



Academies Trust

The Co-operative Academies Trust

Financial Regulations Manual

September 2023



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1. Introduction

- 1.1. This document sets out for The Co-op Academies Trust (“the Trust”) the Financial Regulations (“the Regs”), including the Scheme of Financial Delegation (“the Scheme”). Reference to the Trust includes its member organisations for the purpose of the authorities and procedures contained herein, except where otherwise stated.
- 1.2. The purpose of this Policy manual is to ensure that the Trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department of Education (DfE).
- 1.3. The Financial Regulations are subject to review annually, or more frequently if there is any change in management or organisational structure that would impact its effective operation.
- 1.4. Trust must comply with the principles of financial control outlined in the Academies guidance published by the DfE. This manual expands on that and provides detailed information on the Trust’s accounting procedures.

2. Responsibilities

- 2.1. The Trust has defined the responsibilities of each person involved in the administration of the Trust finances to avoid duplication or omission of functions and to provide a framework of accountability for Governors and staff.
- 2.2. The Regs also contain the Financial Policies that the Board has adopted and provides the framework for how the Regs (including the Scheme) will be exercised.
- 2.3. The Regs provide an overview of the parameters that Board have set out to assist staff, Board, Governors and Academy Sub-Committee members to ensure that:
 - A financial framework exists within which staff, Board, Governor’s and committee members may properly act and are fully accountable for their actions;
 - The Scheme of Financial Delegation details the financial limits on commitments and payments that should be applied within the Regs and describes the associated permissions and responsibilities related to disbursing the Trust’s financial business and specifies the limits and ranges of delegation given with the Trust;
 - It complies with the rules and objectives of the Trust together with any other statutory requirements, is lawful, reasonable and represents value for money; and
 - The assets and other financial interests of the Trust are properly protected.
- 2.4. The Regs define the delegated financial authority levels for the Trust Board, Governors, Committee Members, Chief Executive Officer (CEO), leadership team and staff by detailing the policy by which staff can commit and authorise expenditure within an approved budgeted framework.
- 2.5. Board, Committees, Academy Governing Councils (AGC) and staff are required to conform to the rules set out in these Financial Regulations. Any breach of these rules, whether inadvertent or otherwise, must be brought to the attention of the Chief Finance Officer (CFO)

who will investigate the circumstances with the personnel concerned. The CFO will, in consultation with the CEO, decide whether the circumstances are such that they should be reported to the Trust Board. It is the responsibility of senior management to ensure their staff are made aware of the contents of these Financial Regulations, which form part of the overall regulatory framework and ensure that any local policies and procedures are consistent within this document.

2.6. All delegated limits should be considered to be exclusive of VAT.

2.7. The Chief Executive Officer (CEO) may from time to time make a direction in respect of a delegated officer that the authority of the person(s) specified in that direction to act as delegated officer for the purposes of the Scheme shall be:

- a) suspended;
- b) reduced;
- c) subject to conditions; and / or
- d) exercisable by another person (being an employee(s) of the Trust of the same or greater seniority).

2.8. The Trust has defined the responsibilities of each person involved in the administration of the Trust's finances to avoid duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below.

The Trust Board

2.9. The Trust Board delegates the operational running, scrutiny and oversight of the Academies to the Academy Governing Council (AGCs) but will monitor the performance and compliance of all Academies within the Trust. The main financial responsibilities include:

- Provide strategic direction for the Trust, through the creation and monitoring of a strategic plan;
- Ensure financial viability and the best use of the Trust's funds to ensure it delivers its purpose;
- Ensure the Trust complies with the requirements of the Department for Education (DfE), Education and Skills Funding Agency (ESFA), and all relevant legislation;
- Preparation and approval of this Scheme of Delegation, in consultation with the academies, and ensuring it is regularly reviewed;
- Ensuring financial viability and the best use of the Trust's funds to ensure it delivers its purpose;
- Strategic and financial planning for the Trust and the academies;
- Approval of three year and financial budgets for the Trust;
- Approval of each academy's annual funding in consultation with the AGCs;
- Cost allocation between the Trust and the academies;
- Ensuring the Trust remains compliant with all regulatory requirements including the Trust Funding Agreements and the latest Academy trust handbook (including the obligation not to use Trust funds for the purchase of alcohol);
- Ensuring compliance with the financial and accounting requirements of the Trust;
- Setting procedures for financial controls;
- Approval on submission by the AGC of all proposed capital projects (for prior approval) before any costs incurred in relation to any project;
- Approval of any changes to planned admissions numbers (PANs); and
- Central procurement of insurance including buildings, land and trustees' and governors' insurance.

