

## Finance Policy

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| <b>Checked by (Trustee )</b>            | <b>Trust Business Group</b> |
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### 1. Introduction

The Trustees of Veritas MAT are committed to providing sound financial controls, to achieving value for money and to being worthy custodians of public money. To achieve these aims the Executive Group and Trustees have drawn up this finance policy to provide the guiding principles for which all Trustees and staff will operate within.

This policy has been drawn up with reference to the Academies Financial Handbook and Accounts Direction and applies to:

Veritas Multi Academy Trust  
 Warden House Primary School  
 Pilgrims' Way Primary School  
 and any school joining the trust part way through this policy review period

For clarity, the CEO holds the appointed responsibility of Accounting Officer and the Trust Business Manager holds the appointed responsibility of Chief Financial Officer.

As a point of note, during the Covid-19 pandemic, procedures have been adopted to allow business to continue uninterrupted. These procedures are being reviewed for effectiveness and audit compliance and improvements to electronic systems retained with a view to securing audit compliance.

## 2. Principles

Veritas MAT Finance Policy will adhere to the following principles:

- The responsibilities of the Trust Board, Regional Governing Body, the Executive Group and staff will be clearly defined and limits of delegated authority established, where applicable.
- The trust will apply the four best value principles in its management and allocation of resources, being:

**Challenge** - challenging if our performance is high enough and why and how a service is being provided

**Consult** - seeking the views of staff and parents about the services we provide

**Compare** - comparing our performance with that of other academies/schools

**Compete** - demonstrating how we secure economic, efficient and effective services

- The trust will establish sound internal financial controls, based on the requirements of the Academies Financial Handbook and Accounts Direction, to ensure the reliability and accuracy of its financial transactions.
- The budget will reflect the trust/school's prioritised educational objectives through its links to the School Improvement Plan, which indicates the resource implications of each priority. Integrated Curriculum-led Financial Planning will inform the budget setting process.
- The budget will be subject to effective monitoring, allowing the Trustees, Regional Governors, Executive Group and staff to maintain financial control by reviewing the current position and taking any remedial action necessary
- The trust will be adequately insured against exposure to risk.
- The trust will ensure that:
  - Purchasing arrangements achieve value for money
  - There are sound procedures for the administration of personnel matters
  - There are sound procedures for the administration of payroll matters
  - Stocks, stores and assets are recorded and adequately safeguarded against loss or theft
  - All income due is identified and all collections receipted, recorded and banked promptly
  - The operation of the bank account and the reconciliation of bank balances with the accounting records are properly controlled
  - The use of petty cash is strictly controlled
  - The use of a purchase card is strictly controlled with limits set for expenditure and restrictions on use (refer to section 3.8)
  - The Voluntary Fund and any other non-public funds are administered as rigorously as public funds
  - Any suspected irregularity will be reported immediately to the trust's Chief Internal Auditor
  - The trust/schools will adhere to current Data Protection legislation - please see GDPR Policy
  - Appropriate training in financial administration will be given to enable staff cover at all times

### 3. Putting Policy into Practice

#### 3.1 Delegated Authority

The **Veritas MAT board of Trustees** has overall responsibility for the management of all of the trust's finances covering the delegated formula budget, other budgets delegated or devolved by the Authority/DFE and other funds (e.g. the Voluntary Fund).

The **Trust Business Group** – Finance Trustees/Regional Governors and Executive Group – are delegated responsibility by the Trust Board for the following aspects of financial management:

- Strategic planning
- Providing policy options for the Trust Board/Governing Body
- Assisting/preparing the annual budget for approval
- Monitoring of the financial position of the school on a monthly basis
- Authorisation of virements up to £10,000
- Tenders for Contract Services – expert advice will be sought if deemed necessary
- Keeping in-school financial procedures under review
- Ensuring links to the School Improvement Plan
- Maintenance and review of this policy

The **Headteacher** is responsible for implementing the decisions of the Trust Board/Regional Governing Body and for the operational management of the school. The general administration of financial procedures may be delegated to other members of staff at the discretion of the Headteacher i.e. the Trust/School Business Manager/Finance Assistant.

