



# Finance Policy

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## GLOSSARY OF ACADEMY TERMS

AAR	Academy Accounts Return - a financial return submitted to the ESFA reflecting the Annual Financial Statements in a format appropriate for inclusion in the Whole Government Accounts
AO	Accounting Officer - the AO is responsible for compliance with the Academy Trust Handbook (Formerly Academies Financial Handbook )and Academies Accounts Direction. The individual <b>must</b> be a fit and suitable person for the role. In trusts comprising a single academy this should be the principal. In a multi-academy trust it should be the chief executive or executive principal
AoA	Articles of Association – the AoA set out the internal management, decision making and running of the academy trust and its liability. It forms an annex to the FA for each academy
CFO	Chief Financial Officer - The individual who leads the finance departmentCPT      Connected Party Transactions    - CPT are transactions related to the provision of goods or services by individuals or organisations connected to the academy trust
DfE	Department for Education - The DfE is the 'principal regulator' of academies. It is responsible for ensuring there is an adequate framework in place to provide assurance that all resources are managed in an effective and proper manner and that value for money is secured
CEO	The Chief Executive Officer – the individual who leads the finance department, such as the finance director, business manager or equivalent
ESFA	Education and Skills Funding Agency –The ESFA is the executive agency of the DfE, who also act as the agent of the Secretary of State
FA	Funding Agreement - Legally binding document between the Academy and the DfE
GAG	General Annual Grant - main funding grant received from the ESFA
IS	Internal Scrutiny – this is a process for checking the trusts financial systems, controls, transactions and risks
MoA	Memorandum of Association - the MoA sets out the name of the academy trust. It provides for details of the academy trust members under the Companies Act 2006. It forms an annex to the FA for each academy
SORP	Statement of Recommended Practice - academies must comply with the Charity SORP
SoS	Secretary of State

## **1. Introduction and statement of intent**

The purpose of this finance policy is to support Everychild Partnership Trust operating with accountability and transparency, meeting the requirements of the Funding Agreement, Academy Trust Handbook, Academies Accounts Direction, Companies Act 2006, the appropriate Charities Statement of Recommended Practice (SORP) and Finance Reporting Standard (FRS) 102.

## **2. Scope and applicability**

- This policy applies to all Members, Trustees, Directors, Local Committee Members and Staff.
- Members of these groups involved with the financial management of Everychild Partnership Trust should be familiar with the content of this policy, any related policies and procedures, The Academy Trust Handbook and The Academy Accounts Direction.
- Everychild Partnership Trust accounting policies are fully aligned with the Academy Trust Handbook, Academies Accounts Direction, and the appropriate Charities SORP.
- All accounting transactions will be undertaken accordingly. Where there is scope or requirement for local decision making regarding any financial transactions this is indicated within the finance policy or associated policies and procedures – Appendix F.

## **3. Roles and responsibility**

- All Members, Trustees, Directors, Local Committee Members and Staff must adhere to the 'seven principles of public life'. Appendix A
- The specific roles and responsibilities of all groups of people or individuals who carry financial and assurance responsibilities within Everychild Partnership Trust are set out below.
- The DfE will be notified via "Get Information About Schools" of any alterations to the personnel performing the roles of Members, Trustees, Local Committee Members, Chair of Trustees, Chair of Local Committee, Accounting Officer, Director of Finance and Director of Operations, within 14 days of a change.

### **3.1 Members**

The Members of Everychild Partnership Trust are the subscribers to our Memorandum of Association, and any other individuals permitted to become Members under our Articles of Association. Their powers include the authority to appoint and remove Trustees. If the Trust ceases to exist they have a limited financial liability defined in the Memorandum and Articles of Association.

There may be an overlap of people being both Members and Trustees, this group will deal with both levels of responsibility. Since the DfE have noted that that this may reduce the objectivity with which members can exercise their powers, an effort will be made to ensure that a majority of Members will be independent of the board of Trustees.

Members are responsible for the statutory appointment of an auditor to perform an External Audit, and, to receive the audited annual accounts, in accordance with the requirements detailed in the Academy Trust Handbook, subject to the Companies Act.

### **3.2.1 Trustees and Directors – Multi Academy Trust**

The Trustees must ensure compliance with the Trust's charitable objects and with company and charity law, and adherence to the Trust's funding agreement with the Secretary of State.

The Board may delegate functions to committees. Each committee of the Board must contain a majority of Trustees, but it may also include other people the board chooses to appoint.

Individuals must ensure that they fully understand their duties as company Directors and charity Trustees.

