy, please contact the CEO, or CFO via e-mail

CONTENTS

1	Introduction	3
2	Audit	5
3	Annual Report and Accounts	6
4	Business Planning and Budgetary Control	7
4	Annual Report and Accounts	8
5	Income	8
6	Income - Contracting for Provision of Services by TSAT	8
7	Payroll	9
8	Non-pay Expenditure	9
9	Bank and cash	10
10	External Borrowing and Investments	11
11	Losses and Special Payments	11
12	Fixed Assets	12
13	Disposal, Condemnations,	13
14	Information Technology	14
	Appendices:	
1	Bank and cash security	15
2	Payroll Procedure	16
3	Travel Expenses Procedure	17
4	Purchases Procedure	18
5	Delegated Financial Responsibilities	19
6	Budget change approval form	20

1. **INTRODUCTION**

1.1. **GENERAL**

- 1.1.1. These Standing Financial Instructions (SFIs) are
- a. issued by the Finance and Resources (F&R) Committee and approved by the Trustees.
 - b. provide financial direction throughout TSAT including all local academies and entities.
 - c. detail the financial policies and procedures to be adopted.
 - d. designed to ensure the finances are carried out with probity, accuracy and economy and in accordance with the law and relevant government policy.
- 1.1.2. Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Chief Financial Officer (CFO) or Chief Executive Officer (CEO) must be sought
- 1.1.3. The SFIs apply to all Trustees, Members, Employees, volunteers and budget holders
- 1.1.4. These instructions must be complied with at all times. Failure to comply could result in disciplinary action up to and including dismissal.

1.2. **TERMINOLOGY**

- 1.2.1. The TSAT is governed by its Memorandum and Articles of Association, Company law and the Charities Act and within these documents the following terminology is identified:
- “Board” means the Board of Trustees which is responsible for all functions, strategies and direction of the TSAT;
 - “Executive Team” means The Executive Team of TSAT ;
 - “Finance and Resources Committee” or the “F&R Committee” means a committee of the Board and is authorised to consider, advise on or determine, the strategies and policies for the effective and efficient use of TSAT financial, physical and human resources and be responsible to the TSAT Board for ensuring the solvency of the Trust and the safeguarding of its assets. The role of the Finance and Resources Committee is to maintain an oversight of finance and resources frameworks, including review of the Trust 5 year business plans, budgets, management and statutory accounts supported by resource, IT and estate plans;
 - “Budget” means a financial plan (income and expenditure) with the purpose of carrying out, the functions of the TSAT and delivering the strategic aims;
 - “Budget Holder” means an employee with delegated authority from the CEO and CFO to manage finances (Income and Expenditure) for a specific area of TSAT;
 - “CEO” means the Chief Executive Officer of TSAT. The CEO is the Accounting Officer ;
 - “CFO” means the Chief Financial Officer of TSAT
 - “Employee” means all TSAT staff, officers, volunteers, employees as well as agents and employees of third parties contracted to TSAT when acting on behalf of the TSAT.
 - “Manager” is an individual who has delegated responsibility for managing an area of resources, and will have a designated budget at cost centre code where applicable;
 - “Risk and Governance” “RAG” Committee is a Committee of TSAT Board and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board. The role of the RAG Committee is to maintain an oversight of the Academy Trust’s governance, risk management, internal control and Board assurance frameworks.

1.3. DELEGATION OF AUTHORITY AND RESPONSIBILITY

1.3.1. The Board will delegate responsibility for the day-to-day financial performance to the CEO. This delegated financial responsibility is set out in Appendix [5].

1.3.2. The F&R Committee shall exercise financial supervision and control by:

- Authorising the financial strategy aligned to the business plan and strategic objectives
- review of the 5 year budgets, management and statutory accounts
- Requiring the submission and approval of budgets
- Approving financial procedures (including the need to obtain value for money)

1.3.3. The CEO shall:

- a. Be ultimately accountable to the Board for ensuring that the TSAT meets its obligation to perform its functions within the available financial resources
- b. Have overall responsibility to ensure financial obligations and targets are met.
- c. Ensure compliance with the Academies Financial Handbook
- d. Produce a statement of regularity, propriety and compliance confirming the efficient and effective use of resources, that public money is spent for the purposes intended and appropriate standards of conduct, behaviour and corporate governance are maintained.
- e. Shall ensure that all staff, trustees and members understand their SFI responsibilities.
- f. The CEO shall, as far as appropriate, delegate their detailed responsibilities
- g. The CEO delegates powers to the CFO as first line budget holder

1.3.4. The CFO shall be responsible for:

- The finance department
- Implementing the financial policies and for co-ordinating any corrective action necessary ;
- Ensuring that financial systems and controls maintained to supplement these instructions;
- Ensuring that records are maintained of the transactions and financial position at any time;
- The provision of financial advice to the CEO.
- The preparation of budgets, accounts, certificates, records and reports to comply with statutory duties.

1.3.5. Budget holders are responsible responsibilities are set out in section 4.3.3

1.3.6. All employees, individually and collectively, are responsible for:

- The security of the buildings and property therein
- Avoiding loss of equipment and property belonging to the TSAT
- Exercising value for money in the acquisition and use of resources
- Conforming to the requirements of Trust policies
- Ensuring all financial information in respect of the TSAT is kept confidential
- For all employees who carry out a financial function, the form in which financial records are kept and the manner in which employees discharge their duties must be to the satisfaction of the CFO.

2. AUDIT

2.1. RISK, ASSURANCE AND GOVERNANCE (RAG) COMMITTEE

2.1.1. RAG are responsible for establishing audit procedures that will provide an independent and objective view of internal control by:

- Overseeing internal and external audit services
- Reviewing financial systems
- Ensuring compliance with Standing Financial Instructions
- Reviewing write offs and compensations and making recommendations to the Board

2.1.2. Where the RAG Committee considers that there is evidence of ultra vires transactions, or of improper acts, or if there are other important matters that the committee wish to raise, the Chair of the RAG Committee should raise the matter at a full meeting of the Board.

