

Financial Handbook 2019/20

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Approved By	Hamwic Education Trust Board of Directors
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1 – Introduction

The purpose of this handbook is to ensure that Hamwic Education Trust & its academies maintain and develop systems of financial control that conform to the requirements both of propriety and of good financial management. It is essential that these systems operate effectively, efficiently and economically to meet the requirements of the funding agreements with the Education & Skills Funding Agency (ESFA).

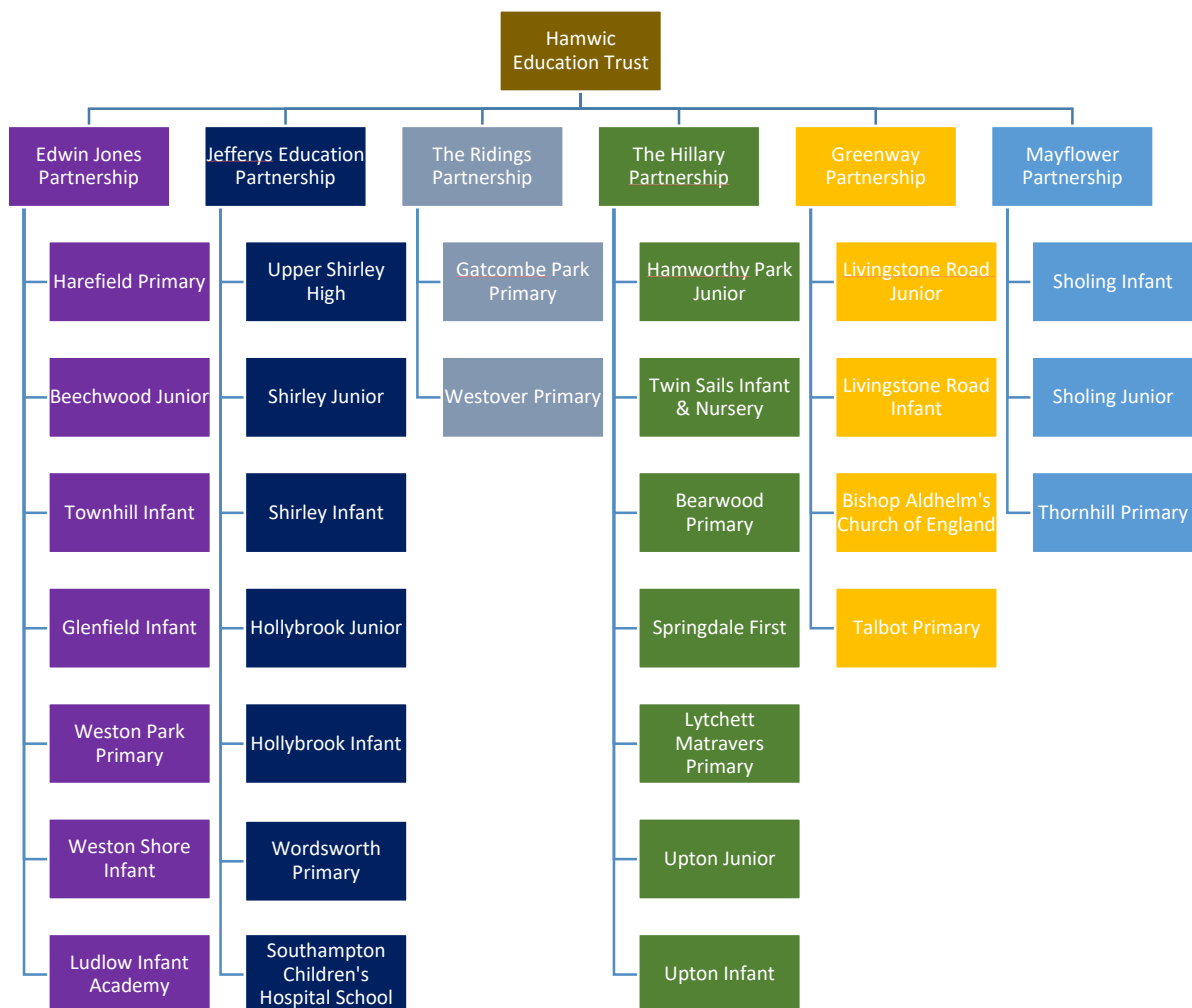
For the purpose of this document, all references to the Trust refers to Hamwic Education Trust & its academies.

The Trust must comply with the principles of financial control, outlined in the academies guidance published by the Education & Skills Funding Agency and the Academies Financial Handbook (effective from 1 September each year). This manual expands on this guidance and provides detailed information on the Trust's accounting procedures and system manual, which **must** be read by all staff involved with financial systems.

All policies referred to in this handbook are detailed in Appendix 2 and can be found on the intranet or can be provided upon request.

2 – Organisation

Hamwic Education Trust is a company limited by guarantee with charitable status. The individual academies within Hamwic Education Trust are as follows:



All academies have their own Local Governing Body (LGB) with the exception of the following:

- Shirley Junior School & Shirley Infant School – have a federated LGB
- Hollybrook Junior School & Hollybrook Infant School – have a federated LGB
- Hamworthy Park Junior School & Twin Sails Infant School – have a federated LGB
- Livingstone Road Junior School & Livingstone Road Infant School – have a federated LGB
- Ludlow Infant Academy & Townhill Infant School – have a federated LGB
- Weston Park Primary School – Interim Executive Board (IEB) in place

In addition, the Trust operates:

- Hamwic SCITT
- Beechwood Teaching School

3 - Roles & Responsibilities

The main responsibilities of the Trust are prescribed in the Funding Agreements with the ESFA. The key responsibilities include:

- ensuring that the Trusts funds are used only in accordance with the law, its articles of association, its funding agreement and the academies financial handbook
- ensuring proper stewardship of the Trust's funds, including regularity and propriety, and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money
- ensuring proper governance and conduct of the Trust including the provision of the Trusts governance arrangements
- ensuring that all boards and committees have the relevant skills and experience
- approve a written scheme of delegation of financial powers that maintains robust internal control arrangements
- approval of the annual budget
- producing an overall surplus budget from year to year
- production of an Annual Report and Accounts
- appointment of auditors
- appointment of a Chief Executive Officer, as Accounting Officer, who is fit and suitable for the role (the role of Accounting Officer will not rotate)
- appointment of the Chief Financial Officer in conjunction with the Chief Executive Officer

Subject to the provisions of the Companies Act 2006, the articles of association and to any directions given by special resolution, the business of the Trust will be managed by the Hamwic Education Trust Board of Directors who may exercise all the powers of the Hamwic Education Trust.