The Trustees have overall responsibility for the administration of the Academy Trust's finances. The main responsibilities of the Trustees are prescribed in the Funding Agreement between the Academy Trust and the DfE and in the trust's Scheme of Delegation. The main responsibilities include:

- ❖ ensuring that the grant from the DfE is used only for the purposes intended;
- ❖ ensuring that funds from sponsors are received according to the Academy Trust's Funding Agreement, and are used only for the purposes intended;
- ❖ approval of the annual balanced budget to 31 August;
- ❖ appointment of the Chief Executive/Accounting Officer, and
- ❖ appointment of the Director of Finance in conjunction with the Chief Executive;
- ❖ appointment of statutory auditors
- ❖ ensuring that there is a sound internal control and risk management process.
- ❖ the regular monitoring of actual expenditure and income against budget;
- ❖ Land and Buildings Collection Tool in November 2024
- ❖ Trust to submit audited financial statements by 31<sup>st</sup> December 2024
- ❖ audited financial statements by 31<sup>st</sup> January 2025
- ❖ Trust to submit SRMSAT by 14<sup>th</sup> March 2025
- ❖ A 3-year budget forecast return by 31<sup>st</sup> August 2025

### **3.3 Finance, Audit & Risk Committee**

Everychild Partnership Trust Board of Trustees have set up an Finance, Audit and Risk Committee to provide assurance over the suitability of, and compliance with, its financial systems and operational controls at all of its constituent academies. This will need to take into account the differing risks and complexity of its operations.

The Finance, Audit & Risk Committee provides assurance to the board that risks are being adequately identified and managed by:

- reviewing the risks to internal financial control at our Trust and
- agreeing a programme of work to address, and provide assurance on those risks
- the initial review and authorisation of the annual budget;
- the monthly 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 over £20,000; and
- authorising changes to the Academy Trust trusts personnel establishment

To support this the Audit & Risk Committee of Everychild Partnership Trust have appointed

- the Trust's appointed external auditor to perform a supplementary programme of work to carry out internal scrutiny which supports this aim.

They evidence that their responsibilities are met through:

- Professional service request correspondence
- Planning a programme of works informed by the Risk Register
- IS reports and subsequent actions
- Minutes of meetings

### **3.4 Accounting Officer – Chief Executive**

The AO of the Trust must have the skills, knowledge and experience to run the Trust. In Everychild Partnership Trust, this will be the Chief Executive.

The CEO designated Accounting Officer (AO). The AO is personally responsible to the Board of trustees, DfE and EFA for compliance with the Academy Trust's handbook, company and charitable law.

The AO has a personal responsibility to Parliament and to the Accounting Officer of the ESFA for the resources under the Trusts control. The Accounting Officer is able to assure Parliament, and the public, of high standards of probity in the management of public funds, particularly:

The AO must ensure that there is appropriate oversight of the financial transactions. In doing so, they must:

- ensure bank accounts, financial systems and financial records are operated by more than one person;
- ensure that the Academy Trust's property is under the control of the trustees, and that measures are in place to prevent losses or misuse;
- keep full and accurate accounting records;
- prepare accrual accounts, giving a true and fair view of the Academy Trust's incoming resources and application of resources during the year, and the state of affairs at the year-end, in accordance with existing accounting standard;
- prepare a statement of governance, regularity, propriety and compliance to be included in the Academy Trust's annual report;
- approve new staff appointments within the authorised establishment, except for any senior staff posts which the Academy Trust Board have agreed should be approved by them;
- management of payroll; Reconciliation of bank and system software – no unreconciled transactions exceeding 30 days
- preparation of annual financial statements ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance

Included in the responsibilities of the Accounting Officer is a duty to take appropriate action if the Board of Trustees, or the Chair of Trustees, is contemplating a course of action which he or she considers would infringe the requirements of propriety or regularity (including the provisions of the Funding Agreement, the academy's Development Plan, or other documents setting out the financial duties of the Board of Trustees or of any other rules governing the conduct of the body), or would not represent prudent or economical administration, or the efficient or effective discharge of the Board of Trustees' functions.

In such circumstances, the Accounting Officer would be required to put his or her objections in writing to the Board of Trustees and to advise them of the requirement to inform the DfE Accounting Officer (the Permanent Secretary) and the academy's external auditors, as well as the Controller and Auditor General.

Such notification should occur without undue delay, and the Departmental Accounting Officer will need to consider whether to intervene in such cases.

The Accounting Officer may delegate to the Director of Finance/CFO to assist in these responsibilities.

### **3.5 Chief Financial Officer**

The CFO should play both a technical and leadership role, including ensuring sound and appropriate financial governance and risk management arrangements are in place, preparing and monitoring of budgets, and ensuring the delivery of annual accounts. The CFO must have the skills, knowledge and experience to contribute to the management of the Trust. This role has been partially incorporated with the CEO role. Nominated staff and external agencies complete the necessary work and ensure responsibilities are met in the same way a CFO would. Trust external auditors and the Operations Committee monitor this.