2.2. CFO

2.2.1. The CFO in conjunction with the CEO and the RAG are responsible for:

- Ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control through the establishment of an internal audit function.
- Ensuring that the internal audit is adequate.
- Informing the CEO and the RAG of any cases of suspected fraud or other irregularities.
- Ensuring that an internal audit report is presented to the Board. The report must cover:
 - i. Progress against plan over the previous year
 - ii. Major internal financial control weaknesses discovered
 - iii. Progress on the implementation of internal audit recommendations
 - iv. Strategic audit plan covering the coming three years
 - v. A detailed plan for the coming year.

2.2.2. The Chair of RAG, CEO, CFO shall be entitled to require and receive:

- Access to all records, documents and correspondence relating to any transactions
- Access at all reasonable times to any land, premises or employee of the TSAT
- The production of any cash, stock or other TSAT property under an employee's control
- Explanations concerning any matter under investigation.

2.2.3. INTERNAL AUDIT

The RAG committee will

- advise the Board on the need for the appointment, re-appointment, dismissal and remuneration of, an internal auditor or other assurance provider to enable the Board to sign the corporate governance statement in the annual accounts.
- advise the Board on a programme of internal audit work derived the key risks

The RAG Committee will ensure internal audit will review, appraise and report on the following:

- Identifying the major risks and to ensure systems are in place to mitigate those risks
- The extent of compliance with and the financial effect of relevant policies and procedures
- The adequacy and application of financial and other related management controls
- The suitability of financial and other related management data

- The extent to which assets and interests are accounted for and safeguarded from loss arising from;
 - i. Strategic risk (government policy, competition, image and reputation)
 - ii. Operational risks (health and safety, sickness, absence, safeguarding risks)
 - iii. Financial risks (investment risk, statutory funding, fraud, financial security)
 - iv. Hazard risks (fire, flood, aircraft, mining)
 - v. Waste, extravagance or inefficient administration
 - vi. Poor value for money or other causes.

2.2.4. **EXTERNAL AUDIT**

The external auditors are appointed by the members.

RAG Committee shall

- Ensure a cost-effective service and oversee the tendering for provision of external audit services
- Review the external auditor's annual plan and approve the planned audit approach.
- Receive reports (annual reports, management letters etc.) from the external auditor and other bodies, (i.e. EFA and NAO), and consider any issues raised, the management response and action plans. Where appropriate, reports should be referred to Board or other committee for information and action.
- Regularly monitor outstanding audit recommendations to ensure timely action is taken.
- Review the fraud response plan and ensure all allegations of fraud or irregularity are managed and investigated appropriately.
- Consider any additional services delivered by the external auditor or other assurance provider and ensure appropriate independence is maintained.
- Ensure cooperation and coordination of the work of the external auditor and responsible officer.
- Meet the external auditor and responsible officer, without management present, at least annually.

3. **ANNUAL REPORT AND ACCOUNTS**

3.1. The CFO will:

- Prepare financial accounts in accordance with Charity SORP, generally accepted accounting principles, FRS102, the Companies Act and the Academies Accounts Direction.
- Prepare and submit the annual financial and accounts to the Board of Trustees.

3.2. The financial statements must be adopted by the members at an AGM.

3.3. RAG and CEO shall ensure that the Annual Report and accounts are audited.

4. **BUSINESS PLANNING AND BUDGETARY CONTROL**

4.1. **PREPARATION AND APPROVAL OF BUSINESS PLANS AND BUDGETS**

4.1.1. The CEO submit to the Board, an annual business plan which contains:

- A statement of the significant assumptions and objectives on which the plan is based.
- Details of workload, delivery of services and resources required to achieve the plan.
- Capital expenditure, financial targets and forecast limits of available resources

4.1.2. The CFO will submit budgets (at least 3 years) for approval F&R and Board which are:

- in accordance with the objectives set out in business plan and financial strategy.

- Accord with workload and establishment plans and be within the limits of available funds
- Be produced following discussion with appropriate budget holders.
- Identify potential risks.

4.1.3. The CEO and CFO shall monitor budget performance and report to the Board through the F&R

4.1.4. All budget holders must provide the required information to enable budgets compilation

4.1.5. The CFO shall ensure training is delivered to budget holders to help them manage successfully.

4.2. **BUDGETARY DELEGATION**

4.2.1. The CEO may delegate the management of a budget to permit the performance of a defined range of activities. This delegation will set out:

- The amount and purpose of the budget; Individual and group responsibilities;
- Authority to transfer expenditure between budgets

4.2.2. Appendix [5] details the Budget Holder Delegation scheme.

4.3. **BUDGETARY CONTROL AND REPORTING**

4.3.1. The CFO and CEO will devise and maintain systems of budgetary control. These will include monthly financial reports to F&R and thereafter to the Board showing;

- Income and expenditure to date showing trends, forecast year end position
- Movements in working capital – Balance sheet and Cash flow
- Forecast reserves
- Capital project spending and projected out turn against plan
- Explanations of any material variances from plan and any corrective action necessary

4.3.2. The CFO will inform the CEO and F&R of financial consequences of changes in policy, pay awards, events and trends affecting budgets and shall advise on the financial aspects of plans and projects.

4.3.3. Each **Business Manager** is responsible for ensuring

- Monitoring of the monthly management accounts providing explanations for variances
- The issue of timely and accurate advice and reports to budget holders
- Preparation of a monthly budget forecast and report showing the movements, and explanations for the movements.
- Any overspend or income reduction within the overall academy budget is not incurred without prior consent of the CFO (see approval form Appendix 7)
- Transfers between budgets, within an individual academy are approved as required (see Appendix 7 approval form)
- All staff budget changes are pre-approved ((see approval form Appendix 7)
- The approved budget is only used for the approved purpose.
- Capital budgets and changes are approved by the CFO and Trust facilities lead

4.3.4. Each **Budget Holder** is responsible for ensuring

- Any overspend or income reduction within the overall academy budget is not incurred without prior consent of the Business manager.
- The approved budget is only used for the approved purpose.