The Chair of the Trust Board must receive the Trust's management accounts each month..

The Academy Governing Council (AGC)

2.10. The AGC has overall responsibility for the administration of the individual Academies' finances. The main responsibilities of the AGC are prescribed in the Funding Agreement between the academy and the DfE and in the Trust's Scheme of Delegation. The main financial responsibilities include:

- Ensuring that grants from the ESFA are used only for the purposes intended;
- Supporting academy development planning and oversee and monitor the academy development plan / quality improvement plan;
- Approving and monitoring the academy's budget and three year business plan
- Being consulted and informed regarding the academy's curriculum provision and academic standards;
- Reviewing and approving capital projects, subject to Trust Board approval;
- Setting the academy's staffing structure, in line with approved budgets, and overseeing / approving staff appointments other than that of the headteacher / principal
- Monitoring academy risk register and business continuity plan;
- Having responsibility for the maintenance of the academy's buildings and premises;
- Supporting and monitoring the implementation of the Trust's and academy's health and safety policies;
- Ensuring Trust-wide policies are adopted and followed in the academy;
- Approve the outflow of academy financial resources in line with the delegated financial authority limits highlighted in Appendix A and B; and
- Any increase (or decrease) in pupil numbers beyond the planned admission numbers, subject to the approval of the CEO / Board and where necessary the DfE / ESFA.

The Trust Audit and Risk Committee (ARC)

2.11. ARC is an independent Committee of the Trust Board, which advises both the CEO, in their role as Accounting Officer, and the Trust Board. The ARC function is to support both the CEO and the Board in their responsibilities for issues of risk, internal control and governance. ARC will therefore monitor, evaluate, advise and report on:

- The comprehensiveness of assurances in meeting the Trust Board accounting needs;
- The reliability and integrity of these assurances;
- How well the Trust Board and its Accounting Officer role are supported in decision making and in discharging their accountability obligations (particularly in respect of financial reporting); and

Additionally, ARC will select the external and internal auditors and oversee, direct, monitor, evaluate and report on their work.

2.12. The main responsibilities include:

- Effectiveness of strategic processes for risk appetite, risk management, internal control, governance and information assurance including cyber security and data protection;



- Reviewing the Trust's top risks and ensuring adequate mitigations are in place;
- Accounting policies, including the process for review of the annual report and accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditor;
- Planned activities and results of internal and external audits;
- Adequacy of management's response to issues identified by audit activity, including external auditor's management letter;
- Assurances relating to the corporate governance requirements for the organisation;
- Where appropriate, proposals for tendering for either Internal or External Audit services or for purchase of non-audit services from contractors who provide audit services;
- Anti-fraud policies and whistleblowing processes;
- Review and approval of relevant Trust policies delegated by the Trust Board;
- Reviewing the annual report, recommending it to the Board for approval and ensuring it is published on the Trust website in line with ESFA requirements; and
- The committee will work with the auditor who will recommend an audit plan for the Trust Board to approve. Any audit plan will take full account of the risks to Trust's strategic priorities. The internal audit plan is approved by the Trust Board annually.

The Trust Finance and Resources Committee (FRC)

2.13. FRC is an independent Committee of the Trust Board, which advises both the CEO, in their role as Accounting Officer, and the Trust Board. The FRC function is to support both the CEO and the Board in their responsibilities with regard to compliance with the Trust's Funding Agreement with the Secretary of State for Education, the Academy Trust Handbook and the Trust's Financial Regulations, and to ensure sound management of the Trust's finances and resources, including proper planning, monitoring, probity and value for money. The main responsibilities include:

- The annual estimates of income and expenditure and financial forecast for the Trust and its academies;
- Monitoring of revenue finances of the Trust and its academies and advising the Board on progress towards achieving its financial objectives;
- The management accounts of the Trust, cash flow forecasts and reserves, and to advise the Board on the year end accounts;
- The annual accounts, including presentation of the annual accounts and the auditor's report to the Board for approval
- To advise the Board on the financial implications of the Trust's strategic plan;
- To review, on an annual basis, the Trust's Financial Regulations, and recommend these for the Board's approval;
- Estate matters and the Trust's asset management strategy;
- The financial elements of the Trust's risk management strategy, including health and safety;
- The level of reserves and the Trust's reserves policy;
- Monitoring of Trust policies relating to finance, buildings and health and safety;
- Procurement activity requiring Board approval;
- Review and approval of relevant Trust policies delegated by the Trust Board;
- Any relevant legal and contractual documentation, operating within the Articles of Association, Schemes of Delegation, Funding Agreement and Financial Regulations;
- The development of systems and processes necessary to support the development of the Trust (eg IT, procurement); and



- Pupil numbers at the academies and any changes to the published admission numbers at academies.

Finance Committee - Academy Level (where applicable)

2.14. The Finance Committee (or similarly titled) is a committee of the AGC. The Finance Committee meets at least once a term but more frequent meetings can be arranged if necessary. The main responsibilities of the Finance Committee are detailed in written terms of reference which have been authorised by the AGC. The main responsibilities include:

- The review and recommendation of the annual business plan including the budget to the Trust Board; and
- The regular monitoring of actual expenditure and income against budget, including all additional school funds.

Accounting Officer / Director of the Trust / Chief Executive Officer (CEO)

2.15. The CEO is the Accounting Officer. The Academy Trust Handbook explicitly prohibits the Accounting Officer from holding the role of CFO (and vice versa). The full scope of responsibilities for the Accounting Officer is defined in the Academy trust handbook and includes a personal responsibility to Parliament, and to the ESFA's Accounting Officer, for the financial resources under the Trust's control. Accounting Officers must be able to assure Parliament, and the public, of high standards of probity in the management of public funds, particularly:

- **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;
- **regularity** – dealing with all items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement and this handbook, and compliance with the trust's internal procedures – this includes spending public money for the purposes intended by Parliament; and
- **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.

Regional Director (RD)

2.16. The RD of the Trust works within the frame of responsibilities delegated by the CEO. The RD works in close collaboration with the CEO and the Trust's SLT. The main financial responsibilities of the RD are:

- approving new staff appointments (at a Hub or Academy level) above the authorised establishment, except for any senior staff posts which the Board / CEO have agreed and should be approved by them;
- approve the outflow of academy financial resources in line with the delegated financial authority limits highlighted in Appendix B;
- approving changes to staffing structures as part of the budget setting process;
- ensuring regional academies sets the budget for the financial year;
- ensuring regional academies sets three year budget plan; and
- reporting regional academy financial performance (through the Regional Finance Directors) to the CEO and CFO.



Chief Finance Officer (CFO)

2.17. The Trust CFO works in close collaboration with the CEO and the Academy Finance Lead (AFL). The Trust CFO also has direct access to the Governors via the ARC and FRC. The main financial responsibilities of the CFO are:

- the management of the Trust's financial position at a strategic and operational level within the framework for financial control determined by the Board;
- setting and agreeing the Financial Regulations with the Board;
- setting, reviewing and updating the Trust's financial policies - for Board approval;
- the maintenance of effective systems of internal control;
- ensuring compliance with accounting policies and procedures, approved by the Board, in line with recommended best practice for companies and Charitable Trusts;
- ensuring that the consolidated annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- the preparation of the consolidated management accounts for the Trust;
- the preparation of the Trust's consolidated budget / business plans over 1 and 3 years for Trust Board approval including the setting of key Trust-wide business plan assumptions and guidance;
- approve the outflow of Academy financial resources in line with the delegated financial authority limits highlighted in Appendix B;
- bad debt write-offs in accordance with the Academy Trust Handbook;
- conduct of tenders for internal and external auditors for appointment by the ARC;
- approving procedures for financial controls across academies;
- ensuring VAT returns are submitted as required by HMRC requirements;
- lead role with the Trust's pensions providers; and
- ensuring forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance.

Executive Headteacher (EHd)

2.18. The EHd of the Trust works within the frame of responsibilities delegated by the CEO. The EHd works in close collaboration with the RD and the relevant Trust Academy Leaders. The main financial responsibilities of the EHd are:

- approve the outflow of specified academy financial resources in line with the delegated financial authority limits highlighted in Appendix B;
- ensuring specified academies set budgets for the financial year;
- ensuring specified academies set three year budget plans; and
- reporting specified academy financial performance (through the Regional Finance Directors and RD) to the CEO and CFO.

