

Finance Policy



Approved: October 2023

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Responsible Officer: Chief Finance Officer

Trust Ethos, Mission, Vision and Values



The Trust believes in the transformational power of education for each individual and that this is enhanced through collaborative working between the academies.



Working together, transforming lives

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Where the word 'Trust' is used in this document it refers to Archway Learning Trust.

Where the word 'Advisory Board' is used it refers to the Academy Advisory Board (AAB) of an individual academy within the Trust.

Where appropriate the AABs of individual academies will publish details of the procedures and practices to implement Trust policies.

The term 'Trust Executive Leadership Team' (ELT) is comprised of the Chief Executive Officer, Deputy Chief Executive Officer, Chief Finance Officer, Chief Corporate Services Officer, Chief People Officer and Director of Teaching & Learning.

Where the word 'users' is used it refers to staff, future staff issued with ICT access and/or hardware, AAB members, volunteers and regular visitors.

Where the phrase 'Senior Leader' is used, this refers to the ELT, Principals, Headteachers or Business Services Director within the Trust.

Where the phrase 'Principal' is used, this also refers to Headteachers.

Related Policies and Procedures

- Charging and Remissions Policy
- Code of Conduct
- Allowances Relating to Governance Policy
- Lettings Policy
- Pay Policy
- Special Leave Policy
- Whistleblowing Policy
- Trust Financial Procedures
- GAG pooling & reserves policy

In addition to the above Trust policies and procedures, this policy should also be read in conjunction with the following DFE publications:

- Academies Trust Handbook (also known as the Academies Financial Handbook)
- Academies Accounts Direction
- Funding agreement between the DFE and Archway Learning Trust
- Grant terms and conditions as issued by grant providers

Acronyms used in Appendix A – Financial limits of delegated authority:

A&R: Audit & Risk Committee

F&GP: Finance & General Purposes Committee

CEO: Chief Executive Officer

CFO: Chief Financial Officer

ELT: Executive Leadership Team

Policy Statement

- 1.1. The objectives of this policy are to set guidelines for the establishment of sound and effective financial procedures and compliance with the financial requirements and regulations.
- 1.2. The Trust and all academies that fall within the Trust aim to operate in a transparent, ethical and accountable way which will promote effective management.
- 1.3. The Trust will ensure that there are adequate systems of financial control which conform to the requirements of both propriety and good financial management which are developed and maintained across the Trust.

2. Scope of Policy

- 2.1. The Trust must comply with the principles of financial control outlined in the academies guidance published by the DFE including the Academy Trust Handbook, Academies Accounts Direction, the Master and Supplemental Funding Agreements.
- 2.2. This policy must be adhered to by all academies within the Trust and should be read by any staff involved in any financial transaction or involved in any decision which could lead to a financial impact. More detailed guidance and procedures are laid out in the Trust Financial Procedures document.

3. Responsibilities

- 3.1. The Board of Trustees is responsible for ensuring that the Trust's finances are managed effectively and for approving and monitoring the budget. The Board of Trustees establish the financial limits of delegated authority. See Appendix A for current list.
- 3.2. The Finance and General Purposes Committee is responsible for providing an independent oversight of the Trust's financial affairs and provides the Board of Trustees with on-going assurance that:
 - 3.2.1. the financial responsibilities of the Board of Trustees are being properly discharged;
 - 3.2.2. resources are being managed in an efficient, economical and effective manner;
 - 3.2.3. financial considerations are fully taken into account in reaching decisions;
- 3.3. The Audit & Risk Committee report the conclusion of audit reviews to the Board of Trustees.
 - 3.3.1. sound systems of internal financial control are being maintained;