INCOME

4.4. INCOME SYSTEMS

- 4.4.1. The CFO is responsible for designing, maintaining and ensuring compliance with systems for recording, invoicing, collection and banking of all income and monies due
- 4.4.2. All income should be included within the budget. The CFO must be informed of proposed new income (including all sales of assets, contracts, leases, tenancy agreements).
- 4.4.3. The F&R Committee are required to approve any purchase/sale relating to estates.

4.5. DEBT RECOVERY

- 4.5.1. The CFO is responsible for ensuring appropriate recovery action on all outstanding debts.

5.3 FUNDING AGREEMENT ADD GRANT AND RESTRICTED INCOME

Conditions and restrictions of any funding must be complied with and any relevant reporting or disclosures made.

5. CONTRACTING FOR INCOME - PROVISION OF SERVICES

- 5.1. The CEO/CFO is responsible for negotiating contracts and Service Level Agreements (SLA) in accordance with the Annual Business Plan and for establishing the arrangements for any extra contractual services. The CEO may delegate the negotiation to Business Managers or Executive team. In carrying out these functions, the CEO should take into account the advice of the CFO regarding:
 - Costing and pricing of services, Payment terms and conditions
 - Amendments to contracts and extra contractual arrangements
 - The restrictions within the governing documents of the Trust
- 5.2. Contracts and SLAs should minimise risk, whilst maximising the opportunity to generate income.
- 5.3. The CFO shall produce regular reports to the CEO detailing actual and forecast contract income with a detailed assessment of the impact of the variable elements of income

PAYROLL

6.1. PAYROLL

- 6.1.1. F&R will review the annual payroll budget and recommend approval by the Board. The CEO, CFO and Head teachers will determine the level of delegation to budget holders.
- 6.1.2. The payroll budget is based on the curriculum and related staffing plans.
- 6.1.3. Changes to staff that have an impact on the performance against budget of a department may not be made without the approval of the Headteacher of the Academy.
- 6.1.4. The school payroll budget may not be increased without pre approval of the CFO/CEO (see Appendix 7)
- 6.1.5. Redundancy and severance payments must be approved in line with Appendix [5]

6.2. PAYROLL CHANGES

- 6.2.1. No staff (including agency) may be engaged, re-engaged, or salary changed, unless authorised by the Headteacher and CFO; and within the approved budget
- 6.2.2. Headteacher pay and changes to pay must be authorised by the CEO see Appendix [5]
- 6.2.3. The CEO will present to the F&R for approval, the procedures for determining pay and conditions.

6.3. PROCESSING PAYROLL

- 6.3.1. The CFO shall ensure that adequate internal controls are implemented over payroll, including controls over rates of pay and benefits and payments in accordance with Appendix [2].

6.4. CONTRACT OF EMPLOYMENT

- 6.4.1. F&R Committee will approve the standard employment contract.
- 6.4.2. The Board shall be entitled to delegate responsibility to the CEO:
 - Ensuring employees have a legally compliant Employment contract
 - Dealing with variations, or termination of, contracts of employment.

6.5. REIMBURSEMENT OF EXPENSES

- 6.5.1. Business expenses will be paid to employees in accordance with the Appendix [3].

7. PURCHASES AND NON-PAY EXPENDITURE

7.1. DELEGATION OF AUTHORITY

- 7.1.1. F&R will review the annual budget for non-pay expenditure and recommend its approval by the Board . The CEO, CFO and Head teachers will determine the level of delegation to budget holders.
- 7.1.2. The CEO shall establish a policy on seeking professional advice and brokering.
- 7.1.3. The CFO will ensure that all supplies of goods and services are obtained at value for money
- 7.1.4. The CFO in conjunction with the CEO and F&R is responsible for approving and reviewing the level of all fees and charges. Independent professional advice shall be taken when necessary.
- 7.1.5. Budget holders
 - are required to authorise requisitions/orders for the supply of goods and services.
 - holder must ensure that all supplies of goods and services are obtained at value for money
 - are required to authorise invoices as soon as they have been delivered/carried out.
- 7.1.6. The maximum level for each requisition /order and invoice is set out in Appendix [5] .
- 7.1.7. Applications to vary delegation levels must be made to the CFO/CEO and approved by F&R.

8. **BANK AND CASH**

8.1.1. F&R Committee shall approve the banking arrangements, including any changes of signature.

8.1.2. The CEO and CFO are responsible for:

- Banking services and for advising the F&R
- Ensuring that the bank accounts are in credit or within authorised overdraft levels
- Reporting to the F&R any overdraft or offset banking arrangements.
- ensuring that the financial procedures in Appendix 2 are followed

8.1.3. Only the CFO with approval from the CEO shall open a bank account in the name of the TSAT.

8.1.4. All new accounts must be approved by the Board. Accounts may be maintained with more than one Bank at the discretion of the CEO. Tendering for banking services will be considered every 5 years and the bank will provide the necessary accounts for the safekeeping of cash.

8.1.5. The CFO is responsible for

- bank contact and maintain communication with the relationship managers.
- Monthly monitoring of cash and bank transfers to maximise return and plan cash flow.
- Statements for accounts be accessible to the CFO or other authorised officer.
- Ensuring bank account are reconciled monthly

8.1.6. **Cash collections**

Cash collected will be banked weekly or collected by secure courier. Appendix 1 details procedures for security of cash and fundraising events.

Cash in Safes No more than £10,000 total kept in safes onsite,
and no more than £2,000 in any one safe.

Cash transit - Up to £2,000 carried by two persons,
Over £2001-£10000 by Security Courier.

8.1.7. **Payment levels**

Type	Requirement
Cheques <£5000 £5,000 +	2 authorised cheque signatories from approved bank mandate (not the payee) 3 authorised cheque signatories from approved bank mandate
BACS & online <£25,000 £25,000 +	2 authorised signatories through online security scheme and authorisation level. 3 authorised signatories through online security scheme and authorisation level.
Direct Debits	Limited to suppliers where regular payment is predictable or within a contract arrangement. Where this is not the case approval is required from the CFO

The bank mandate will be reviewed at least annually and include the following authorised signatures:

- CEO,CFO,Chair of Trustees, Chair of F&R, Additional Trustees as required, School Head and 2 other authorised persons per school whilst school accounts are maintained

All cheque books/paying in books will be kept by the Finance Department in a locked safe/cupboard.