The Trust has defined the responsibilities of key committees and staff involved in the administration of Trust finances to avoid the duplication or omission of functions and to provide a framework of accountability for directors, governors & staff. The committees that have responsibilities relating to Trust finances are as follows:

- Board of Directors
- Finance Committee
- Audit & Risk Committee
- Human Resources Committee
- Academy Local Governing Bodies

The main responsibilities of these committees are set out in written terms of references.

Chief Executive Officer (CEO)

As the Trusts Accounting Officer, the CEO has overall responsibility for the Trust's activities, including financial activities. As the Accounting Officer for the Trust, the CEO is personally responsible for:

- assuring Parliament, and the public, of high standards of probity in the management of funds, particularly value for money, regularity and propriety
- the keeping of proper financial records
- the management of opportunities and risks
- assuring the board that there is compliance with the academies financial handbook and funding agreements
- advising the board if, in his or her opinion, any action or policy under consideration by them is incompatible with the terms of the articles of association, funding agreements or the academies financial handbook

- advising the board if the board appears to be failing to act where required to do so by the terms and conditions of the academies financial handbook or funding agreements
- ensuring that all the Trust's property and assets are under the control of the trustees, and measures are in place to prevent losses or misuse, including maintenance of fixed asset registers
- ensuring that bank accounts, financial systems and financial records are operated by more than one person
- keeping full and accurate accounting records to support their annual accounts

The essence of the role is a personal responsibility for:

Regularity – dealing with all items of income & expenditure in accordance with legislation, the terms of the Trust's funding agreements & the academies financial handbook, and compliance with the Trusts internal procedures. This includes spending public money for the purposes intended by Parliament;

Propriety – the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of parliamentary control. This covers standards of conduct, behaviour and corporate governance;

Value for money – this is about achieving the best possible educational outcomes through the economic, efficient and effective use of resources. A key objective is to achieve value for money not only for the Trust but for taxpayers generally.

In practice, much of the financial responsibility is delegated to the Chief Financial Officer but the CEO still retains responsibility for:

- approving senior staff appointments within the authorised establishment
- authorising orders, contracts and signing cheques/payments in conjunction with other authorised signatories in accordance with the agreed Scheme of Delegation (Appendix 1)
- preparing budget plans in conjunction with the Chief Financial Officer
- implementing expenditure in line with budgets
- seeking Trust approval for purchase orders or contracts in excess of delegated thresholds
- submitting reports to the Trust giving details of income, expenditure and forecasts to date
- ensuring any actions resulting from the annual audit are implemented

Chief Financial Officer (CFO)

The Chief Financial Officer, has the following responsibilities:

- ensuring sound and appropriate financial governance and risk management arrangements are in place
- preparing and monitoring of budgets
- ensuring the delivery of annual accounts
- day to day management of financial issues including the establishment and operation of a suitable accounting system for the Trust and individual academies
- management of the Trusts financial position at a strategic and operational level within the framework for financial control determined by the members and directors
- the maintenance of effective systems of internal control
- maintenance of adequate fixed asset registers
- liaising auditors to ensure that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust
- the preparation of monthly management accounts, including income & expenditure reports, forecasts, cash flow forecasts and balance sheets
- ensuring forms and returns are sent to the ESFA in line with timetables set by the ESFA
- additional roles, some of which are not directly finance related, as outlined in the Chief Financial Officer's job description

Deputy CEO – Business (DCEO)

The Deputy CEO - Business has been appointed as the Trusts Company Secretary. The main duties of the Company Secretary are to ensure compliance with the relevant legal duties including:

- the keeping of company books that contain details of its members and officers
- the keeping of minutes of the Directors
- maintenance of Companies House records
- induction of new Directors
- ensuring the Trust complies with the Trust Articles of Association

School Leaders (SL)

(The School Leader is the senior member of staff within each school, which may include the following titles: Head Teacher, Executive Head Teacher, Head of School, etc.)

Within the framework of the Trust and school development plans as approved by the Local Governing Body, the School Leader has overall responsibility for the academy's activities including financial activities (the CEO retains ultimate responsibility). Much of the financial responsibility may have been delegated to the Business Manager but the School Leader still retains overall responsibility.

Business Manager (BM)

(The Business Manager role may be included within the following roles: Business Manager, Bursar, Senior Finance Officer, Finance Officer, Finance Manager or Office Manager)

The Business Manager works in close collaboration with the School Leader through whom they are responsible to the Local Governing Body. The Business Manager also has direct access to the Board of Directors via the Audit & Risk Committee. The main responsibilities of the Business Manager are:

- the day to day management of financial issues
- the maintenance of effective systems of internal control
- to work with the Chief Financial Officer to produce the annual accounts, ensuring compliance with company law and all requirements of ESFA and other agencies
- to negotiate, manage and monitor agreements for the provision of support services
- to ensure the academy follows the law and best practice for the procurement and monitoring of contracts
- to ensure appropriate insurance cover is in place and to carry out regular risk assessments of the academy's business
- the preparation of monthly management accounts (including forecasts)
- the preparation of the annual budget and long term budgets

Other Staff

Other members of staff, primarily finance assistants and budget holders, will have some financial responsibilities and these are detailed in following sections of this manual. All staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy & efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

4 – Connected Parties

The Trust will be even handed in its relationship with connected parties by ensuring that:

- trustees understand and comply with their statutory duties as company directors to avoid conflicts of interest, not to accept benefits from third parties, and to declare interest in proposed transactions or arrangements
- all members, trustees, local governors and senior employees have completed the register of interests retained by the Trust, in accordance with the academies financial handbook, and there are measures in place to manage any conflicts of interest
- no member, trustee, local governor, employee or related individual/organisation uses their connection to the Trust for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the Trust
- there are no payments to any trustee by the Trust unless such payments are permitted by the articles of association, or by express authority from the Charity Commission and comply with the terms of any relevant agreement entered into with the Secretary of State
- the Charity Commission's prior approval is obtained where the trust believes a significant advantage exists in paying a trustee for acting as a trustee

The register of interests for individuals identified above will include:

- directorships, partnerships and employments with businesses
- trusteeships and governorships at other educational institutions or charities
- for each interest: the name of the business, the nature of the business, the nature of the interest and the date the interest began

The register of interests will identify any relevant material interests arising from close family relationships between the above mentioned individuals.

Please refer to the Conflicts of Interest Policy for details (including trading with connected parties) and for the pro-forma Register of Interests.

5 - Delegated Authority to the Trust

The delegated authority over different categories of financial transactions is set out below from the ESFA:

Novel, Contentious and/or Repercussive Transactions

Novel transactions are those of which the 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, and/or the public, and/or the media.