The responsibilities are met through:

- Oversee the day to day management of financial issues including the establishment and operation of a suitable accounting system
- Management of the academy financial position at a strategic and operational level within the framework for financial control determined by the Board of Directors;
- 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 academy;
- Ensuring preparation and review of monthly management accounts;
- Ensuring monthly management accounts are sent to the Chair of the Trust Board and the Chair of the Finance, Audit & Risk Committee
- Ensuring forms and returns are sent to the DfE and Companies House in line with the published timetables
- preparation of the annual balanced budget to 31 August;
- BACS payments in conjunction with the Chief Executive, Headteacher or other named signatory;
- liaising with the Academy Trust trust's accountants and auditors;
- maintain and control the accounting system PS Financials across the Academy Trust, and
- reconciliation of the accounting systems, control accounts and bank balances to statements across the Academy Trust.
- Compliance with the Scheme of Delegation, ensuring separation of duties
- Risk Register and subsequent actions
- Ensuring an IS audit is supported
- IS reports and subsequent actions

### **3.6 All staff members**

All staff members are:

- appropriately qualified and experienced
- responsible for:
  - the security of academy property

- avoiding loss or damage
- ensuring economy and efficiency in the use of resources
- conforming with the requirements of the academy's financial policies and procedures
- reporting any misuse of academy property or resources to their line manager

## 4. Governance and financial oversight

- The Board of Trustees has approved a
  - Written Scheme of Delegation of financial powers that ensures appropriate separation of duties
  - internal control framework and financial procedures that support the maintenance of robust internal control arrangements and full and accurate accounting records
  - robust, evidence basis for determining executive pay which has been minuted
- Everychild Partnership Trust has appointed a Finance, Audit & Risk Committee to which the board delegates financial scrutiny and oversight

### 4.1 Internal Control

Everychild Partnership Trust has established a control framework that recognises public expectations about governance, standards and openness.

The internal control framework includes: (Annexes and associated policies indicated where they support the internal control framework and procedures)

- co-ordinating the planning and budgeting processes – Appendix C
- applying discipline in financial management, including managing banking, debt and cash flow, with appropriate segregation of duties – Appendix B
  - Purchase limits (Appendix D)
- preparation of monthly budget monitoring reports
- ensuring that delegated financial authorities are respected
- effective planning and oversight of any capital projects - Procurement and Tendering Policy and Internal Control Framework
- the management and oversight of assets – Write off and Disposals Policy
- the propriety and regularity of financial transactions – Appendix B
- reducing the risk of fraud and theft – Whistleblowing Policy and Anti-Fraud Policy
- ensuring efficiency and value for money in the organisation's activities - Procurement and Tendering Policy
- a process for independent checking of financial controls, systems, transactions and risks - Programme of internal scrutiny works informed by the Risk Register

### 4.2 Other Authorisation Limits

	Virement Limits	Writing off bad debts	Disposal of surplus stock, stores & assets
Audit & Risk Committee	Over £50001	Over £5001	Over £5001
Chief Executive	£50000	£5000	£5000
Director of Finance/CFO	£5000	£1000	£1000



## 5. Financial Planning

Everychild Partnership Trust has prepared financial plans to secure the short-term and long-term financial sustainability of their academies and trust. A balanced budget for all funds, which can draw on unspent funds brought forward from previous years, will be submitted to the ESFA in line with the ESFA timeline and following their template, currently once a year.

The board of trustees must notify the ESFA within 14 days if it is formally proposing to set a deficit revenue budget for the current financial year which it is unable to address, after unspent funds from previous years are taken into account.

Evidenced by:

- Minutes of meetings
- The submission of the annual budget, informed by the School Development Plan and approved by the Board of Trustees to the ESFA (Revenue & Capital)
- The submission of a three-year budget plan, informed by the School Development Plan to the Board of Trustees (Revenue & Capital)
- Cash flow statement submitted to Trustees

### 5.1 Managing Surplus General Annual Grant and Reserves

- Everychild Partnership Trust funding is based on pupil census data.
- Everychild Partnership Trust is committed to using our allocated GAG funding for the full benefit of our current pupils.
- Any surplus balances, apart from our contingency of a maximum of 6% of our GAG funding, will be supported by a clear plan for their use in the near future to benefit our pupils.
- This plan is detailed in our Reserves Policy and is integrated with the budget plans to support the short-term and long-term financial sustainability of the academy.