9. EXTERNAL BORROWING AND INVESTMENTS

9.1. EXTERNAL BORROWING

- 9.1.1. The CFO in conjunction with the CEO shall prepare any necessary documentation and papers should external financing be sought. This proposal shall be reviewed by F&R and approved by the Board in accordance with Appendix [5]. EFA approval must be obtained for borrowing.
- 9.1.2. External borrowing for cash flow purposes will be restricted to short term borrowings and not exceeding six months duration. Overdraft/loan should not exceed £500,000.
- 9.1.3. The ability to pay back the loan and interest must be ascertained before entering into any borrowing and a report submitted by the CFO to the F&R Committee. The EFA rules must be complied with and any reporting requirements met.
- 9.1.4. Long-term borrowing for capital projects will be proposed by the CEO and discussed by F&R and recommendations made to the Board for approval before tendering commences.
- 9.1.5. Private finance will be considered as an alternative to a bank loan for capital ventures, but the CEO must satisfy the F&R Committee that the use of private finance represents value for money. Any private finance arrangements involving a Trustee personally are subject to the terms and conditions set out in the Articles of Association.

9.2. INVESTMENTS

- 9.2.1. All investments shall conform to the articles of association and F&R approved Investment Policy. The management of investments is delegated to the CFO. F&R are responsible for reviewing the performance of the investments and carrying out periodic evaluation of investments.

10. NOVEL, Contentious and REPURCUSSIVE TRANSATIONS

- Novel, contentious and/or repercussive transactions **must** always be referred to [ESFA](#) for approval. ESFA may need to refer such transactions to HM Treasury for approval, so trusts should allow sufficient time for proposals to be considered
- Novel transactions are those of which the academy trust has no experience, or are outside its range of normal business.
- Contentious transactions are those that might cause criticism of the trust by Parliament, the public or the media.
- Repercussive transactions are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

11. RELATED PARTY TRANSACTIONS

ESFA's approval must be obtained for transactions with related parties that are [novel, contentious and/or repercussive](#)

Trusts **must** obtain ESFA's prior approval, using ESFA's on-line form, for contracts 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 exceeding £20,000
 - a contract of any value that would take the total value of contracts with the related party beyond £20,000 in the same financial year ending 31 August
 - a contract of any value if there have been contracts exceeding £20,000 individually or cumulatively with the related party in the same financial year ending 31 August.
- For the purposes of reporting to, and approval by, ESFA, transactions with related parties do not include salaries and other payments made by the trust to a person under a contract of employment through the trust's payroll.

11. LOSSES AND SPECIAL PAYMENTS

- 11.1. The Academies Financial handbook must be complied with and the Special Payments Policy.
- 11.2. Any employee discovering or suspecting a loss of any kind must immediately inform their head of department, who must immediately inform a member of the Executive Team. Where a criminal offence is suspected, the CEO must immediately inform the police. If theft or arson is involved the police must be contacted immediately, but if the case involves suspicion of fraud, then the particular circumstances of the case will determine the stage at which the police are notified.
- 11.3. For losses apparently caused by theft, fraud, arson, neglect of duty or gross carelessness, (except if trivial and where fraud is not suspected), the CFO must immediately notify CEO/SIRO and Chair of Trustees or Chair of F&R
- 11.4. The Executive Team shall be authorised to take any necessary steps to safeguard TSAT's interests in bankruptcies and company liquidations.
- 11.5. For any loss, the CEO should consider whether any insurance claim can be made against insurers and will liaise with the CFO in this respect.
- 11.6. The CFO shall maintain a Losses and Special Payments Register in which write off action is recorded.
- 11.7. No special payments exceeding delegated limits shall be made without the prior approval of the F&R Committee and with regards to severance pay the following will apply. The rules of the EFA financial handbook must be complied with in relation to severance payments.

12. FIXED ASSETS

12.1. CAPITAL INVESTMENT

12.1.1. The CEO shall ensure:

- the capital expenditure budget is reviewed by F&R and approved by the Board.
- a 5 year capital expenditure plan is in place in line with the business plans.
- that there is an approval process which considers business plans and financial impact
- management of capital schemes, ensuring value for money and delivered on time
- capital investment is not undertaken without confirmation of any supplier financial support for project overruns or a fixed price.

12.1.2. For any capital expenditure proposal in excess of £5,000 the CEO shall ensure there is a business case is produced setting out:

- the benefits of the project that ensures value for money
- appropriate project management and control arrangements
- that the CFO has established the financial consequences of the business case.

12.1.3. The CEO shall issue to the manager responsible (facilities manager) for any scheme:

- Specific authority to commit expenditure
- Authority to proceed to tender
- Approval to accept a successful tender (in line with scheme of delegation)

12.1.4. The CFO will ensure that financial management procedures are in place including:

- Any large projects with periodical payments must be detailed at the start and provision made in the cash flows to accommodate these payments.
- Any variations to contract must be in writing and if the said variations exceed the greater of £25,000 or 25% of the original cost, then approval must be sought from F&R.

12.2 ASSET SECURITY

The overall control of fixed assets is the responsibility of the CEO

Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and donated assets) must be approved by F&R and implemented by the CFO. This includes:

- recording managerial responsibility for each asset;
- identification of additions and disposals;
- identification of all repairs and maintenance expenses;
- physical security of assets;
- periodic verification of the existence of, condition of, and title to, assets recorded;
- identification and reporting of all costs associated with the retention of assets;
- and safekeeping of cash, cheques, and negotiable instruments.

The CEO is responsible for the maintenance of asset registers and arranging for a physical check of a sample of assets at least every two years. All discrepancies over £1,000 revealed by verification of physical assets to fixed asset register shall be notified to the CEO by the CFO.

Whilst each employee has a responsibility for the security of property, it is the responsibility of the Facilities manager to apply routine security practices as determined by the Board of Trustees. Any breach of agreed security practices must be reported in accordance with instructions. Any damage or loss of assets or supplies must be reported to the Executive Team by all employees in accordance with the procedure for reporting losses.