#### 3.2 The Best Value Principles

The **Trust Board/Regional Governing Body** is responsible for taking steps to ensure that expenditure reflects best value principles. This is done by;

- Using performance data to compare attainment and other outcomes from all schools/academies nationally, and with similar schools/academies.
- Using the information gained to challenge performance and set new targets
- Where financial benchmarking is available, using it to compare expenditure with similar academies/schools
- Using fair competition through quotations and tenders, ensuring resources and contracts for services are secured in the most economic, efficient and effective way
- Consulting parents on policy development and major changes in the use of resources

### **3.3 Internal Financial Controls**

DFE Documentation – The Academies Financial Handbook,

The internal financial controls operated by the trust follow the controls set out in The (current) Academies Financial Handbook working to the Annual Financial Reporting Timetable. Any additional internal financial controls included within the trust's financial procedures are reviewed by the Trust Business Group and ratified by the Trust Board/Regional Governing Body. A financial risk assessment is undertaken annually and reported in the Statement of Internal Control document.

### **3.4 Financial Links to the School Improvement Plan**

The ***School Improvement Plan*** for trust schools outline the strategic development of all aspects of the trust. The plan takes account of developments in the curriculum and buildings. Financial links are made to areas of the plan where a cost is incurred to ensure a strategic link to the three year budget set by the Trust Board/Regional Governing Body.

### **3.5 Monitoring and Virements**

Veritas MAT recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the Trust Business Manager carries out a monthly internal monitoring procedure, copied to the Finance Trustees and senior leaders. Management Accounts are shared with the Trust Board and reports are submitted to the Authority in accordance with its timetable.

On occasions, virements need to be carried out. Virements to the ratified budget are minuted appropriately and require the following authorisation:

Virements up to £5,000 - The Executive Headteacher

Virements up to £10,000 – The Trust Business Group

Virements over £10,000 – The full Trust Board

### **3.6 Insurance**

The Trust and academies are insured for Employer's Liability, Personal Accident, Public Liability and Buildings/Contents via the RPA scheme. Comprehensive Minibus Insurance is also in place.

The Trust recognises that cash is insured through the RPA policy but ensures that the guidelines for cash handling are adhered to.

The trust has elected not to take out external absence insurance but to operate an internal system to support absences. This will be considered for each new school joining the trust as appropriate.

### **3.7 Purchasing**

Budgets are delegated to subject co-ordinators and TLR groups. Budget holders prepare a 'needs budget' for their area of responsibility, which is approved by the Executive Group in line with the priority needs of the school and the School Improvement Plan. Integrated Curriculum-led Financial Planning informs this process.

All staff adhere to the school procedures for purchasing items, as laid down in the financial procedures manual, paying regard to value for money at all times. The Executive Headteacher or designated Headteacher/Trust Business Manager authorises all orders and invoices prior to payment.

Where the trust and schools purchase large items, we adhere to the procedure for tenders and contracts as per DfE best practice guides, in summary:

- For orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted to the Trust Business Group for consideration
- For orders in excess of £50,000, no fewer than three competitive tenders are sought and submitted to the Trust Board for consideration

All of the above will be minuted at the appropriate Trust Board meeting to ensure that the trust/school is seen to be obtaining value for money at all times. With this in mind, the trust also adopts the procedure where quotations are sought for all purchases over £1,000, as a matter of course.

The school does not enter into Lease/Purchase agreements - any such agreements would need to be submitted to the Trust Board for approval.

### 3.8 Purchase Cards

Veritas MAT currently has two purchase cards in the following names:

- Graham Chisnell – CEO
- Alison Moon – Trust Business Manager

The account has a limit of £4,000 in order to cover required purchases for the trust including travel costs.

Warden House Primary School currently has two purchase cards in the following names:

- Dawn Hunter-Wardle – Finance Assistant
- Alison Moon – School Business Manager

The account has a limit of £4,000 as there is a need to process school orders for various subject co-ordinators.

Pilgrims' Way Primary School currently has two purchase cards in the following names:

- Sarah King – Finance Assistant
- Alison Moon – School Business Manager

### 3.9 Personnel Matters

At the start of every financial year the **Executive Group** use the Salary costing software provided by Schools Financial Services to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Trust Business Group for incorporation into the school budget planning process.

The **CEO, headteachers and governance representative** undertake annual reviews of all teaching staff salaries and recommends enhancements, if applicable. Leadership salary reviews are undertaken by the CEO, in accordance with the Teachers' Pay Policy. Any recommendations are submitted to the Trust Board for approval and ratification and the details are recorded as a confidential item in the minutes.