### 5.2 Investments

- The Board of Trustees may invest to further their Trust's charitable aims, but will ensure that investment risk is properly managed. When considering making an investment, the Board of Trustees will only act within their powers to invest as set out in Everychild Partnership Trust Articles of Association.
- Everychild Partnership Trust has an Investment Policy to ensure that security of funds takes precedence over revenue maximisation and to ensure value for money.

## 6. Income Generation

- Everychild Partnership Trust sets fees for their chargeable services at full cost, and only apply an additional rate of return when in a commercial environment.
- Fees and charges for the cost of public services to other Government funded companies or bodies will be determined at full cost as per annex 6.1 of HM Treasury's Managing Public Money.

### 6.1 Charging and Remissions

Everychild Partnership Trust has a policy in place for Charging and Remissions to cover items such as classroom sales, trips and activities in line with the DFE guidance for Academies.

## 6.2 Lettings

Everychild Partnership Trust has a policy in place to govern Lettings. The policy is a statement of the aims, principles and strategy used for dealing with lettings at any of its schools, and contains a schedule of chargeable rates.

## 7. Procurement and Tendering

- Everychild Partnership Trust has a policy in place for procurement and tendering that reflects the DFE, and UK Public Sector Procurement, low, medium and high level procurement procedures.
- The Procurement and Tendering Policy includes appropriate guidance and the details of any appropriate approvals required regarding any operating lease arrangements that may be considered during a procurement process.

### 7.1 Contract management

- All contracts are listed in an excel spreadsheet with the relevant expiring dates.
- Everychild Partnership Trust review this annually when the budget is set to determine which contracts are due for renewal in the coming year.
- This supports a timely, appropriate procurement process that supports the VfM aims of economy, efficiency, and effectiveness. (Pro forma available)

### 7.2 Leases

- Everychild Partnership Trust are aware that they may only enter into Operating Leases e.g. rental agreements
- Everychild Partnership Trust will ask for the Secretary of State's consent if we wish to:
  - take out a finance lease on any class of asset for any duration from another party, as this would represent borrowing;
  - take up a leasehold or tenancy agreement on land or buildings from another party for a lease term of more than five years
  - grant a leasehold or tenancy agreement on land or buildings to another party for a lease term of more than five years.

### 7.3 Borrowing

- Everychild Partnership Trust are aware that they **must** seek the ESFA's prior approval for borrowing (including finance leases and overdraft facilities) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, and regardless of the interest rate chargeable.
- Credit cards will only be used for business (not personal) expenditure, and balances cleared before interest accrues.
- Everychild Partnership Trust is aware that the Secretary of State's general position is that academy trusts will only be granted permission for borrowing in exceptional circumstances. But that from time to time, the Secretary of State may introduce limited schemes in order to meet broader policy objectives. For example, the Department's Condition Improvement Fund for capital projects, and the Salix scheme designed to support energy saving which will be applied for as appropriate.

## 8. Connected Party Transactions

Connected Party Transactions are for goods or services provided by individuals or organisations connected to the Academy Trust. In order to ensure that there can be no real or perceived

conflicts of interest, Everychild Partnership Trust has adopted the following policy in line with the Academy Trust Handbook:

Everychild Partnership Trust will pay no more than 'cost' for goods or services provided to it by the following persons ('services' do not include services provided under a contract of employment):

- any Member or Trustee of the Academy Trust
- any individual or organisation connected to a Member or Trustee of the Academy Trust. For these purposes the following persons are connected to a Member or Trustee:
- a relative of the Member or Trustee. A relative is defined as: a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner
- an individual or organisation carrying on business in partnership with the Member, Trustee or a relative of the Member or Trustee
- a company in which a Member or the relative of a Member (taken separately or together), and or a Trustee or the relative of a Trustee (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company
- an organisation which is controlled by a Member or the relative of a Member (acting separately or together), and or a Trustee or the relative of a Trustee (acting separately or together). For these purposes, an organisation is controlled by an individual or organisation if that individual or organisation can secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes
- any individual or organisation that is given the right under the Trust's Articles of Association to appoint a Member or Trustee of the Academy Trust; or anybody related to such individual or organisation
- any individual or organisation recognised by the Secretary of State as a sponsor of the Academy Trust; or anybody related to such individual or organisation

A body is related 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 Local Committee Members

The 'at cost' requirement does not apply to the Trust's employees unless they are also one of the parties described above, i.e. connected to a Member or Trustee of the Trust.

Everychild Partnership Trust must seek ESFA's prior approval, using ESFA's related party on-line form for contracts or other agreements for supply of goods or services by a related party where contract exceeds £40,000 in same financial year ending 31 August.

Whilst these provisions do not apply to contracts of employment, the same principles of securing value for money and using public money properly, including managing conflicts of interest, will still apply.