- 3.3.2. the direction and scrutiny of internal audit work adequately encompasses all risk areas and is adequately monitored
- 3.4. Academy Advisory Boards at each academy within the Trust work within the powers as prescribed in the Schemes of Delegation. The Schemes of Delegation are reviewed annually.
- 3.5. The Chief Executive Officer assumes the role of the Accounting Officer and has overall responsibility to the Board of Trustees for the financial management of the Trust.
- 3.6. The Chief Executive Officer delegates the financial management to the Chief Finance Officer while retaining ultimate responsibility. The Chief Finance Officer should ensure that:
 - 3.6.1. the Board of Trustees is provided with financial advice;
 - 3.6.2. proper and adequate financial systems and controls are in place;
 - 3.6.3. annual financial statements are prepared for each period ending 31st August and independently audited by an independent registered auditor.
- 3.7. The central finance team provides support to the Chief Finance Officer in the day to day operation of the financial systems, maintenance of the financial control environment and is responsible for ensuring the maintenance of timely and accurate accounting records and management accounts.
- 3.8. Academy Principals are responsible for the Academy budgets. Academy Principals will be supported by their allocated Academy Management Accountant. ELT Service Directors are responsible for Trustwide budgets for their service line.
- 3.9. The role of Academy Management Accountants is to:
 - 3.9.1. support Principals in the day to day management of financial issues;
 - 3.9.2. prepare the monthly management accounts;
 - 3.9.3. support Academy managers in terms of local procurement and the award of local contracts within the approval limits;
 - 3.9.4. provide scrutiny that financial controls are working effectively at academy level.
 - 3.9.5. provide a conduit between the Principals and the CFO about overall financial security
- 3.10. Budget holders are responsible for:
 - 3.10.1. forecasting planned expenditure for each category within their budget;
 - 3.10.2. exercising responsibility for routine control and monitoring of their budget expenditure.
- 3.11. All staff are responsible for ensuring that they operate within the realms of this policy and any supporting procedures.

4. Conflicts of Interest

- 4.1. It is vital that the Board of Trustees, AAB members and staff act and are seen to act impartially. All members of the Board of Trustees and the Academy Advisory Boards are required to complete a declaration of their business interests. The Chief Executive Officer and other staff involved in the Trust's procurement and finance functions are also required to complete declarations of business interests as will all staff that make purchases on behalf of the Trust or an Academy within the Trust.
- 4.2. Any personal interest that may impinge or might reasonably be deemed by others to impinge on a member of the Board of Trustees/Academy Advisory Boards or an employee's impartiality or conflict with the duty owed to the Trust in any matter relevant to a member of the Trust's Board of Trustees/Academy Advisory Boards or an employee's duties (such as conflicting business interests) should be declared in writing. Any member of the Trust Board of Trustees or member of an Academy Advisory Board who is aware of any business dealings conferring personal gain, or involving relatives or associates must supply details of such transactions to the Chief Corporate Services Officer for inclusion in the public register of interests. Any member of staff who is aware of any business dealings conferring personal gain, or involving relatives or associates of members of staff must supply details of such transactions to the Chief Finance Officer for entry into the Register of Business Interests.
- 4.3. The Register of Business Interests detailing interest of members of the Board of Trustees and/ or Academy Advisory Boards is open to public inspection and will be published on the Trust website. The register should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the Trust. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a Trustee or member of staff by that person.

5. Directors/AAB members Remuneration

- 5.1. It is illegal for Trustees/AAB members to receive any remuneration for their work as trustees, other than payment of reasonable out of pocket travel, accommodation or other expenses legitimately incurred by them in connection with their attendance at meetings acting in the capacity of Trustee/AAB members of the Trust/Academy. It is right however for them to not be out of pocket as a result of their duties. Please see Allowances Relating to Governance Policy for further details.

6. Financial Planning, GAG (General Annual Grant) Pooling and Funding Allocation

- 6.1. The budget is the financial dimension of the Academy Improvement Model. By identifying and allocating financial resources, the Trust prioritises its targets and objectives and facilitates the achievement of its educational aims. The budget is a detailed statement of the expected resources available to each Academy and the planned use of those resources for the following year.
- 6.2. The Trust operates a GAG funding policy, the details of which can be found in the GAG Pooling and Reserves Policy.
- 6.3. The following costs are managed at Trust level by the ELT Service Directors:
 - 6.3.1. Staffing costs relating to all local premises, cleaning, catering, IT, administrative, and data staff based at dedicated academies.
 - 6.3.2. All costs relating to premises, IT, office/administration, training, HR and Finance
 - 6.3.3. All costs related to central teams including the ELT, Educational Services, Governance and Corporate Services, Operations, HR and Finance – both staffing and non-staffing costs.
 - 6.3.4. Capital

7. Financial Reporting

- 7.1. Regular financial reports will be presented to the ELT, the Board of Trustees, the Audit and Risk Committee, Finance and General Purposes Committee, Budget Holders, statutory bodies and the Education Funding Agency as required.