Repercussive transactions are those which are likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

Novel, contentious and/or repercussive transactions must always be referred to the ESFA for explicit prior authorisation.

Borrowing

The Trust must seek the ESFA's prior approval for borrowing (including overdraft facilities) from any source.

Gifts

All staff must declare and record in Local Governing Body minutes any gifts exceeding £30 in value that they receive for their personal use. Members of staff should courteously but firmly decline gifts by explaining that staff working in public services can generally not accept them. Offers of gifts should be reported to senior staff and the governing body.

Please refer to the Gifts & Hospitality Policy.

Write-offs and entering into Liabilities

The Trust may write off debts and losses, up to the following delegated limits (subject to a maximum of £250,000):

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction
- cumulatively, 2.5% of total annual income in any financial year per category of transaction, if the Trust has not submitted timely, unqualified audited accounts for the previous two financial years.
- cumulatively, 5% of total annual income in any financial year per category of transaction, so long as the Trust has submitted timely, unqualified audited accounts for the previous two financial years

Total annual income is defined as grant income as disclosed in the trust's last set of audited accounts.

In relation to these limits:

- the trust should always pursue recovery of amounts owed to it, including overpayments or payments made in error, irrespective of how they came to be made
- the trust should only consider writing off losses after careful appraisal of the facts, including whether all reasonable action has been taken to effect recovery from the debtor, the RPA, and should be satisfied that there is no feasible alternative
- the amounts for write-offs are before any successful claims from the RPA

Before accepting any liabilities by issuing specific guarantees, providing a letter of comfort or providing indemnity, the Trust should secure value for money by appraising the proposal through an assessment of the costs & benefits of relevant opinions.

Beyond these limits the Trust must seek and obtain explicit and prior approval of the Secretary of State (through the ESFA) to the transaction.

The CEO must approve any write offs or entering into liabilities up to a value of £50,000. The Board of Directors must approve any write offs or entering into liabilities with a value of over £50,000

Special Payments

For any special payment detailed below, advice must be sought from the Chief Financial Officer and/or the Head of HR.

Special staff severance payments

Special staff severance payments are paid to employees outside of normal statutory or contractual requirements when leaving employment in public service whether they resign, are dismissed or reach an agreed termination of contract.

If the Trust is considering making a staff severance payment above statutory or contractual entitlements, it must consider the following issues before making a binding commitment:

- that the proposed payment is in the interests of the Trust
- whether such a payment is justified, based on a legal assessment of the chances of the Trust successfully defending the case at employment tribunal. 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, then a settlement should not be offered
- if the settlement is justified, the Trust would then 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

Special severance payments should 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 former case would be where the legal advice is that the claimant is likely to be successful in an employment tribunal claim because of employment law procedural errors. In the latter, an acceptable comparison would be the time and cost of taking someone through performance management and capability procedures.

The Trust has delegated authority to approve individual staff severance payments provided any non-statutory/non-contractual element is under £50,000, before income tax or other deductions. Where the Trust is considering making a non-statutory/non-contractual payment of £50,000 or more, before income tax or other deductions, prior approval must be obtained from the ESFA, before the Trust makes any binding settlement offer to staff.

For the avoidance of doubt, the following examples illustrate where ESFA approval would be required:

Statutory/contractual payment	Plus, non-statutory/non-contractual payment	ESFA prior approval required?
£30,000 +	£30,000	No
£60,000 +	£30,000	No
£30,000 +	£50,000	Yes – for £50,000

The Trust should demonstrate value for money by applying the same level of scrutiny to a payment under £50,000 as if it were over the £50,000 delegation and have a business case justifying the level of settlement reached. Settlements must not be accepted unless they satisfy the condition in the academies financial handbook and in the ESFA's guidance & submission template.

All staff severance payments must be approved by the Deputy CEO – Business prior to any agreement being reached.

All staff severance payments over £25,000 must be approved by the CEO prior to any agreement being reached.

The Trust must ensure that the use of confidentiality clauses associated with special staff severance payments do not prevent an individual's right to make disclosures in the public interest (whistleblowing) under the Public Interest Disclosure Act 1998.

Compensation payments

Compensation payments provide redress for loss or injury. Where the Trust is considering making a compensation payment, it must base its decision on a careful appraisal of the facts, including legal advice where relevant and ensure that value for money will be achieved.

The Trust has the delegated authority to approve individual compensation payments provided any non-statutory/non-contractual element is under £50,000. Where the Trust is considering a non-statutory/non-contractual payment of £50,000 or more prior approval must be obtained from the ESFA.

The Trust will consider whether particular cases reveal concerns about the effectiveness of internal control systems, and take any necessary steps to put failings right.

All compensation payments must be approved by the CEO.

Ex gratia payments

Ex gratia payments are another type of transaction that go beyond statutory or contractual cover, or administrative rules.

Ex gratia transactions must always be referred to the ESFA for prior authorisation. HM Treasury approval may also be needed dependent on the nature of the transaction.

Acquisition and Disposal of Fixed Assets

The Trust must seek and obtain prior written approval from the ESFA for the following transactions:

- acquiring a freehold of land or buildings
- disposing of a freehold of land or buildings
- disposing of heritage assets beyond any limits set out in the Trusts funding agreement in respect of assets generally

Other than the above, the Trust can dispose of any other fixed assets without the ESFA's prior approval. The Trust must ensure that any disposal achieves the best price that can reasonably be obtained and maintains the principles of regularity, propriety and value for money.

Any disposal of fixed assets with a value of up to £10,000 must be approved by the School Leader. Any disposal of fixed assets with a value of over £10,000 must be approved by the CEO.

Prior approval from the ESFA must be obtained for property transactions that are novel and/or contentious.

Leasing

There are two types of lease, as defined under relevant financial reporting standards:

- finance leases (which are a form of borrowing)
- operating leases (which do not involve borrowing)

The Trust does not require ESFA's approval for operating leases except for some transactions relating to land or buildings.

The Trust must obtain the ESFA's prior approval, for the following leasing transactions:

- taking up a finance lease on any class of asset for any duration from another party
- taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of seven or more years
- granting a leasehold or tenancy agreement of any duration, on land or buildings to another party

The Trust must ensure that any lease arrangements maintain the principles of value for money, regularity and propriety whether or not ESFA's prior approval is required. The Trust will seek advice from their professional financial adviser and/or external auditor if they are in any doubt over whether a lease involves an element of borrowing.

6 - Process for Independent Checking

Internal Audit

The Trust must have in place a programme of internal scrutiny to provide independent assurance to the board that its financial and other controls, and risk management procedures, are operating effectively.

The Audit & Risk Committee will undertake the process for independent checking of financial controls, systems, transactions and risks.