Salaries paid should be appropriate to the individual's skills and experience and the salary rates paid in the wider market.

Should any staff or personnel of an individual or organisation connected to a Member or Trustee of the Trust be based in, or work from the premises of, the Academy Trust, that individual or organisation and the Trust will agree an appropriate sum to be paid to the Trust for such use and occupation of the premises, save to the extent that they are carrying out work for Everychild Partnership Trust.

The Academy Trust keeps a register of interest that captures relevant business and pecuniary interests of Members, Trustees, Local Committee Members of academies within the Trust and senior employees. This will include the Accounting Officer if appropriate. This document is reviewed on a regular basis and published on the Trust website. The Charity Commission guidance [CC29 Conflicts of interest: a guide for charity trustees](#) is utilised to ensure that this is completed appropriately.

### **8.1 At Cost or Full Cost – Definition for provision or receipt of goods and services**

For these purposes the cost will be the 'full cost' of all the resources used in supplying the goods or services. Full cost includes:

- all direct costs (the costs of any materials and labour used directly in producing the goods or services)
- indirect costs (comprising a proportionate and reasonable share of fixed and variable overheads)

Full cost **will not** include an element of profit.

Full cost for the provision of public services to other Government funded institutions will be determined as per annex 6.1 of [HM Treasury's Managing Public Money](#).

### **8.2 De Minimis for "At Cost/Full Cost" transactions**

**The 'at cost' requirement applies to contracts for goods and services from a connected party exceeding £2,500, cumulatively, in any one financial year of the trust.** For these purposes, where a contract takes the Trust's cumulative annual total with the connected party beyond £2,500, the element above £2,500 must be at no more than cost.

### **8.3 Professional services**

In relation to organisations supplying legal advice or audit services to Everychild Partnership Trust, the 'at cost' requirement applies where the organisation's partner directly managing the service is a Member or Trustee of the Trust but not in other cases for those organisations. The published ethical standards for auditors also prevent partners or employees of the audit firm from acting as a Trustee of their client Trust, but not of other Trusts.

### **8.4 Documentation**

Everychild Partnership Trust will ensure that any agreement with an individual or organisation connected to a Member or Trustee, as defined above, to supply goods or services to the Trust is properly procured through an open and fair process and is:

- supported by a statement of assurance from that individual or organisation to the Trust confirming that their charges do not exceed the cost of the goods or services, and
- based on an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply

## 8.5 Local Committee Members Allowances

Everychild Partnership Trust will reimburse Trustees and Local Committee Members for actual costs incurred in carrying out their duties as specified in the Local Committee Member Allowances Policy.

## 9. Novel, contentious or repercussive transactions

Novel payments or other transactions are those of which Everychild Partnership Trust has no experience, or are outside the range of normal business activity for the Trust. Contentious transactions are those which might give rise to criticism of the Trust by Parliament, the public or the media. Novel or contentious transactions will always be referred to the ESFA by the Board of Trustees for explicit prior authorisation. Repercussive transactions are those which are likely to cause pressure on other Trusts to take a similar approach and hence have wider financial implications.

## 10. Delegated Authority – Special payments to staff

### 10.1 Staff severance payments

If Everychild Partnership Trust is considering making a staff severance payment above the statutory or contractual entitlements, the Board of Trustees **will** consider the following issues:

- Whether the proposed payment is in the interests of the Trust
- Whether the payment is justified, based on a legal assessment of the chances of Everychild Partnership Trust successfully defending the case at employment tribunal. This is relevant because if there is a significant prospect of losing the case then a settlement may be justified, especially if the costs incurred in maintaining a defence are likely to be high. Where a legal assessment suggests that the Trust is likely to be successful, a settlement will not be offered.
- If the settlement is considered to be justified, then the Board of Trustees would need to consider the level of settlement. This **must** be less than the legal assessment of what the relevant body (e.g. an employment tribunal) is likely to award in the circumstances.

Staff severance payments will not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance. The only acceptable rationale in the case of gross misconduct would be where legal advice is that the claimant is likely to be successful in an employment tribunal claim because of employment law procedural errors. In the case of poor performance, an acceptable comparison would be the time and cost of taking someone through performance management and capability procedures.

Everychild Partnership Trust Trustees are aware that the following schedule of delegation applies to severance payments and will not operate outside this guidance:

Statutory or contractual payment		Non-statutory or non-contractual payment	ESFA or HM Treasury prior approval required?
£30,000	+	£30,000	No
£60,000		£30,000	No
£30,000		£50,000	Yes – for £50,000

*\* amounts relate to gross pay before income tax and other deductions*

## 10.2 Compensation payments

Everychild Partnership Trust will make appropriate compensation payments to provide redress for loss or injury, for example: personal injuries; traffic accidents; or damage to property. If the Board of Trustees are considering making a compensation payment it will base its decision on a careful appraisal of the facts, including legal advice where relevant, and ensure that value for money will be achieved.