The Academy Leader (Principal, Headteacher or Head of School)

2.19. Within the framework of the academy development plan as approved by the individual AGC the Academy Leader has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the AFL but the Academy Leader still retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the AGC / RD have agreed should be approved by them;



- approve the outflow of Academy financial resources in line with the delegated financial authority limits highlighted in Appendix B;
- authorising BACS and any other form of payment in conjunction with the AFL or other authorised signatory;
- ensuring the academy sets the budget and reforecast for the financial year, which is in line with the Trust's reserves policy;
- ensuring the academy sets three year budget plan;
- review of academy monthly management accounts and cost centre reporting; and
- reporting financial performance to the AGC including all additional school funds.

Regional Finance Director (including Central Team equivalent) (RFD)

2.20. The RFD works in close collaboration with the CFO, AFL, and the frame of responsibilities delegated by the CEO. The main financial responsibilities of the RFD are:

- the maintenance of effective systems of internal control;
- ensuring compliance with accounting policies and procedures, approved by the Board, in line with recommended best practice for companies and Charitable Trusts;
- supporting the CFO in ensuring that the consolidated annual accounts are properly presented and adequately supported by the underlying books and records of the academies and Trust;
- supporting the CFO in the preparation of regional and Trust-wide management accounts for the Trust;
- supporting the CFO in the preparation of regional budget / business plans over 1 and 3 years for Trust Board approval, including the setting of key Trust-wide business plan assumptions and guidance;
- approve the outflow of academy financial resources in line with the delegated financial authority limits highlighted in Appendix B;
- supporting the CFO in approving procedures for financial controls across academies and centrally; and
- ensuring forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance.

The Academy Finance Lead (AFL)

2.21. The AFL (either the Academy Finance Manager, Business Manager, RFD or shared Finance Manager) works in close collaboration with the Academy Leader through whom they are responsible to the Governors. The AFL also has direct access to the Governors via the Finance Committee - Academy Level (or equivalent). The main responsibilities of the AFL are:

- the day to day management of financial issues including the local operation of the Trust's accounting system to meet the requirements of the Trust;
- the management of the academy financial position at a strategic and operational level within the framework for financial control determined by the AGC;
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- the preparation of monthly management accounts and financial reports for the Academy Trust and Governors;
- preparation of quarterly VAT returns for submission to the Trust;



- approve the outflow of academy financial resources in line with the delegated financial authority limits highlighted in Appendix B;
- authorising BACS and any other form of payment in conjunction with the Academy Leader or other authorised signatory;
- ensuring relevant academy forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance; and
- to support the Trust RFD / CFO.

Other Staff

- 2.22. Other members of staff, primarily finance officers and budget holders, will have some financial responsibilities. All staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

Register of Interests (the Register)

- 2.23. It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise, all members of the Board, Governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services. The Register is open to public inspection and will be requested by the auditors.
- 2.24. 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 or individual academy/ies. The disclosures should also include business interests of relatives such as a parent, spouse or business partner where influence could be exerted over a Governor or a member of staff by that person. Disclosures are reviewed / updated on an annual basis via an annual declaration form.
- 2.25. The existence of the Register does not detract from the duties of the Board, Governors and staff to declare interests whenever they are relevant to matters being discussed by the Trust Board, AGC or a Committee. Where an interest has been declared, the Director, Governor or member of staff should not attend that part of any Committee or other meeting.

3. Areas of Specific Delegated Responsibilities

- 3.1. There are a number of financial responsibilities that are delegated, by Board, to specific members of staff – these are outside the authorities in sections 6-17 of these Regs. The delegated authority for the following transactions lies with nominated Trust Directors, Trust SLT, Academy Leaders, or functions detailed in 3.3 below.
- 3.2. Prior to the authorisation of the following transactions and in making all commitments and anticipating payments, the delegated officers must consult with the CEO or the CFO to ensure that sufficient funds are available and that cash flow impact is considered.
- 3.3. Sponsorship expenditure is generally prohibited as part of these Regs however, it is allowable where appropriate, approved by the relevant AGC and Board and incorporated into approved academy business plans.