8. Banking Arrangements

- 8.1. Lloyds Bank are appointed the principal bankers for The Trust.

9. Investments

- 9.1. Funds surplus to current requirements will be invested in instant access deposit or short term deposit (12 months or less) accounts earning a higher rate of interest than the current account. Consideration shall be given to spread the value of surplus in a variety of banks. Any such deposits shall be reported to the Finance and General Purposes Committee.

10. Reserves

- 10.1. The Board of Trustees is responsible for determining the level of financial reserves to be carried forward at the end of any financial year (31 August).
- 10.2. The Board of Trustees will ensure that the levels of reserves that can be carried forward at the end of the financial year will be in line with the guidance received from the DFE on the treatment of GAG income and other grants. The Trust will try to match income with expenditure in the current year and will only carry forward reserves that it considers are necessary for future year's expenditure having regard for:
 - 10.2.1. forecasts of levels of income in future years;
 - 10.2.2. forecasts for expenditure in future years;
 - 10.2.3. any future development needs and opportunities that could not be met out of annual income;
 - 10.2.4. analysis and forecast of cashflow and fund management.

See also the GAG Pooling and Reserves Policy for further information.

11. Procurement

- 11.1. Procurement procedures have been put in place to ensure that the Trust follows the fundamental principles of probity, accountability and value for money. Segregation of duties is used wherever possible. The Trust is careful to apply the principles of best value for money by using known suppliers with proven capacity to provide quality, quantity and timely delivery at a competitive price.
- 11.2. Budget holders are responsible for the management of their budget account within the limit of their budget and in relation to the Trust and or individual academy improvement plans ensuring that the above principles are applied.
- 11.3. All procurement transactions will be entered into with the fundamental principles outlined above at the core. Any transactions above £5,000 will be supported by an auditable trail proving this. Any transaction above £50,000 will be entered into only following a competitive tender process. Full compliant tenders will be run for any procurement above the limits set by the UK Government.
- 11.4. Archway Learning Trust is fully supportive of the government's objectives to eradicate modern slavery and human trafficking. The Trust is committed to acting ethically with integrity when acquiring goods and services for its use.
- 11.5. Respecting Human Rights and environmental issues in the supply chain is ultimately our suppliers' responsibility. However, as customers, the Trust accepts that it has an active role in clearly communicating our expectations to suppliers and challenging suppliers to provide information on their supply chain. When procuring goods, works and services in higher risk

categories the Trust ensures that suppliers are required to demonstrate their methods of corporate social responsibility during the tendering and selection process, details of which may vary according to the project. Suppliers to Archway Learning Trust are required to fully comply with the Modern Slavery Act 2015 and are confirming that they do so by accepting the Trust’s Terms and Conditions. The Trust’s reserves the right to exclude any bidder who has been convicted of an offence under the Modern Slavery Act 2015.

11.6. The Trust will go out to tender for its banking and audit arrangements every five years.

12. Leasing

12.1. The Trust will operate within the requirements of the Academies Trust Handbook issued by the DFE and as such will not enter into any finance leases. Any operating leases entered into will be approved at Trust level and disclosed within the Trust financial statements as required.

13. Capital Process and Approval

13.1 Capital funding is centralised. The Trust receives the following funding streams – School Condition Allocation (SCA) and Devolved Formula Capital (DFC). The CFO will ensure these funding streams are identified and brought to the ELT to agree proposals for levels of spending. In determining spending levels the Trustees will consider the capital income streams, levels of brought forward reserves and in-year revenue funds. The capital income streams will form an integral part of the budgeting cycle.