The Audit & Risk Committee will provide assurance to the Board of Directors that all risks are being adequately identified and managed with particular regard to:

- reviewing the risks to internal financial control at the Trust
- agreeing a programme of work to address, and provide assurance on, those risks

Internal Audit of academies will be performed by the Managed Services team. This programme will cover the following areas:

- Risk Management
- Finance
- HR
- Health & Safety
- IT

Results from this programme will be sent to the Business Manager, School Leader and Chair of the Governing Body for review and approval. The results will also be submitted to the Audit & Risk Committee and Board of Directors for review and to consider recommendations made by the CEO.

Internal Audit of Hamwic Education Trust is directed by the Audit & Risk Committee and will be managed through one or more of the following options:

- employing an in-house internal auditor
- a bought-in internal audit service, under a separate letter of engagement if internal audit & external audit is performed by the same firm
- the appointment of a non-employer trustee
- a peer review by the chief financial officer, or other member of the finance team, from another academy trust

The Internal Audit function will provide the Audit & Risk Committee and Board of Directors with independent assurance that:

- financial responsibilities of the Board of Directors are being properly discharged
- resources are being managed in an efficient, economical and effective manner
- sound systems of internal financial control are being maintained
- financial considerations are fully taken into account in reaching decisions
- information submitted to the DfE and ESFA that affects funding is accurate and in compliance with funding criteria

Internal Audit of the Trust will be a risk-based approach utilising risk registers to identify the areas to be reviewed each year.

Regular updates will be provided to the Audit & Risk Committee by the person or organisation carrying out the programme of work to include;

- a report of the work to each Audit & Risk Committee meeting, including recommendations where appropriate to enhance financial and other controls and risk management
- a short annual summary report to the Audit & Risk Committee for each year ended 31 August outlining the areas reviewed, key findings, recommendations and conclusions, to help the committee consider actions and assess year on year progress

Fraud

The personal responsibilities of the Accounting Officer extend to the prevention of loss through fraud and irregularity. However, in addition to the Accounting Officer's responsibilities, the members of the Trust are also responsible for preventing such losses of public funds. This means that members, directors, governors and staff must be aware of the risk of fraud and irregularity to occur within their organisations and they must, as far as possible, address this risk in their internal control and assurance arrangements by putting in place proportionate controls. The Trust is also responsible for ensuring appropriate action is taken where fraud and irregularity is suspected or identified. The Anti-Fraud & Corruption Policy outlines the procedures to be adopted in such an event.

Staff with access to the Trust's financial software must ensure that supplier's bank details are not updated unless there is certainty that they are accurate. Where a supplier contacts a school to request changes be made to bank details, the school must verify this shortly after the request is received by ending the communication and calling the supplier on a number that they know to be accurate to ensure that the request is genuine.

The Trust must notify the ESFA, as soon as is operationally practical based on its particular circumstances, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. Any unusual or systematic fraud, regardless of value, must also be reported. The following information is required:

- full details of the event(s) with dates
- the financial value of the loss
- measures taken by the trust to prevent recurrence
- whether the matter was referred to the police (and why if not)
- whether the RPA have offset any loss

The ESFA reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any academy either as the result of a formal notification from the trust itself or as the result of other information received. The ESFA may involve other authorities, including the police, as appropriate. The ESFA will publish reports in line with its own policy on publishing information.

External Audit

The Trust must:

- appoint an auditor, to certify whether the accounts present a true and fair view of the Trust's financial performance and position
- produce audited accounts

The appointment of external auditors will be for a three year period renewable at the discretion of the Board of Directors.

The auditors are required to give an opinion on whether:

- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the ESFA
- proper accounting records have been kept by the Trust throughout the financial year
- grants made by the ESFA have been applied for the purposes intended

The Finance Committee will arrange for on-going monitoring of the performance of the auditors.

Business Managers are required to provide information relating to the preparation of annual accounts and ESFA returns to the Chief Financial Officer.

The Chief Financial Officer will submit financial information required to the ESFA.

7 - Accounting System

All financial transaction of the Trust must be recorded on the PS Financials accounting system, which is maintained/overseen by the Chief Financial Officer and used in all academies.

Financial records are required to be kept for at least seven years, as stipulated by HMRC.

System Access

Entry to PS Financials is password restricted and the Chief Financial Officer is responsible for implementing a system which ensures that passwords are changed at least every three months.

Access to individual parts of PS Financials is restricted so that any user is only able to see the parts of the system that are relevant to them. The Chief Financial Officer is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

PS Financials is backed up daily onto a secondary Trust server.

Each academy is required to have a risk register and disaster recovery plan in place. This should link in with the annual assessment made by the Trust of the major risks to which the Trust is exposed and the systems that have been implemented to mitigate those risks.

Transaction Processing

All transactions entered into PS Financials must be authorised in accordance to the guidance specified in this manual.

Detailed information on the operation of PS Financials can be found in the user guides held on the intranet.

Transaction Reports

The Chief Financial Officer will obtain and review system reports to ensure that only regular transactions are posted to PS Financials. The reports obtained and reviewed will include:

- monthly payroll reports
- monthly VAT returns
- monthly management accounts, including forecasts to year end

Reconciliations

Business Managers are responsible for ensuring that the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- sales ledger control account
- purchase ledger control account
- expenses control account
- bank account
- petty cash account

Any unusual or long outstanding reconciling items must be brought to the attention of the Chief Financial Officer.

The Chief Financial Officer is responsible for performing the above reconciliations for the Trust.

8 - Accounting Policies

Please refer to the Accounting Policy for this information.

9 - Financial Planning

The Trust formally prepares medium & long-term financial plans twice a year.

Financial plans are prepared as part of the strategic planning process. The strategic development plan indicates how the educational and other objectives of the Trust are going to be achieved within the expected level of resources over the next five years.

The strategic development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Trust and the planned use of those resources for the following year.

The Strategic Development Plan

The strategic development plan is concerned with the future aims and objectives of the Trust and how they are to be achieved, including matching objectives & targets to the resources expected to be available. Strategic development plans should be kept relatively simple and flexible. They are the “big picture” within which more detailed plans may be integrated.

The form and content of the Trust's and academies strategic development plans are matters for each academy to decide but due regard should be given to the matters included within the guidance to academies and any annual guidance issued by the Department for Education (DfE).

Financial Planning & Budgets

Budgets will reflect the best estimate of the resources available to each academy for the forthcoming year and how those resources are to be utilized by each academy. There should be a clear link between the strategic development plan objectives and the budgeted utilisation of resources.