Specific Delegated Responsibilities – Within overall Trust approved budget	
Description	Delegated Authority
Budgeted staff appointments and approval of salary changes (Excluding SLT).	For Central Trust : Trust SLT For Academies: Academy Leaders except for senior Academy SLT positions which should be approved by the AGC in conjunction with the RD.
Appointment and approval of salary for Academy Leaders.	CEO in conjunction with the RD.
Appointment and approval of salary for Trust SLT (Including terms and conditions).	People & Remuneration Committee.
Board Member expenses.	CEO or CFO.
Treasury management functions : purchase ledger payments, BACS / CHAPS transfers including inter Trust transfers – validation and release.	See Appendix A and as per approved bank mandate.
VAT settlement / reclaim validation and release.	CFO or delegated member of Finance Team.
Contracts, Service Level Agreements (SLAs), lease agreements, grant claims / documentation or other similar regulatory forms.	See Appendix A.
Insurance Policy Tenders and appointment.	Trust Board or delegated sub-committee.
Trust Policies.	Trust Board or delegated sub-committee.
Write-offs within the approved scheme of delegation.	CEO / CFO or nominated SLT Member.
HMRC / Pension payments (deductions made via payroll) – Validation and release	CFO or delegated member of Finance Team.
Investments / Bank deposits - Policy.	ARC.
In year review / update of revenue expenditure limits (including new posts or staffing changes).	Director of Trust in conjunction with the CFO.
Settlement and Restructuring Agreements.	See Section 8.11 and Appendix A / B

4. General Delegated Financial Authority

- 4.1. These are different and separate from the formal signature(s) required on Trust or Academy banking documentation.
- 4.2. The Regs establish a final point of delegation relating to the commitment of expenditure and approval of payments. This should be complementary to the integrated financial system and the automated approval process for financial commitments. The Delegated Officer should be supported by a structure of management controls including adequate segregation of duties over the authorising, receiving and payment is required to ensure an adequate level of control.
- 4.3. Delegated Officers are those employed by the Trust either on a permanent, temporary and contract basis. The term does not include those individuals contracted under consultancy arrangements.



- 4.4. The Delegated Officer takes personal responsibility for confirming that the financial commitment is valid, checked, coded correctly and authorised as being a valid charge against the Trust and in accordance with its policies and procedures and within the scope of the approved budget.
- 4.5. Delegated Officers must assure themselves that an audit trail and adequate records support each transaction and that decisions are consistent with budget, law, regulations and Trust policies.
- 4.6. Delegated Officers are the main source of scrutiny to ensure the propriety and regularity of the expenditure. They would be asked to account for any errors or abuse that is discovered during or subsequent to the payment process.
- 4.7. In applying these Regs for general business and routine expenditure items that are processed through the Trust's purchase order system and integrated finance system, it has embedded controls that prohibit financial commitment unless an appropriate level of authorisation has been granted.
- 4.8. This control is achieved through the use of user identification and passwords, which cross-refer to the system's list of authorisations. The principal control mechanism is at the commitment stage, which contractually binds the Trust to make payments after receipt of goods or services. In addition, there should be appropriate checking before payments are made. The authorisation will be implemented through the segregation of duties, controlled by password and user ordering, goods receipt and payment process. The detailed controls in the integrated finance system are controlled by reference tables and named authorised staff and financial expenditure levels.

5. **Absence of Delegated Individual**

- 5.1. In the absence of a member of staff to whom financial authority has been delegated, that authority shall be exercised by a member of staff superior in the line of authority to the officer concerned, within the same operational academy / department, unless temporary alternative arrangements have been approved by the CEO or CFO.
- 5.2. If the CEO is absent or unavailable and has not delegated authority to another member of the Trust SLT, the Board Chairperson will delegate authority temporarily to another nominee.
- 5.3. In the absence of the Chair, where financial authority has been delegated to them that authority shall be exercised by the Chair of the ARC. This should be approved by the Board for any continuous absence longer than four weeks.

6. **General Accounting Policies**

General

- 6.1. To ensure consistency of approach and valid comparison of academies within the Trust, all financial and management accounts produced within the Trust must be prepared in accordance with Trust Accounting Policies.
- 6.2. Trust Accounting A#Policies are determined and set by the Trust Board. Any accounting treatment required, but not specified in the Trust's Accounting Policies, should be discussed with the CFO, or nominated staff member.