Where practical, assets should be marked as TSAT property.

12.3 FIXED ASSET REGISTER

- An asset register for recording fixed assets will be maintained. This will categorise according to asset type. Depreciation is calculated annually and recorded together with the net book value.
- TSAT will review systems for identifying assets periodically including use of asset tagging/labelling.
- The Fixed Asset register should be reconciled to the accounting system and appropriate invoices must be logged. Donated assets shall be allocated an appropriate value with reference to a suitable valuation.
- Assets of a capital nature over £5k in will be capitalised.
- The CFO shall approve procedures for reconciling balances on fixed assets at the year end.
- The value of each asset shall be depreciated using accepted methods and rates. These will be reviewed periodically along with the threshold for accounting treatment as capital expenditure.
- The CFO and CEO will consider at least every 5 years whether a professional valuations of land and buildings is required. The valuation should be by a qualified professional valuer who will be selected by the Board following recommendations from the F&R Committee. Valuers must be subject to formal letter of engagement setting out fees and services.
- Insurance provision must be arranged for specific capital items where required.
- Replacement of items must be planned into the annual budget process and budget holders should maintain details about likely useful life of assets and planned future replacement dates. This information should be notified to the CFO as part of the budget preparation exercise.

13. DISPOSALS AND CONDEMNATIONS.

- No capital assets over £5,000 shall be disposed of without the prior approval of the CFO.
- Assets with an acquisition value in excess of £5000 shall be notified to the F&R Committee

- All unserviceable articles shall be condemned or disposed of by an employee authorised by the Headteacher (under £5000) and CFO (if over £5,000). This authorisation should be on a documented form detailing the cost, net book value and any agreed disposal proceeds (with evidence i.e. invoice).
- The head of department or authorised person shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Executive Team for appropriate action.
- The CFO is responsible for the recording for the sale/disposal of assets, including condemnations, losses.
- The Data Protection Officer shall be informed and consulted regarding the disposal of any relevant asset such as ICT equipment and laptops to ensure that Data Protection rules have not been breached, and any hard drives destroyed and software/licences removed

14. INFORMATION TECHNOLOGY

- 14.1. The CFO is responsible for the accuracy and security of the computerised financial data, as set out in the Information Governance Policy, and in conjunction with RAG. The CEO is the Senior Information Risk Officer and along with the Data Protection Officer is responsible for data protection and reporting any breach to Information Commissioner's office; however, the data controllers are the Directors of The TSAT Trust.

APPENDIX 1 – SECURITY OF MONIES

Cash Received

1. Cash should be counted by at least two people. All monies received (i.e. dinner monies, trips, re-sits and remarks, raffles and fundraising events) must be logged daily on a detailed, dated receipt form and signed by the receiving officer. The top copy to be given to the donor, the second copy to accompany the donation which is passed to the finance office. If a receipt is refused the receipt should be logged as 'Anonymous' and number-referenced for audit purposes.
2. All completed receipt books should be kept by the Finance Department and allocated as necessary by receiving a signature from the receipt book holder
3. Any monies placed on the Cunningham catering system through the cash office must only be carried out by the finance department and only if there is an issue with the cash machines at schools.
4. Catering/cash machines must be collected, logged and banked weekly.
5. All cash received should then be placed in the safe until the weekly secure collection or weekly banking.
6. Fundraising events for third parties:
 - The controls as per 1-5 above apply
 - Staff should avoid accepting uncounted funds, where monies are unable to be counted a note should be made with the monies to state this and signed by receiving staff member.
 - A numbered receipt should be provided for each sum of money received, except for bucket collections when this is not possible.
 - For large events monies should be taken to night safe deposit facilities at the bank. Prior arrangements should be made with the bank and insurance requirements met for carrying cash. For smaller events, monies should be brought back to the TSAT and placed in the safe.
 - If counting the money at the event is not possible, monies should be placed immediately in a sealed bag and signed for in the presence of two people and brought back to the school office.
 - All monies need to be banked and posted to a creditor account for the charity or person the fundraiser was in aid of and as soon as possible after the event a cheque raised to the charity.

Income via parent pay account for trips, resources, and catering

Parent pay income is received by BACS and is reconciled to a report showing the online payments, pay point cash payments and the service fee.

Petty Cash Handling and Use of the Safe

A Petty Cash float to a maximum of £500 may be maintained per academy school.

Petty cash items Cash should be kept to small amounts. General supplies and services should through the purchase ledger and travel expenses through the payroll.

A petty cash receipt must be made out for each transaction.

Petty Cash balances should be reconciled at monthly and transactions posted to nominal accounts.

The holders of safe keys shall not accept unofficial funds or items for depositing in their safe.

Safe keys are held by a member of the Finance Department/School manager in school. They are handed over to nominated staff during periods of absence. The CFO oversees this procedure.

APPENDIX 2 – PAYROLL PROCEDURE

New starters

1. All staff changes require prior approval by the Head teacher and CFO – see Appendix 7
2. New starters checks will be performed by the HR teams for DBS, right to work, references, qualifications and interview/application process.
3. A new starter form will be completed and input onto EPM HR and payroll system. This will include details of pay, pension, start date, grade, pay rates etc. This will be independently checked.
4. Staff are paid according to internal pay scales in addition to the Teachers and Local Government pay scales. The pay point [and increments where applicable] will be determined when the staff member commences employment. All posts will be evaluated by the Executive Team to determine the pay point.

Leavers

5. Leaver information, together with details of holiday/overtime/deductions/ notice period pay owed/due to TSAT should be notified to the HR administrator prior to salary processing. This will be independently checked
6. Staff terminating their employment should provide the necessary notice in writing as per their contract. A P45 will be issued on termination and any monies due for holiday entitlement not taken will be paid. Any monies owing by the staff member will be deducted from the final month's pay. Line managers are responsible for providing the correct information to the HR department in line with payroll timetables.

Sickness, Maternity, Paternity leave etc.