Everychild Partnership Trust is aware that, as for severance payments, they have delegated authority to approve individual compensation payments provided any non-statutory or non-contractual element is under £50,000. Where the Trust is considering a non-statutory or non-contractual payment of £50,000 or more, ESFA's prior approval **must** be obtained.

Where a compensation payment has been necessitated by an event that reveals concerns about the effectiveness of internal control systems, the Board of Trustees will take any necessary steps to put failings right.

## 10.3 Ex gratia payments

Ex gratia payments are a type of transaction that goes beyond statutory or contractual cover or administrative rules e.g. payments to meet hardship caused by official failure or delay, and payments to avoid legal action on the grounds of official inadequacy.

Ex gratia transactions will always be referred to the ESFA by the Board of Trustees for prior authorisation.

## 10.4 Gifts and Hospitality

Everychild Partnership Trust has a policy in place for the acceptance of Gifts and Hospitality. This includes a register on the acceptance of gifts, hospitality, awards, prizes or any other benefit which might be seen to compromise the staff's personal judgement or integrity; and ensures that all members of staff are made aware of this.

When giving gifts, the Trust ensures that the value of the gift is reasonable, is within the limits stated in the Gifts and Hospitality policy, the decision is fully documented and has due regard to propriety and regularity in the use of public funds.

## 11. Fixed Assets Accounting

Details of all Fixed Assets are recorded in the Fixed Asset Register

The capitalisation threshold for Everychild Partnership Trust, together with the useful economic lives of assets, and levels of depreciation are recorded on the Fixed Asset Register

Disposal of fixed assets, apart from the ones mentioned in the next paragraph below are governed by the Write off and Disposals policy

The threshold for capitalisation for Everychild Partnership trust is £2,000 or £2,500 per project. Any assets purchased for less than £2,000 will be written off in the year of acquisition.

Everychild Partnership Trust will seek and obtain written approval from the Secretary of State, via the ESFA, for the following:

- Acquiring a freehold on land or buildings;
- Disposing of a freehold on land or buildings; and

- Disposing of heritage assets beyond any limits set out in the Trust's funding agreement in respect of the disposal of assets generally.
- Novel or contentious property transactions

## 12. Accounting Adjustments

Everychild Partnership Trust prepares accruals accounts, giving a true and fair view of the Trust's use of resources, in accordance with existing accounting standards. Prepayments are recorded on a monthly basis where the effect of not doing so would distort the management accounts in a material manner. All other accounting adjustments including depreciation are reflected at year end. All accounting adjustments are recorded in an excel spreadsheet, other than depreciation which is recorded on the Fixed Asset Register

## 13. Fund Accounting

Equity is represented in Everychild Partnership Trust accounts by the Retained Earnings b/f (Fund Balances) and the in-year Income and Expenditure account balance.

Equity that does not represent current assets or liabilities e.g. Fixed Asset (carrying value; non – realisable: <https://www.gov.uk/guidance/school-land-and-property-protection-transfer-and-disposal>) , <https://www.gov.uk/government/publications/academy-property-transactions/property-information-notes> and Pension Liability (reserve) are clearly earmarked in separate restricted Funds.

This enables general funds i.e. working capital (current assets – current liabilities) to be easily identified using Everychild Partnership Trust software and reporting; minimising the risk that users of trust reports can misinterpret the information presented, believing that the trust has more working capital available than is the case.

### 13.1 Income recognition within Funds

A schedule of income recognition is held indicating how income received and associated expenditure is treated within Everychild Partnership Trust accounts, where the source of the income is additional to or being treated differently from the treatment indicated below:

- **Unrestricted fund** – this contains resources which can be spent on any purpose at the discretion of the Trustees, within the objects of the Academy Trust as set out in its governing documents. It will include the following incoming resources and related expenditure:
  - *fees for hiring out facilities such as rooms and sports pitches*
  - *fees from parents for private nursery provision*
  - *fees for school meals*
  - *proceeds from other trading activities including those of consolidated subsidiaries*
  - *donations with no restrictions attached*
- **Restricted general fund** – this contains revenue (running costs) resources which can only be spent for particular purposes. It would include the following incoming resources and the related expenditure:
  - ESFA General Annual Grant (GAG), including:
    - minimum funding guarantee
    - *allocation protection*
  - school budget share

- *pre-16 high need funding*
- other ESFA revenue grants such as pupil premium, pay grant, core school budget grant
- other government revenue grants, including local authority funding for high needs pupils
- donations with restrictions attached (i.e. received for specific revenue purposes)

**Restricted fixed asset fund** – as indicated in 13 this will include the net book value (NBV) of the fixed assets on the Balance Sheet. Related expenditure i.e. depreciation will be charged to this fund ensuring that this remains the case. The fund does not represent working capital, but incoming resources, and subsequently their NBV.