13.2 The process for identification of capital needs and the approval of projects will be dependent on the capital strand as follows:

Capital Strand	Need identified by	Need identified by whom	Reviewed by	Approved by
Addressing Health and Safety Matters	<ul style="list-style-type: none"> - Insurance Risk Audits - Health and Safety Audits - Helpdesk tickets / 	Head of Resources	Chief Operations Officer	ELT

	reported issues			
Addressing Life Expired Condition	<ul style="list-style-type: none"> - Defined replacement cycles (see below) - Conditions Surveys - Analysis of helpdesk tickets and repairs. 	Head of Resources: Facilities Head of IT: IT	Chief Operations Officer	ELT
Addressing School Improvement	<ul style="list-style-type: none"> - School Improvement Plans - ICFP Plans 	Principals	ELT	F&GP up to £50K Trust Board in excess of £50K
Addressing Growth	<ul style="list-style-type: none"> - Growth plans 	CFO	ELT	F&GP up to £50K Trust Board in excess of £50K

13.3 The Board of Trustees is responsible for the safe custody and physical control of all buildings, equipment, furniture, etc. The fixed asset register will list all items (or a specific group of items purchased) valued at over £3,000 that are considered to have a life longer than the financial year they were purchased in.

13.4 Physical counts will be undertaken against the fixed asset register annually and the evidence is reported to the Board of Trustees. Any discrepancies in excess of £1,000 between the physical count and the fixed asset register are reported to the F&GP.

13.5 Replacement Cycles and Depreciation rates will set as follows:

	Replacement Cycle	Depreciation Method
Land	N/A	No depreciation
Buildings	N/A	2 % (50 years) Straight line
Plant and Machinery	10 – 20 years	10% (10 years) Straight line

Furniture and Equipment	10 - 15 years	10% (10 years) Straight line
Computer Equipment	4 – 7 years	25% (4 years) Straight line
Assets Under Construction	N/A	These are not depreciated until
Motor Vehicles	5 – 10 years	20% (5 years) Straight line

13.6 It shall be the responsibility of the appropriate Budget Holder to identify any assets which are surplus to requirements. It should be noted that lost assets due to theft/fraud need to be counted as part of the Cumulative total of fraud/theft. A cumulative total in excess of £5,000 is reportable to the ESFA.

14. Fraud

14.1. The Trust is a large and complex organisation and is committed to discharging its responsibility to safeguard public funds and the highest standards of integrity. Everyone involved with the Trust has a responsibility in respect of recognising a potential fraud, corruption or theft. The Trust also recognises the role of others in alerting them where there is suspicion of fraud, corruption or theft. This should be read in conjunction with the Trust’s Whistleblowing Policy and the Trust Financial Procedures which contains definition for fraud and theft.

14.2. The Trust is determined that the culture and tone of the organisation is committed to the 7 principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

14.3. The Trust has put in place systems and procedures to manage and discharge its functions in an efficient and effective way. These systems incorporate internal controls to prevent and deter fraud and corruption. Employees must ensure that working practices comply with the systems.

15. Gifts and Hospitality

15.1. Staff, Trustees and AAB members shall not use their authority or office for personal gain and shall seek to uphold and enhance the standing of the Trust by:

15.1.1. maintaining an unimpeachable standard of honesty and integrity in all their business relationships;

- 15.1.2. complying with the letter and spirit of the law, and contractual obligations, rejecting any business practice that might be deemed improper;
 - 15.1.3. acting to maintain the interests and good reputation of the Trust at all times in their business relationships.
- 15.2. The Trust expects Staff, Trustees and AAB members to exercise the utmost discretion in giving and accepting gifts and hospitality when on Trust or Academy business. Staff, Trustees or AAB members must not use their official position to further their private interests or those of others.
- 15.3. Staff, Trustees or AAB members must not accept gifts, hospitality or benefits of any kind from a third party where it might be perceived that their personal integrity is being compromised, or that the Trust or Academy might be placed under an obligation.
- 15.4. It is not normal practice for the Trust to make gifts. In exceptional circumstances where a gift is made to an individual or organisation by a member of staff the express written permission of the CEO will be obtained. In these circumstances it will use its unrestricted free reserves and not any restricted reserves.
- 15.5. Any employee who becomes aware of a breach of policy must report this immediately to their line manager/Principal who will investigate as necessary and report to the Chief Finance Officer.
- 15.6. Any gifts accepted or given above the value of £30 shall be recorded in the gifts and hospitality register. Further guidance can be obtained in the Trust Financial Procedures.