The financial planning process will incorporate the following elements:

- forecasts of likely pupil numbers over a five-year period
- estimations of the amount of ESFA grants receivable
- review of other income sources available to the individual academies within the Trust to assess likely level of receipts
- review of past financial performance against budget to promote an understanding of the Trusts cost base
- fully costed staffing structure detailing new posts, FTEs and scale points – this must be signed off by the Local Governing Body
- estimations of future staffing structures
- identification of potential efficiency savings
- review of the main expenditure headings in light of the strategic development plan objectives
- review of expected variations in cost, e.g. pay increases, inflation and other anticipated changes
- liaising with external agencies including major suppliers to ensure that the Trust's best financial interests are met

It is the responsibility of each Local Governing Body's Finance Committee (or relevant nominated committee) to set/recommend to the full Local Governing Body of their respective academy an annual budget for submission to the Board of Directors. Such approval should be clearly minuted in sufficient time to allow prompt submission of aggregated plans to the Board of Directors and should be accompanied by a statement of assumptions and explanations behind the plan so that if circumstances change, it is easier for all concerned to take remedial action.

The Chief Financial Officer, in conjunction with the Chief Executive Officer, is responsible for preparing and obtaining approval for the Trusts annual budget, which aggregates the budgets of each academy in the Trust. The budget must be approved by the Finance Committee, who will recommend approval to the Board of Directors.

The approved aggregated budget must be submitted to the Education & Skills Funding Agency (ESFA) in July each year on a date specified by the ESFA. The deadline for approved five-year budgets will be during February and June of each year on a date specified by the Chief Financial Officer.

Each academy budget will be assigned a risk rating to their submitted budgets. These risk ratings have been defined by the Finance Committee and are as follows:

- *High* – those budgets that are in a deficit position over the next 12 months, or those budgets with significant deteriorating in-year deficits
- *Medium* – those budgets that are in a deficit position over the next 36 months, or those budgets with concerning deteriorating in-year deficits

- *Low* – any budgets in a surplus position over the next 36 months that do not have concerning deteriorating in-year deficits

Where a school has a risk rating of *High* an action & recovery plan must be put in place. The action plan must be approved by the CEO prior to it being submitted to the Board of Directors. Monthly progress meetings with the Chief Financial Officer will be arranged and progress will be reported to the Finance Committee. Where an action plan is not approved by the CEO or Board of Directors, the School Leader may be required to attend Finance Committee meetings to explain their actions & what they will be doing to ensure financial sustainability and may face the risk of having its financial autonomy removed/reduced (please refer to Section 18 – Financial Autonomy of Academies).

Where a school as a risk rating of *Medium* an action place must be put in place. The action plan must be approved by the CEO and will be communicated with the Board of Directors. Termly progress meetings with the Chief Financial Officer will be arranged and progress will be reported to the Finance Committee.

Where a school has a risk rating of *Low* then no further actions are required to take place and the school must complete forecasts and budgets in accordance with the deadlines set by the Trust. Schools should still review their financial plans regularly.

Risk ratings are reviewed monthly and are decided by the executive team following consultation with the Finance Committee. The Finance Committee can adjust a rating based on quantitative and qualitative information.

If a surplus is identified at an individual academy within the Trust, this may be held back as a contingency or alternatively carried forward to invest in future years' priorities for the students that the academy serves. Please refer to the Reserves Policy.

More detailed guidance is available in the Financial Planning Framework.

Schools Condition Allocation Budgeting

Hamwic Education Trust receives capital funding via the Schools Condition Allocation (SCA) each year, which is to be deployed strategically across the entire estate to address priority maintenance and expansion needs.

Allocation of this capital funding will be based on independent surveys undertaken on academies estates. Prioritisation will be based on the below:

1. Items that could cause our academies to close within the next 12 months if not addressed
2. Items of strategic importance to the Trust, i.e. expansion
3. Medium term priorities identified

The Chief Financial Officer is responsible for preparing and obtaining approval for the SCA budget, which must be approved by the Finance Committee, who will recommend approval to the Board of Directors.

Any urgent expenditure outside of approved budgets can be approved by the Chair of the Board of Directors and the Chair of the Finance Committee in exceptional circumstances.

Monitoring and Reviewing

Monthly management accounts will be prepared by Business Managers on an accruals basis, by a date specified by the Trust each month. The management accounts will detail the following:

- actual income & expenditure against budget to date
- forecasted year-end income & expenditure against full year budget
- narratives explaining any significant variances

Management accounts will be submitted to the Chief Financial Officer for review and to produce a consolidated report, which will be reviewed on a monthly basis by the CEO and Deputy CEO – Business. These reports will be submitted to the Finance Committee and Board of Directors at each meeting and no less than five times in a year. In addition, management accounts will be shared with the Chair of the Board of Directors and the Chair of the Finance Committee on a monthly basis.

The monitoring process should be effective and timely in highlighting variances in the management accounts so that they can be investigated and action taken where appropriate. Any potential significant overspend against budget must, in the first instance, be discussed with the Chief Financial Officer.

Each academy is responsible for preparing and presenting reports to their Local Governing Body or relevant nominated committee no less than 3 times per year.

10 – Payroll

Staff Appointments

The Local Governing Body, or appropriate appointed committee, has responsibility for approving a staffing structure for the academy. Changes can only be made to this structure with the express approval in the first instance of the appropriate committee who must ensure that adequate budgetary provision exists for structural changes.

The appointment of School Leaders is undertaken by the academies Local Governing Body, in consultation with the Trust executive team, and requires approval as per the scheme of delegation.

The School Leader has authority to appoint staff within the approved structure except for Deputy Head Teachers and Business Managers whose appointments must follow consultation with the Local Governing Body. The School Leader maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Business Manager immediately.

The CEO is responsible for ensuring that the Trust's pay policy is implemented.

The CEO is responsible for ensuring that the statutory obligations around the safer recruitment policy & procedures are administered, and Business Managers will be responsible for maintaining accurate records of all staff employed at their academy in the single central record, for which a template is available from the Head of HR.

Personnel information is held in manual files under the guidance of the CEO with access strictly limited to authorised officials only and separately on academies management information systems, for which relevant registration under the Data Protection Act 2018 is held.

Staff Remuneration

Staff remuneration is set in accordance with the Trust's Pay Policy.

Payroll Administration

The Trusts payroll is administered by Portsmouth City Council.

Amendments to payroll data, e.g. appointments, resignations, pay changes & overtime, are made to the payroll provider in the format laid down by them and authorised by the Business Manager at each academy by the deadline set by the payroll provider.

All supply teaching, casual working and overtime claims must be checked and confirmed by the relevant budget holder and must be forwarded to the Business Manager.