7. Sickness, Maternity, Paternity letters/ forms and other information must be provided to payroll. The Line managers are responsible for ensuring that sickness certification and any notice of non-standard absences are communicated to the HR Administrator.

Pension

8. The Teachers' Pension Plan is available for teaching staff and the Local government pension scheme (LGPS) for all non-teaching staff. TSAT does not contribute towards individual personal pension plans.
9. TPS and LGPS are the Auto Enrolment pension schemes for compliance with the Pensions Regulator.
10. Joiner and leaver pension forms must be completed and input onto the payroll system by the HR administrator. This will be independently checked
11. Changes to payroll bandings are approved, input to EPM payroll system and checked.
12. Monthly returns to the TPS and LGPS are performed by the payroll provider
13. On an annual basis the TPS and LGPS returns will be checked as at 31 March to ensure the contributions in payroll reconcile to the records and cash received by TPS and South Yorkshire Pension Authority (for LGPS)

Overtime/Additional Hours/ Timesheets / Back pay

14. Rotas should be up-to-date and signed monthly by the department head to support the timesheet authorisation process.
15. Catering /agency staff timesheets should be authorised by the line manager and passed to the Operations Manager in accordance with the payroll timetable. The Operations Manager will complete the Salary Control Sheet to show hours to be paid and enhancements due.
16. Payments will not be made without budget holder approval of the hours and rates of pay.

Expenses

17. See Staff Expenses Appendix 3

Holiday

18. Line managers should ensure staff keep holiday records (where not term time only contracts) and that these are reviewed at least termly

Deductions

19. Any errors in pay will be rectified the following month. Only in exceptional circumstances, approved by the CFO with reference to the employee's Line Manager, will staff be reimbursed by faster payment. Any overpayment must be claimed in one amount the following month or by a specific agreement made in writing by the CFO and notified to the CEO.

20. The Finance department shall ensure that payroll deductions are paid to the appropriate bodies each month together with supporting information through the payroll reconciliation to the bank accounts. Most are automatically paid by the payroll provider to the third party provider or through DDR.

21. The Finance department shall ensure that all Salary sacrifice schemes (Childcare vouchers Cars and bike to work scheme) are correctly processed through payroll or finance systems correctly.

Tax

22. Changes in tax code, whether they result in tax refunds or additional deductions will be automatically processed as per information provided by HMRC and not by information supplied by the employee.

Pay rises and Progression

23. Rates of pay will be reviewed annually and any increases will be paid from 1st April for support staff and 1st September for Teaching staff each year following approval by the Board.

24. Progression will be approved in line with the TSAT Pay policy.

25. All employee details will be agreed to between MIS system (Bromcom) and payroll system (EPM) on an at least annual basis

26. Grades, spinal points and rates of pay will be agreed to between MIS system (Bromcom) and payroll system (EPM) on an at least annual basis

Payroll Approval

27. All payroll changes will be checked (and evidenced as such) by an independent authorised person (i.e. not the person who has input the changes onto the payroll system) prior to approval of the payroll. As an example the HR administrator inputs the changes and the HR/Business manager checks the following:

- All changes to payroll agree to supporting documentation with appropriate authorisation
- All Joiners or changes are added at the correct grade, level of pay, pension banding and pension rate
- All joiners and leavers agree to the MIS report of joiners and leavers
- Ensure overtime/additional hours are treated correctly for pensionable pay
- Compare total number of employee to prior month and ensure any changes reconcile to joiner and leaver forms/documents. Explain and document any variances over 5%
- Compare total pay to the prior month and ensure any changes are in line with changes. Explain and document any variances over 5%

- Compare total Employee pension to the prior month and ensure any changes are in line with changes. Explain and document any variances over 5%
- Compare total Employer pension to the prior month and ensure any changes are in line with changes. Explain and document any variances over 5%

28. The Business manager will approve payroll on the payroll system.

Payment

29. All members of staff are paid monthly on 30th day of the month or nearest working day before if it falls on a weekend; except February based on the 28th. Basic pay being 1/12th of the annual salary.

30. Payment is made by BACs.

31. Payslips will be available through an online encrypted service.

Accounting

32. On a monthly basis payroll will be posted to the accounting system.

33. Control account reconciliations will be performed monthly for payroll, tax, TPS, LGPS, child care, union and other deductions and any variances documented and resolved

34. Management accounts will be prepared and reviewed on a monthly basis with explanations for any variances in payroll. These will be presented to Board.

Pays

Confidentiality

35. All information contained in the payroll is strictly confidential and must not be divulged in any format to another employee. The CFO and CEO must be informed of any such requests.

APPENDIX 3 – STAFF EXPENSES

Staff may claim reimbursement for reasonable expenses incurred wholly, necessarily and exclusively in the course of the school's business. These may arise from attending meetings, training or conferences, or purchases made on the school's behalf. Any purchase made on behalf of the school must be approved by the budget holder prior to purchase.

TRAVEL EXPENSES

Travel expenses will be paid to employees in respect of business travel from the normal TSAT place of work to destination and return in accordance with the procedures below.

1. Staff are requested where possible to share transport;
2. Staff should have business insurance and copies of insurance and car condition provided to HR.
3. Travel by rail must be standard class and the best possible price be obtained
4. Trips and rail travel for should normally be arranged through an ATOL registered provider
5. Staff should be economical in their mode of travel whilst considering the best use of time.
6. Business staff expenses incurred should be claimed via the Expense Claim Forms and handed to Finance Department prior to the 11th of the month. Expenses claims must be approved by the line manager and be supported by valid receipts. Expenses must be claimed within 28 days.
7. The date of, reason for, starting point and destination of the journey should all be shown on the Staff Expenses Claim Form.
8. Parking or speeding fines will never be reimbursed.
9. All claims to be signed by the applicant who is declaring that items are business only with the appropriate deduction for home to base mileage where applicable.
10. All travel expenses will be paid through the payroll process to the employee's nominated bank account
11. Payment of mileage claims will be at the HMRC approved rate of 45p per mile.

OTHER EXPENSES

Expenses will be paid to employees in respect of business costs incurred by the staff member in accordance with the procedures below.