16. Special Payments including Severance, Compensation and Ex-gratia Payments

- 16.1. The Trust will always adhere to any guidance published by the DFE including the Academies Trust Handbook in relation to Special Payments. The procedures and further guidance on such payments can be found in the Trust's Financial Procedures.
- 16.2. If the Trust is considering making a staff severance payment above the contractual entitlement, it must consider the following issues:
- 16.2.1. whether the proposed payment is in the interests of the Trust;
 - 16.2.2. whether such a payment is justified.

17. Fees and Other payments received by staff

- 17.1. Staff should not undertake any external work outside of the Trust, whether paid or unpaid, during their working hours at the Trust without the express permission of the Trust Executive Leadership Team and/or the respective Academy Principal – see the Special Leave Policy.

17.2. Where staff are offered payment, for example fees, in lieu of work carried out externally to the Trust, then either the:

17.2.1. the leave should be granted unpaid; or

17.2.2. the payment received by the staff person should be returned to the Trust.

18. Donations

18.1. The Board of Trustees supports the solicitation for, and acceptance of, external donations and sponsorship that promotes the objects of the Trust provided they are accepted free of obligation to the donor and are reviewed in light of the gifts policy above.

18.2. All donors shall be requested, for audit purposes, to submit written detail of their donation, the fact that there are no conditions attached and the estimated value of the donation or gift. Any donations in excess of £5,000 shall be reported to the Board of Trustees of The Trust.

19. Bad Debts

19.1. The procedures for debt recovery are laid out in the Trust Financial Procedures.

19.2. If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off in accordance with the Financial Limits of Delegated Authority in Appendix A and in accordance with the guidance provided in the Academies Trust Handbook.

20. Cash Handling and Petty Cash

20.1. Cash handling should be kept to a minimum and whenever possible and practical transactions should be carried out via online payments or cheques/BACS. Monies should be kept in a safe and secure place and promptly paid into bank accounts.

20.2. Any cash transaction must be substantiated by a receipt provided to the donor at time of accepting the cash.

20.3. The Trust recognises that at times petty cash transactions will be inevitable. These will always be kept to a minimum. Procedures for the management of petty cash are laid out in the Trust Financial Procedures.

20.4. Petty cash is set up in line with approvals detailed in the Financial Limits of Delegated Authority in Appendix A.

21. Reconciliation of accounts

- 21.1. The Trust will continually monitor its financial progress and report on it to the Board of Trustees as appropriate. It is essential to ensure that all costs incurred and income received against the Trust accounts are valid and are verified as the responsibility of the Trust.

22. Lettings and other charges

- 22.1. The Trust reserves a right to charge for a variety of activities. This policy should be read in conjunction with the Trust's Lettings Policy and the Trust's Charging and Remission Policy.

23. Staff Benefits

- 23.1. There are a number of staff benefits which have been agreed by the Board of Trustees made in addition to salary. These include:
- 23.1.1. small gifts or flowers (up to £30 value) in exceptional situations such as death in service. Any such payments shall be made from unrestricted funds;
 - 23.1.2. contribution to an annual or end of year staff reward celebration up to a maximum of £15 per member of staff. Any such payments shall be made from unrestricted funds. Where possible costs for such events will be offset by sponsorship funds raised. In all cases any such events will be paid from unrestricted funds. It should be noted that in accordance with the DFE Academies handbook the Trust will not make any purchases of alcohol;
 - 23.1.3. provision of a confidential staff counselling and wellbeing service;
 - 23.1.4. provision of a variety of schemes such as subsidised workplace parking charge, childcare vouchers, cycle to work scheme, annual public transport passes operated by the Trust and deducted at source from salary.