All absence must be reported to the payroll provider for the previous month and be reconciled to the data on the academies management information system.

Draft payroll reports from the payroll provider must be reconciled against the HCSS budgeting software and the submitted payroll data by Business Managers and any variances investigated prior to approval. The School Leader must approve the final payroll report.

After payroll has been processed the transactions must be entered onto PS Financials. Postings will be made to the payroll control account and to academies nominal codes. The Chief Financial Officer is responsible for ensuring that the journal has been entered correctly and matches to the final payroll report.

Charges for the Apprenticeship Levy will be calculated based on schools salary payments each month and will be processed by the Chief Financial Officer.

The Chief Financial Officer will perform monthly reconciliations of the payroll control account.

Payments

All staff are paid monthly by bank credit transfer to their bank accounts.

The payroll provider's payroll system automatically calculates the deductions due from payroll to comply with legislation. The major deductions are for tax, national insurance and pensions. These amounts are summarised on the final payroll report.

Payment of deductions are made by the payroll provider from Trust bank accounts with the exception of Teacher Pensions contributions, which are made from the payroll providers bank accounts. The payroll provider will then invoice the Trust to claim these amounts back.

11 - Other Payments to Staff

Travel Claims

The School Leader may delegate to an appropriate member of staff the authorisation of travel claims. The School Leader should personally authorise claims made by the people they directly line manage. Any claims made by the School Leader must be authorised by the CEO or Chair of the Local Governing Body. No member of staff may authorise their own travel claims.

Claims may only be made for travel approved in advance by the appropriate member of staff. Travel claims for unauthorised trips may be approved, but only:

- after the reason for the travel has been made clear, and
- if the person authorising the travel is satisfied that it is for legitimate academy business

The mileage for each trip must be accurately recorded and verified by another member of staff. Claims should be made for mileage that exceeds the normal journey from home to the place of work. For example, if someone makes a journey from home directly to a course venue, they should claim those miles, less the miles for the normal home to place of work journey.

The rate paid for approved mileage must be no more than 45p per mile.

All claims must be submitted on an official travel claim form and processed through PS Financials.

Please refer to the Staff Expenses Policy for more information.

Travelling Abroad

Any educational visit the School Leader wishes to take abroad as part of their professional development, must be agreed in advance by the Local Governing Body, and the governors' decision must be recorded in minutes. Agreement for visits during term time should normally be given only if the Local Governing Body is satisfied that the academy will gain significant benefit and the visit will benefit the School Leader's professional development.

If the school budget will be covering part of the costs, the Local Governing Body must satisfy itself that the balance of costs represents value for money for the academy.

If the School Leader chooses to extend the time abroad on an educational visit to enable them to take a holiday, they should pay an appropriate proportion of any costs themselves. The academy budget must not pay any personal and private foreign travel costs.

Other Staff Expenses

Any other expenses from staff can be claimed in accordance with the Staff Expenses Policy.

All claims must be accompanied with relevant documentation and processed via PS Financials.

Seminars and Conferences

Members of staff who wish to attend conferences should seek approval from the School Leader and CPD Coordinator and fill out the appropriate form.

The School Leader should seek prior approval from the Local Governing Body if:

- the cost of accommodation and attendance fees will be more than £1,000, or
- the event means being out of school for more than three days

The benefits of attending and the approval for attendance should be formally minuted, together with the estimated costs.

Hospitality

Academy funds should be used to entertain visitors on or off the academy site only if this likely to substantially benefit the education of the pupils. If such spending is likely to be more than £100, it should be approved by the Local Governing Body or an appropriate committee.

Alcohol is not permitted to be purchased in any circumstances.

Please refer to the Gifts & Hospitality Policy for more information.

Staff Team Building Activities

Staff team-building activities would be included in the annual CPD budget. Any significant expenditure would be reported through the Local Governing Body or relevant committee.

Consultancy

The School Leader may undertake consultancy work or contribute to educational conferences. The work must be authorised in advance and in the case of the School Leader authorised by the CEO/Local Governing Body. The extent of consultancy work must be approved by the CEO/Local Governing Body and fully recorded in the minutes of the relevant meeting. All income must be paid to the academy or Trust.

12 – Procurement

The Trust aims to achieve the best value for money from all purchases in order to achieve the best price possible for the correct quality, quantity and time. A large proportion of purchases will be paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:

- **Probity** - it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust;
- **Accountability** - the Trust is publicly accountable for its expenditure & the conduct of its affairs;
- **Fairness** - that all those dealt with by the Trust are dealt with on a fair and equitable basis.

Best Value Statement

The Hamwic Education Trust Board of Directors intends that the 'Best Value' principles, should be applied to the Trust's ordering and purchasing administration. These principles are:

- Compare
- Challenge
- Compete
- Consult

Routine Purchasing

Budget holders will be informed of the budget available to them as soon as the budget is formally ratified and approved by their Local Governing Body. It is the responsibility of the budget holder to manage their element of the budget and to ensure that the funds available are not overspent. A report detailing actual expenditure and commitments against budget can be supplied to each budget holder.

It is essential that the following controls are adhered to:

- orders should not be entered into verbally, unless a Debit Card has been used (following prior authorisation from the relevant budget holder)
- the use of official Requisition Forms and Purchase Orders through PS Financials automatically updates the financial records and enables committed expenditure to be included in management information for governors

- in exceptional circumstances (e.g. emergency repairs) orders may be placed by telephone. In such circumstances a confirmation order should be generated. Orders may be faxed to suppliers, in order to reduce timelines
- orders should only be approved in accordance with the authorised limits within the Scheme of Delegation listed in Appendix 1
- orders may only be used for goods and services provided to the Trust. Private individuals and other organisations may not use official Requisition Forms to obtain work, goods, materials and services net of VAT
- when ordering using a Debit Card, an official Debit Card Payment Form must be used and approved by the budget holder prior to an order being placed

Orders under £10,000 (under £25,000 for SCA tendering)

Routine purchases of up to £10,000 ordered by an academy must ensure that reasonable steps have been taken to achieve Best Value. Best Value could be achieved by:

- supplier chosen from the list of approved suppliers maintained by the Trust
- bulk purchasing of common consumables
- negotiating discounts
- taking advantage of sale seasons
- obtaining alternative quotations wherever possible

Orders between £10,000 and £24,999 (between £25,000 and £49,999 for SCA tendering)

At least three written quotes must be obtained for all orders between £10,000 and £24,999 to identify the best source of the goods or services. Written details of quotations obtained must be prepared and retained by the budget holder for audit purposes.

Orders over £25,000 (over £50,000 for SCA tendering)

All goods or services with a value over £25,000, or for a series of contracts which in total exceed £25,000 must be subject to formal tendering procedures.