Income that has been received for the purpose of purchasing resources that will enhance the value of the Fixed Assets e.g. ESFA and other government capital grants *can be* reflected in the restricted **fixed asset fund**.

## 14. Retention of Finance and Payroll Records

All records relating to the Financial Management of Everychild Partnership Trust are retained in line with the Information and Records Management Society “Records Management Toolkit for Schools” and the Records Management Policy contained within this.

## 15. Whistleblowing

Everychild Partnership Trust has a policy in place for Whistleblowing and Anti-Fraud and ensures via the Staff Noticeboard that all staff are aware to whom they can report their concerns, and the way in which such concerns will be managed.

## 16. Risk Management

Everychild Partnership Trust has made a considered choice about its desired risk profile, taking account of its legal obligations, business objectives and public expectations. We have recognised and are managing present and future risks to ensure our effective and continued operation which are recorded in a risk register.

The Trust will refer to the ESFA published guidance on reducing risk of financial irregularities and to findings from ESFA investigation reports, as part of its risk management approach.

The Trust’s procedures for the management of risk include contingency and business continuity planning.

Where reasonable recommendations are made by risk auditors these will be addressed by the Trust.



## **Appendix A**

### **The 7 principles of public life**

#### **1. Selflessness**

Holders of public office should act solely in terms of the public interest.

#### **2. Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

#### **3. Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

#### **4. Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

#### **5. Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

#### **6. Honesty**

Holders of public office should be truthful.

#### **7. Leadership**

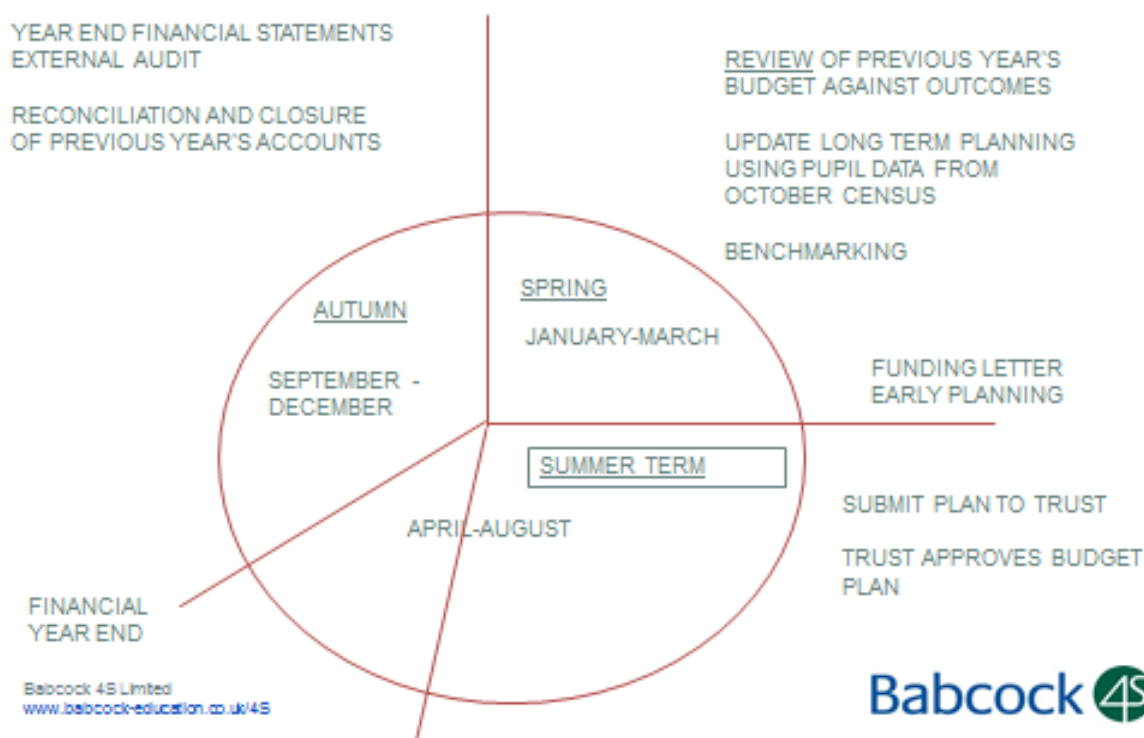
Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