24. Staff expenses

- 24.1. The Trust will reimburse staff for expenses claimed that have been reasonably incurred by a member of staff in the course of their duties. Claims must be prepared and submitted via E-works, approved by the appropriate budget holder and substantiated by a valid VAT receipt.
- 24.2. The mileage rate payable by the Trust is linked to the HMRC mileage allowance rates. These rates can change periodically and the current rate can be obtained from the Trust Finance Department. The Trust does not reimburse for usual home to work travel.

24.3. The Trust will reimburse necessary standard rail fare when staff travel on Trust business. In the event that overnight accommodation is required the Trust will reimburse reasonable hotel costs on the production of valid receipts. Any such accommodation must be pre-approved by your line manager. On the production of valid receipts the Trust will reimburse costs of subsistence up to the following values:

24.3.1. Hotel standard breakfast rate when booked at time of hotel booking

24.3.2. £15 per evening meal

24.3.3. The Trust will not reimburse the cost of alcoholic beverages.

24.4. All claims should be submitted as soon as possible after incurring the expense but at least on a monthly basis.

24.5. The submission of a false claim by a claimant is a serious offence which could result in disciplinary action.

25. Interview Travel Expenses

25.1. The Trust will pay standard rail fare on production of a receipt or reasonable mileage at the current Trust rate for candidates attending the Trust for interview purposes. Any other expenses relating to interviews must be pre-approved by the Trust Executive Leadership Team or relevant Academy Principal.

26. Purchasing Cards

26.1. All new purchasing cards must be approved by the relevant Academy Principal or CFO as detailed in Appendix A. Any purchases made using the purchasing card must comply with the Trust Purchasing Card statement of practice.

Appendix A

Financial Limits of Delegated Authority

	Archway Learning Trust	Local Academy	SCITT/ ASPIRE
Determine central spend/top slice/GAG pooling fund allocations/services provided	Trust Board	N/A	N/A
Approval of Annual Budget/3 Year Plan	Trust Board	Trust Board	Trust Board
Variations to budget heads (virement) over £60,000	F&GP	F&GP	F&GP
Variations to budget heads (virement) under £60,000	ELT Service Director	Principal	Service Head
Authorise expenditure Above £300,000	Trust Board	Trust Board	Trust Board
Authorise expenditure Between £50,000 and £300,000	F&GP	F&GP	F&GP
Authorise expenditure Between £5,000 and £50,000	ELT Service Director	Principal or Academy SLT	ELT Service Director
Authorise expenditure up to £5,000	Budget Holder	Budget Holder	Budget Holder

Issue of new procurement card or change of individual staff card limit	CFO	Principal or ELT Service Director	CFO
Change of overall Trust limit available on procurement card	2 members of Trust ELT	N/A	N/A
Authorise Petty Cash	ELT Service Director	Principal	ELT Service Director
Review and agree Trust leadership structures	Trust Board	ELT	ELT
Staffing restructures prior to formal consultation (value of which is in excess of £300,000 or involving more than 10 staff)	Trust Board	Trust Board	Trust Board
Staffing restructures prior to formal consultation (between £50,000 and £250,000 in value or involving between 4 and 10 staff)	F&GP	F&GP	F&GP
Staffing restructures prior to formal consultation (less than £50,000 in value or involving 3 or less staff)	ELT	ELT	ELT
Creation of new permanent posts (NB for teaching staff situations)	CEO	CEO	CEO

where post is not required by the curriculum plan)			
Appointment and salary of all permanent staff	ELT Service Director	Principal	ELT Service Director
Appointment and salary of temporary staff	ELT Service Director	Principal	ELT Service Director
Appointment and salary of CEO,	Trust Board	Trust Board	Trust Board
Appointment and salary of ELT/ Principals	CEO	CEO	CEO
Changes to staff contracts	ELT Service Director	Principal	ELT Service Director
Additional salary payments over £500	ELT Service Director	Principals	ELT Service Director
Additional salary payments under £500	Line Manager	Line Manager	Line Manager

List of Cheque/BACs Signatories

CEO	S. Hampton	CFO	S. Bird
		Chief Corporate Services Officer	M. Walshe
Chief People Officer	K. Woolls	Chief Operations Officer	N. Jeremiah

All cheques/BACs must be signed by two signatories from the list above.