The appropriate **TLR group leader/line manager** undertakes an annual review of all support staff and recommends incremental changes to the CEO for approval.

(See also the Scheme of Delegation).

### 3.10 Payroll Matters

The payroll provider at Veritas MAT is Capita Business Services Ltd. The CEO, Trust Business Manager or Headteacher signs off the monthly payroll reports once the School Business Manager/Finance Assistant has checked them for accuracy.

### 3.11 Safeguard of Stocks, Stores and Assets

All staff are responsible for the security of school assets. Co-ordinators and class teachers safeguard their assets and an asset register is maintained and updated by the Business Team, which is checked at least on an annual basis and certified by the Trust Business Manager. Other school assets are also recorded on the asset register. (System used 'Every').

Items of value are held in a locked cupboard/cabinet, wherever possible and all items are visibly security marked to deter theft.

Where school assets are loaned to staff or pupils, this is logged on the trust's asset management portal upon borrowing the item and again upon the item's return.

### 3.12 Income

The Charging & Remissions and Lettings policies are reviewed and updated on an annual basis by the Business Group.

Where debts are required to be written off, after every effort has been made by the Headteacher and Governors to recoup the monies, these will be referred to the Accounting Officer for authorisation. Approval to write off debts over £1,000 is required in writing from the Trust AO.

It is agreed that the maximum level of cash to be held in academies at any one time is £1,500. Cash will be receipted, recorded and banked promptly at all times.

### 3.13 Banking

The Trust operates its bank account(s) in accordance with KCC Financial Controls guidance. Bank accounts are placed with Lloyds Bank plc for the administration of delegated official funds. Academies may also hold a 32 day deposit account with Lloyds Bank plc. The Business Group is delegated the responsibility of allocating the amount to place in the deposit account.

Bank account signatories/authorities are updated immediately there is a change in staffing and details are copied to the Trust AO, as a matter of course. Appendix 1 depicts the current authorisations. BACS processing has been introduced as a more cost effective method of processing payments and to increase security. Authorisations will be as per appendix 1.

Bank statements are received on a monthly basis and reconciled to the trust/school's local system immediately. The CFO signs and dates the bank statement when the reconciliation has been checked (this may be paperbased or electronically approved).

### 3.14 **Petty Cash**

Petty Cash is held securely at all times and the limit for petty cash is £100. At Veritas MAT academies, petty cash transactions are kept to a minimum and the maximum value of any one transaction is £25 unless permitted by the Headteacher/Trust Business Manager. All staff obtain proper VAT receipts for petty cash purchases, wherever possible, as this demonstrates value for money in respect of the school budget and satisfies legislative requirements.

### 3.15 **Irregularities**

All staff are aware that they may raise concerns in confidence, providing for a thorough investigation of any suspected irregularity. These details are available to staff in their staff handbook. All staff are aware of the Whistle Blowing Policy which instructs staff to act on any financial irregularities they observe.

### 3.16 **Data Protection**

Under the terms of the Data Protection Act 1998, the CEO and Trustees are required to notify the Data Protection Commissioner of our processing, storage and disclosure of data procedures, which are covered by this legislation. To this end, we have a password protection procedure. Systems are backed up regularly and the backups held securely, virus protection is in place and is updated regularly and the school has a disaster recovery plan for the administration network.

### 3.17 **Financial Administration**

The trust purchases a support contract through Schools Financial Services, which is reviewed on an annual basis, allowing us the option to purchase additional area support, if required.

The trust has adopted the DFE's Academies Financial Handbook and Accounts Direction.

Signed..... Date..... (Chair of Trustees)

Signed..... Date:..... (Chair of Business Group)

Signed..... Date:..... (CEO)

Enc:

Appendix 1 - Bank signatories

**Finance Policy - Appendix 1**  
**Bank account - cheque and BACs signatories**



Graham  
Chisnell

Alison  
Moon

Dawn  
Hunter-Wardle

Admin access to view all  
3 a/cs online and set up  
payments ready for  
authorisation - full  
signatory on Trust a/c



Rob  
Hackett

Graham  
Chisnell

Alison  
Moon

Anne-Marie  
Middleton

Graham  
Chisnell

Alison  
Moon