## ACADEMY PERIOD END PROCEDURES

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## Appendix C

# The Annual Budget Cycle



CEO = Chief Executive Officer    HT = Head Teacher  
CFO = Chief Finance Officer    DoE = Director of Education

SLT = Senior Leadership Team

ESFA Submissions and requirements **not** duplicated, monthly monitoring for each site will take place and be reported to the Chair of Finance, Audit & Risk, Chair of Trust, and HT's

<u>Requirement</u>	<u>Role</u>	<u>Provided to:</u>	<u>Time frame</u>
MAT SDP	Trustees/SLT	DoE	Oct
Academy SDPs	Trustees/SLT	Chair of ECPT	Oct
Benchmarking Exercise	CEO	ECPT	Dec
Produce LA and ESFA (including grants) Funding Forecasts based on LA formula post funding consultation - adjusted for NOR and pupil data	CEO/CFO	ECPT/Trustees	Nov
Staffing Structure Review – to enable potential issues to be addressed for Sept	DoE/CEO/SLT	Trustees/ECPT	Nov

Review long term financial planning at strategic level	DoE/CEO/SLT	Trustees/ECPT	Nov
Accountants Year End adjustments entered on to Finance software and reconciliation between software and Fin Stats	CEO/CFO	ECPT/Trustees	Dec
MAT Consolidated Monitoring	CEO/CFO	Trustees/ECPT	Dec
Review MAT Formal and Informal contracts (include start and end dates)	Central Team	CEO	Jan
Academy Monitoring	CEO	ECPT/DoE	Jan
Staffing Structure Review	DoE/CEO/SLT	Trustees/ECPT	Feb
Build detailed salary calculations as per existing structure : <ul style="list-style-type: none"> <li>Salary Calcs reconciled to payroll report to ensure all contracts reflected accurately ensuring NI reflects current rates</li> <li>Teachers Pension increases built in where appropriate</li> <li>Review LGPS contribution in light of actuarial statement</li> <li>Teachers cost of living pay movement - as per Teachers Pay &amp; Conditions if adopted</li> <li>Indicate incremental movements as per Pay Policy</li> <li>Support staff pay increases as per Pay Policy</li> </ul>	CEO/HT/SLT/CFO HT/SLT/CFO	CEO	Feb
Receive LA and ESFA Funding allocations and verify that data producing them is accurate	CFO	CEO	March
Review forecast of ESFA Grants	CFO	CEO	March
Forecast income for Activities for Generating Funds	CFO	CEO	March
MAT Consolidated Monitoring	CEO	Trustees/ECPT	March
Draft budgets produced per Academy	HT/SLT/CFO	CEO/HT/ECPT	April
Draft budget produced for central MAT	DoE/CFO	CEO/ECPT	May

Draft Consolidated budget produced	DoE/CEO	Trustees	May
Draft reviewed to reflect staffing movement	HT/SLT/CFO	CEO	June or July
MAT Consolidated Monitoring	CEO/DoE	Trustees/ECPT	June
Draft Consolidated budget produced	DoE/CEO/CFO	Trustees/ECPT	June

## Appendix D

### Scheme of Delegation/Authorisation Limits

Purchase Limits — also see authorised signatory list

	Name(s)	Limit to sign orders	Limit to authorise payment of invoices	BACS authorisation limit	Credit card individual transaction limit without a Purchase Order Slip
Accounting Officer	Glenn Livingstone	£100,000*	£100,000*	£100,000	£100
Headteacher Baldwins Hill	Jenny Dabell	£20,000	£20,000	N/A	Order required
Headteacher Blackwell	Sarah Martin	£20,000	£20,000	N/A	Order required
Headteacher Burstow	Phil Tree	£20,000	£20,000	N/A	Order required
Headteacher Halsford Park	Claire Spencer	£20,000	£20,000	N/A	Order required
Headteacher Hatchlands	Moirra Anderson	£20,000	£20,000	N/A	Order required
Nursery Manager Leaps	Natalie Walsh	£10,000	£10,000	N/A	Order required
Headteacher Sandcross	Mark Richards	£20,000	£20,000	N/A	Order required
Budget Holders & (Subject Champions) All Schools authorised by Headteacher & DoF		£5,000			
Director of Finance /CFO	Jill Abbott	£20,000	£20,000	*£100,000	£100
Director Of Operations	Anita Russell	£20,000	£20,000	*£100,000	£100
Head of Trust Inclusion	Emily Webster	£5,000	£5,000	N/A	
Trust Finance Manager	Josie Jervis	£2,000	Variance up to maximum of £50	N/A	
Trust Finance & Op's Officer	Michelle Brooks	£2,000	Variance up to maximum of £50		

\* after prior notification/agreement with Academy Trust Board agreed at Trust meeting accommodate new build or CIF projects