Purchases over £181,302 for supplies & services and £4,551,413 for works (threshold from 01/01/18) may fall under EU procurement rules which require advertising in the Official Journal of the European Union. Any tenders over this limit must be completed by the Chief Financial Officer.

Forms of Tenders

Please see the Procurement Policy for full details of the approved tendering process.

The Chief Financial Officer must be involved in all tendering projects over £25,000.

Off-Payroll Working

Business Managers are responsible for assessing potential scenarios where IR35 (off-payroll working) applies by completing the “Check employment status for tax” service on the governments website. These checks must be answered accurately to ascertain whether individuals can be paid by invoice or should be paid on payroll. The records of these checks must be retained.

Where there is uncertainty, Business Managers should seek clarification from the Chief Financial Officer.

13 – Income

The main sources of income for the Trust are grants from the ESFA. The receipt of these sums is monitored directly by the Business Manager who is responsible for ensuring that all grants due to the academy are collected.

The academy also obtains income from:

- parents, mainly for trips, clubs & catering (please refer to your schools Charging Policy), and
- the public, mainly for lettings

Trips

A lead teacher or department administrator must be appointed for each trip to take responsibility for the collection of sums due. This individual must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Business Manager.

Students should make payments at the school office or via online payments. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment on the academies income recording system.

The Business Manager should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher or department administrator on a regular basis, with that individual responsible for chasing any outstanding amounts.

Where a surplus of over £5 per pupil is realised after all associated costs have been accounted for, refunds should be made to parents.

Lettings

The Business Manager is responsible for maintaining records of bookings of academy facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities and confirmation of appropriate insurances must be retained.

The Business Manager will raise invoices and is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.

No debts will be written off without the express approval of the Local Governing Body (the ESFA's prior approval is also required if debts to be written off are above the value set out in the annual funding letter).

Club Income

The Business Manager is responsible for maintaining records of bookings for clubs and for identifying the sums due from parents. Payments must be made in a reasonable time for clubs.

The Business Manager is responsible for liaising with parents regarding sums due and for chasing outstanding debts. Individual parental debts must not go over £50. No debts will be written off without the express approval of the Local Governing Body (the ESFA's prior approval is also required if debts to be written off are above the value set out in the annual funding letter).

Other Income

The Local Governing Body is responsible for setting fees for chargeable services at full cost, but can apply an additional rate of return when in a commercial environment.

Custody

Official, pre-numbered academy receipts (or online payment receipts) should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the Finance Office safe prior to being collected by cash collectors. Cash collections should take place at least fortnightly or more frequently if the sums collected exceed the £5,000 insurance limit on the Finance Office safe. Cash collections will happen in accordance with the agreed schedule.

Monies collected must be banked in their entirety in the appropriate Trust bank account. These deposits must be independently verified by a separate member of staff. The Business Manager is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the Business Manager.

14 - Cash Management

The opening of all bank accounts must be authorised by the Board of Directors that must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

All Trust bank accounts are with Lloyds Bank.

Any changes to academy bank accounts and/or signatories are completed by the Chief Financial Officer. It is the responsibility of each individual academy to inform the Chief Financial Officer of any changes required.

Deposits

Particulars of any deposit must be entered onto an official Lloyds Bank paying-in slip, with supporting documentation including:

- the amount of the deposit; and
- a reference, such as the number of the receipt or the name of the debtor

All deposits must be checked by a separate individual to ensure accuracy.

Payments and withdrawals

All cheques and other instruments authorising withdrawal from Trust bank accounts must bear the signatures of two of the following authorised signatories:

- Business Manager
- School Leader
- Chief Financial Officer
- Deputy CEO – Business
- Deputy CEO – Education
- CEO

This provision applies to all accounts operated by or on behalf of the Trust.

Reconciliations

The Business Manager must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the academy's cash book and trial balance;
- reconciliations are subject to an independent review carried out by the Chief Financial Officer; and
- adjustments arising are dealt with promptly

Petty Cash Accounts

Each academy may maintain a maximum cash balance of £400. The cash must be administered by the Business Manager and be kept in a safe.

The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

In the interests of security, petty cash payments will be limited to £30. Higher value payments should be made by an expenses claim through PS Financials for payment by BACS.

The Business Manager is responsible for entering all transactions into the petty cash records on a regular basis and monthly cash counts should be undertaken by the Business Manager to ensure that the cash balance reconciles to supporting documentation.

Petty cash must be held in a locking cash box, which is put in the safe overnight.

Cash Flow Forecasts

The Chief Financial Officer is responsible for preparing annual cash flow forecasts to ensure that the Trust has sufficient funds available to pay for day to day operations and to avoid going overdrawn. If significant balances can be foreseen, steps should be taken to invest the extra funds.

Investments

Investments must be made only in accordance with the approved Investment Policy.

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

15 – Assets

All items purchased with a value over the Trust's capitalisation limit (£3,000) must be entered in an asset register using the asset management system, Parago. The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition

- asset cost
- source of funding (% of original cost funded from EFA grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

The Asset Register helps:

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

Capital Development Plans

Academies are required to plan for their future capital expenditure over 5 years within their budgeting process. This should include replacement of assets and planned building works.

Security of assets

Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

All the items in the register should be permanently and visibly marked as the academy's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Local Governing Body or relevant nominated committee. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Business Manager and, where significant, should be sold following competitive tender.

Disposal of equipment to staff is not permitted, as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Trust would need to ensure licences for software programmes have been legally transferred to a new owner.

An asset disposal form must be completed and authorised for all asset disposals.

The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other trust assets. If the sale proceeds are not re-invested then the academy must repay to the ESFA a proportion of the sale proceeds.

All disposals of land must be agreed in advance with the ESFA.

Loan of Assets

Items of Trust property must not be removed from academy premises without the authority of the School Leader. A record of the loan must be recorded in a loan book and booked back in when it is returned.

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Chief Financial Officer.

Examples of assets would include PCs, mobile telephones and other electronic devices.

16 – Insurance

The Boards of Directors will take out such insurance as it sees fit and/or as it is advised, and to comply with statutory requirements. The Trust will obtain the following insurance cover as a minimum:

- buildings and contents
- business continuity
- employers and public liability

All risks will be reviewed annually to ensure that the cover is adequate.

All contractors must have public liability insurance before they are allowed to undertake work on Trust premises.

People or organisations hiring the Trust's premises and using facilities should either be covered by the Trust's insurance at an additional cost, or must produce a valid public liability insurance with indemnity up to £5,000,000.

Any claims to be made should be dealt with by the Business Manager directly with the relevant insurer, notifying the Chief Financial Officer & Trust Head of Estates.