1. Purchases should normally be through the standard requisition/order invoice procedure in Section xxxx
2. However there may be instances where staff incur small expenses personally and request reimbursement.
3. All expenditure should still be approved prior to being incurred
4. Staff should ensure value for money
5. Staff should obtain VAT receipts
6. No alcohol may be purchased
7. Business staff expenses incurred should be claimed via the Expense Claim Forms and handed to Finance Department prior to the 11th of the month. Expenses claims must be approved by the budget holder (or line manager if the claimant is the budget holder) and be supported by valid receipts. Expenses must be claimed within 90 days.
8. All claims to be signed by the applicant who is declaring that items are business only
9. Claims which are not approved or do not have valid receipts will not be processed and will be returned.
10. The submission of false claims will be treated as a serious matter and may lead to disciplinary action.
11. All non-travel expenses will be normally be paid by BACS to the employee's nominated bank account. By exception small amounts may be paid by petty cash.

12. Telephone and Mobile Expenses

- Business calls made from a home telephone may be reimbursed subject to provision of an itemised telephone bill and their inclusion on the Staff Expenses Claim Form.
- Calls from personal mobile phones may be reimbursed subject to provision of evidence of the calls attached to the Staff Expenses Claim Form.
- Line or equipment rental will not be reimbursed.
- The school/trust only provides mobile phones for operational purposes. Such phones should only be used of business related calls. Usage will be monitored and individuals may be required to reimburse the school /trust for excessive personal use.

13. Subsistence Allowances

- **Overnight Subsistence Rates**
Reasonable expenses for the cost of accommodation, food and drink will be reimbursed when supported by receipts.
Only the cost of accommodation required for business purposes will be reimbursed by the school/trust. It will not meet the cost of additional parties or accommodation provided to a spouse or other family members.
Personal items, such as alcoholic drinks, mini-bars etc. will not be reimbursed and their total should be deducted from any bills submitted for expenses purposes.

APPENDIX [4] – PROCEDURE FOR PURCHASES

REQUISITIONS AND ORDERS

1. All requisitions and orders must be within the budget allocation for that department and be made through the accounting system workflow. The Accounting system is designed to allow named staff to authorise orders based upon the value of transactions and the cost centre/budget areas.
2. Requisitions workflow authorisation is controlled by User Field in the PSF accounting system for budget holders for each cost centre with set authorisation limits.
 - Level 1 – 0 to 5000
 - Level 2 – 5001 to 24999
 - Level 3 – 25000 and above
3. Once a requisition approved by the Budget holder and turned into an order it is then checked by the finance team or SLT depending on authority level as set out below.
 - Level 1 – 0 to 5000 - School manager / Finance Manager
 - Level 2 – 5001 to 24999 - SLT
 - Level 3 – 25000 and above – Head/Deputy head

Primary School – have a paper requisition with same levels of approval as 2.

GOOD AND SERVICES RECEIVED

4.

Once a Purchase Order has been approved and issued to a Supplier PS Financials utilises a Good Received Note Feature (GRN) to allow either Admin Staff or the Budget Holder to flag the items which have been received prior to the Purchase Invoice being received.

5. Budget holders are responsible for ensuring deliveries are received on time, goods are checked against delivery notes and any issues notified to the supplier, chasing up non-deliveries regularly.

INVOICES

6. All suppliers must supply a valid tax invoice
7. Once the Purchase Invoice has been received, the PS Financials Workflow allows the Invoice to be checked against the items which have been indicated as received from the Goods Received Note Stage and enter the Purchase Invoice.
8. This will then remove the Commitment and the Purchase Invoice will reflect the actual expenditure posted into PS Financials.
9. Invoices are scanned into PS Financials, which can be viewed as an image at a later date.

For a level of system authorisation for Purchase Invoice Documents, PS Financials post invoices into the Registered Period until authorised, An email will then be sent to the authoriser, where upon approval the item will be moved automatically from the Registered Period to the current open period with PS Financials.

10. Invoices are automatically matched if it agrees to the requisition/order and a delivery has been recorded for the correct number of items/service delivered. Any variances will be sent to the budget holder for subsequent approval of the difference.
11. Invoices that are subsequently received will be subject to the same level of process.
12. In the absence of the CEO the CFO will sign.

13. All invoices and credit notes are sent to the Finance Department for budget and VAT coding and matching to order.
14. No supplier invoice will be accepted without an official order reference.
15. Budget holders are responsible for advising the Finance department of any disputes with suppliers and the invoices to which they relate with specific instructions regarding deferred payment if applicable.
16. Budget holders should make themselves aware of the codes used within their budget area for order purposes.

PAYMENTS

17. All suppliers must supply a valid tax invoice prior to payment being made
18. Suppliers will be normally be paid through the BACS system where possible. Standing orders and direct debits also exist for some suppliers. By exception suppliers may be paid by cheque. No suppliers are paid in cash.
19. Cheque Requests should be prepared using the cheque request form for all non-supplier payments; advance payment items; training course bookings and re-imburement of non-travel expenses incurred on behalf of the TSAT. Where a staff member is the payee they must not authorise the expenditure. Supporting information must be placed with the original cheque request.

CREDIT CARD

20. The TSAT Credit Card is available for on-line or telephone payments where goods are required urgently.
21. Approval of the use of the credit card should be firstly requested by the appropriate budget holder. The normal process as detailed above is required for requisitions and invoicing. The limit for the use of the credit card is £5000, unless authorised by the CFO.

NEW SUPPLIERS

22. New suppliers for significant contracts are subject to a due diligence process – finance will check financial accounts where possible, otherwise for sole traders, they must submit their UTR to prove that they are registered for tax purposes (and by definition are NI registered and so have a right to work in the UK).
23. For all suppliers who are self-employed an IR35 off payroll working form must be completed.
24. Where personal data is to be shared an Impact assessment and GDPR confirmation must be obtained in line with the IT and Data Protection policies
25. It is not within the remit of any staff member to enter a contract with a supplier, unless this process has been carried out. Failure to adhere to this will result in a disciplinary action.

CONTRACTS

26. Maintenance Contracts will be acquired by the Facilities Manager in liaison with the CFO and assisted by the relevant line manager as required for items such as:
 - Central heating boilers, Catering equipment ,refrigeration equipment, Stand-by generators
 - General equipment, Lifting equipment, Fire detection system, Security system
 - IT Systems and Computers, Knowledge Services
 - Photocopying and printing machines, Franking machines, Telephones
 - Estates and Maintenance, Small kitchen equipment
 27. These contracts will be reviewed annually and renewed where necessary across the whole Trust.
 28. Contracts over £25,000 will be signed by the CFO or CEO and reviewed to ensure the terms of the contract are acceptable and do not impose risk. Contracts under £25,000 will be signed by the Headteacher.
- Any replacement of equipment must be detailed at budget setting.

APPENDIX [5] –DELEGATED FINANCIAL RESPONSIBILITIES

Value in Board approved budget	Number of quotes required	Authorisation required for orders, contracts and invoices
Credit card	-	As below but a limit of £5,000 unless approved by CFO
<£5000	-	Budget Holder if within budget
£5,000 to <£25,000	3 or a preferred supplier	As above with signature of Head teacher of Academy 3 Quotations required unless on the preferred suppliers list and has been subject to a tender process in the last 3 years. Quotes must be reviewed by the Headteacher or CEO or CFO. Contract to be signed by Headteacher or CEO/CFO
> £25,000 <£50,000	3	As above plus authorisation by F&R Committee Tender opened by 1 Trustees and 1 independent person unless submitted via secure tender site linked to our web site. To be a written contract signed by CEO/CFO
> £50,000	4-6	As above
In excess of total school budget	As above	As above plus Under £5k – CEO/CFO approval Over £5k – F&R/Board approval
Budget transfers	n/a	Under £25k – Academy Headteacher approval Over £25k - CEO/CFO approval

Payments	
Type	Requirement
Cheques	2 authorised cheque signatories from approved bank mandate (not the payee)
BACS and online <£25,000 £25,000 +	2 authorised signatories through online security scheme and authorisation level. 2 authorised signatories through online security scheme and authorisation level and one must be Head or CFO/CEO/dir primary. Change bankline words.
Interbank transfers	CFO unless moving money to another bank for preferential interest rates where two signatures will be necessary.
Direct Debits	Limited to suppliers where regular payment is predictable or within a contract arrangement. Where this is not the case approval is required from the CFO

The bank mandate will be reviewed at least annually and include the following authorised signatures:

- CEO,CFO,Chair of Trustees, Chair of F&R, Additional Trustees as required, School Head and 2 other authorised persons per school whilst school accounts are maintained

DELEGATIONS	Delegated Matter	Delegated to	Extra Criteria
Suppliers	Financial appraisal of companies identified as potential tenders	CEO / CFO / Facilities manager	
	Maintenance of list of approved suppliers	Facilities Manager / CFO	
	Acceptance of late tenders and post tender negotiations	CEO / CFO F&R if significant changes	
	Approval of variations to contract	As per purchases approval procedure	
	Sealing of documents	As per Articles of Association section 128	
Purchasing	Authorisation of requisitions	Budget Holders	
	Authorisation of deliveries/variations	Budget Holders	
	Authorisation of petty cash payments	Budget Holders	
Capital	Approval of business cases	Trustees via budget	
	Management of spend and assets under construction	CFO/Facilities manager	
	Maintenance of asset register	CFO/Facilities manager	
	Disposals – non land and buildings	CEO / CFO	
	Disposals - land and building disposals	Trustees	EFA
Staffing	New appointments, changes and performance increments within budget (excluding Headteacher)	Within budget – Headteacher In excess of budget CEO/CFO recommend to F&R	
	Cost of living pay rise	FRC via budget	
Headteacher	Headteacher appointments, changes and performance increments	CEO/FRC/Chair of LAC	
Income	Approval of income contracts	CEO	
Losses and special payments	Authorisation of losses, compensation payments & debt write-off	Under £5k CEO/CFO Over £5k F&R	Academy Handbook
	Payments for early retirement, redundancy, ex-gratia, other termination	Within budget Headteacher/CEO/CFO In excess of budget Trustees/F&R	Academy Handbook
Budgetary Control	Delegation of budgets	Approved by Board. Delegated to CEO / CFO/Headteacher	
	Approval of reserve transfers	Board	
Income	Approval of income contracts	CEO	
Stores	Management and control of stores	Budget Holders	
Bank accounts	Opening of bank accounts	CEO/CFO	
	Signing of cheques and BAC schedules	Authorised Signatories	
	Online bank payments	2 authorised individuals	
Register of interests	Maintenance of the register of Interests	Company Secretary/Headteacher	
Insurance	Insurance arrangements	CFO approval by F&R	

Items with “/ “ means any one of the named authorised individuals

CEO/CFO may sign on behalf of a Headteacher.

APPENDIX [6] – Budget Change Form

BUSINESS CASE - CHANGE OF BUDGET

All changes to be approved prior to staff advert/change of contract or purchase order.

Expense	Approval by
Staffing costs	Headteacher and CFO and Director of phase (Primary or Secondary)
Non staff costs	
Within school budget (ie transfer from one budget area to another)	<£25k Headteacher >£25k CFO or Director of phase
Over school budget	CFO or Director of phase F&R approval needed if this increases overall Trust budget by >£25k

DATE REQUESTED	
REQUESTED BY	
PURPOSE Detail the purpose and the strategic aims	
BACKGROUND Detail the background to why this is a change to the budget, what strategic implications	
OPTIONS Detail proposed options along with strategic and financial implications) What are the challenges/opportunities/added value Detail any risks – legal etc	
SUPPORTING DOCUMENTS Reference or attached any linked documents	
EXPENDITURE Add detail - ie new teaching post/staff cost, capital	£
INCOME / TRANSFER Detail income received / savings to fund the cost	£
NET BUDGET IMPACT	
Approved by HEADTEACHER	DATE
APPROVED CFO / Director of Phase Approved by F&R (where required)	DATE DATE