The Trust has opted in the ESFA's Risk Protection Arrangement (RPA). The Trust will cooperate with risk management auditors and risk managers and implement reasonable risk management audit recommendations that are made to them.

Insurances not covered by the RPA will be arranged by the Chief Financial Officer.

17 - Other Matters

Managed Service Charges

The Board of Directors have approved the Managed Service Charge as follows:

- 5% of GAG Funding for secondary academies
- 5.5% of GAG Funding for all other academies

It is the responsibility of the Chief Financial Officer to process the monthly Managed Service charges in PS Financials. This charge will be calculated using the monthly remittances from the ESFA.

Transparency with Governance Arrangements

The Trust will publish on its website up-to-date details of its governance arrangements in a readily accessible format including:

- the structure and remit of the members, board of trustees, its committees and local governing bodies (the Trust's scheme of delegation for governance functions), and the full names of the chair of each
- for each member who has served at any point over the past 12 months, their full names, date of appointment, date they stepped down (where applicable), and relevant business and pecuniary interests including governance roles in other educational institutions
- for each trustee and local governor who has served at any point over the past 12 months, their full names, date of appointment, term of office, date they stepped down (where applicable), who appointed them, and relevant business and pecuniary interests including governance roles in other educational institutions. If the accounting officer is not a trustee, their business and pecuniary interests must still be published
- for each trustee their attendance records at board and committee meetings over the last academic year
- for each local governor their attendance records at local governing body meetings over the last academic year

Whistleblowing

The Trust has appropriate procedures in place for whistleblowing – please refer to the Whistleblowing Policy for more information.

Risk Management

The Trust and each academy must recognise and manage present and future risks to ensure its effective and continued operation.

Individual academies must have their own risk register (template available from the intranet), which must be approved by their Local Governing Body. Academies must make a considered choice about its desired risk profile, taking account of its legal obligations, business objectives and public expectations.

The Audit & Risk Committee will have responsibility for risk management across the Trust.

Please refer to the Risk Management Policy.

Irregular or Improper Transactions

Situations may arise where it may appear to the Trust to make sense to enter into a transaction which is irregular, improper or does not provide value for money. In these circumstances the Trust must seek prior, written permission from the ESFA. Such transactions may additionally require HM Treasury approval dependent on the nature of the transaction involved.

Pooling of GAG Funding by MATs

The pooling of GAG funding is at the discretion of the Board of Directors.
Please refer to the guidance in the Academies Financial Handbook 2019/20.

Reserves

The Trust and each academy must ensure that they have sufficient reserves to enable them to achieve their long term aims and remain in overall surplus.

Where academies hold in excess of 8% of their annual GAG funding, they are required to complete an Academy Excess Reserves Statement stating how much their excess reserves are and actions that are to be taken to bring them in line with the policy.

The Board of Directors will approve a reserves policy stating the maximum level of reserves to be held centrally. Any funds held over this amount will be reimbursed to academies using a formula agreed by the Board of Directors.

Please refer to the Reserves Policy for more information.

18 - Financial Autonomy of Academies

The Trust's protocol is for all academies to have the maximum level of autonomy in all aspects of its functioning. However, the Board of Directors recognise that the areas of financial autonomy and standards autonomy are those of highest risk to the overall efficient and effective functioning of the Trust as a whole. Therefore, these are the areas that need to be addressed immediately in terms of effective monitoring and evaluation of each academy in order that accurate assessment of each academy's position in relation to these two areas is made, identification of any issues to be addressed is timely & accurate and plans for remedial action are structured & likely to be successful.

Reductions in financial autonomy could arise from an inability to prepare acceptable financial plans, a lack of control over expenditure, concerns of the risk of fraud or any aspect relating to financial management.

The section below identifies the levels of autonomy that an academy may have. Where the Board of Directors have reduced the financial autonomy of an academy, they will inform the Governing Body and School Leader formally, detailing their reasons and recommendations for actions necessary to facilitate improvement and to move the academy back to a higher level of autonomy. This will include timescales for the improvement, performance criteria for the improvement to be deemed successful and how the return to a higher level of autonomy would be effected. Any reduction in autonomy will be reviewed on a monthly basis.

Complete

Full autonomy for all aspects of financial management, including spending and recruitment.

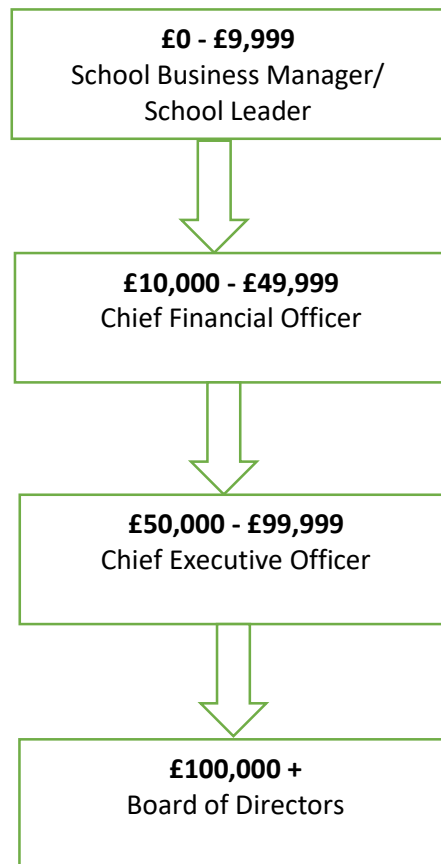
Reduced

Reduced autonomy, with no expenditure outside of agreed budgets without the express approval of the Chief Financial Officer.

None

No autonomy for any aspects of financial management. All expenditure and recruitment will be approved by the Chief Financial Officer.

Appendix 1 - Scheme of Delegation



Individual academies are expected, in addition to the above, to implement their own internal scheme of delegation (within the boundaries set by the Trusts scheme of delegation) to include the following groups:

- Budget Holder
- Business Manager
- School Leader
- Local Governing Body

Appendix 2 – Policies

- Accounting Policy
- Conflicts of Interest Policy
- Anti-Fraud Policy
- Gifts & Hospitality Policy
- Staff Expenses Policy
- Investment Policy
- Procurement Policy
- Whistleblowing Policy
- Directors & Governors Expenses Policy
- Reserves Policy
- Risk Management Policy

All of the above policies are available on the Intranet.

Appendix 3 – Confirmation of Receipt & Understanding

I confirm that I have read and understood all areas of the Hamwic Education Trust Financial Handbook 2019/20, including all policies listed in Appendix 2.

Name: _____

Signature: _____

School: _____

Date: _____

Once signed please return to the Chief Financial Officer.