- 6.3. All policies are to comply with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.
- 6.4. The AFL, or nominated staff member, is responsible for ensuring that all relevant accounting standards and accounting policies are adhered to.
- 6.5. All accounting procedures and records of the Trust shall be determined by the CFO, or nominated staff member. These should be sufficient to satisfy statutory and regulatory requirements, to ensure effective management and safeguard the interests of stakeholders.
- 6.6. The following principles shall be observed, where possible, in the allocation of duties involving financial activity to ensure that a proper segregation of duties exists:
- The duties of providing information about money due to or from the Trust and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or paying them; and
 - Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.
- 6.7. It is the responsibility of the Trust Board, through senior management, to maintain accounting records sufficient at all times to:
- Identify assets and liabilities (including monthly accruals);
 - Ensure properly due to amounts are paid out;
 - Recognise and collect all income that is due; and
 - Provide regular reports on the financial position to senior managers, directors, the Board and statutory or regulatory bodies.
- 6.8. The AFL, or nominated staff member, is responsible for the preparation and submission of statutory accounting information to the Trust CFO, or nominated staff member, in accordance with the requirements of the Trust's Financial Policies and Procedures.
- 6.9. The financial statements should give a true and fair view of both the results for the period prescribed, and the net assets. The financial statements must be prepared in compliance with all relevant statutory and regulatory requirements, and in accordance with the approved Trust accounting policies and in accordance with the Trust format and timetable.

Value for Money

- 6.10. The Trust's Accounting Officer will complete the necessary information required by the ESFA as outlined in the Academy Trust Handbook.

Write Off of Debts and Losses

- 6.11. The Trust will pursue all income due. Responsibility of debt collection rests with individual



academies and will be coordinated the AFL. Debts that are greater than 3 months must be highlighted to the Academy Leader and payments chased. Debts over 6 months must be considered for potential write-off and debts over 12 months should be written-off once the Academy Lead is satisfied that all reasonable recovery action has been attempted. Any proposed write-offs are subject to AGC approval.

- 6.12. For any potential write-off over £1,000 (individually or cumulatively for the financial year) the Trust CFO must be informed in advance to ensure that the requirements and reporting / consent limits set by the ESFA as stipulated within the Academy Trust Handbook are met. The CFO will obtain approval from the ESFA for any potential write-offs that exceed the thresholds stipulated in the Academy Trust Handbook. Such write-offs should not be actioned, even if approved by the AGC, until written confirmation is provided by the CFO.
- 6.13. The consolidated total write-offs across the Trust will be monitored centrally throughout the year to ensure the ESFA thresholds are not exceeded at Trust level.

Changes to Staffing Structures

- 6.14. The CEO and RD must be consulted in connection with proposals to change established staffing structures outside of the annual budget-setting process. They will then determine the process to approve the proposal, reflecting its scale including its impact on pupil outcomes and budgets.
- 6.15. Changes considered as part of the business planning / budget-setting process will require the approval of the RD, AGC and Trust Board as part of that process.

Payroll

- 6.16. The main elements of the payroll system and processes are:

- staff appointments;
- payroll administration; and
- payments.

Staffing

- 6.17. The RD and AGC approve a personnel establishment for the academy as part of the budget-setting process.
- 6.18. All requests for recruitment should follow the appropriate process as communicated by Trust Human Resources, including the completion and approval of a recruitment authorisation form. See appendix B [Link](#)
- 6.19. Approval for roles that are not included in a Trust approved budget or reforecast should follow the process for unlinked budgeted / forecasted expenditure. This would also include any unbudgeted retention costs.
- 6.20. When ascertaining whether staffing costs are included in budget / reforecast, consideration should be given to both role and cost.
- 6.21. The Academy Leader has authority to appoint staff within the authorised and budgeted establishment, except for Vice Principals / Deputy Headteachers and Assistant Headteachers, whose appointments must follow consultation with the RD and Governors. The Academy Leader must maintain personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the AFL



immediately.

7. **Financial Operations and Procedures Manual**

7.1. The Trust has developed a Financial Operations Manual that provides and maintains systems of financial control which conforms to the requirements of propriety and good financial management. The operations and procedures can be found [here](#) and include:

1. Financial Systems
2. Business Planning (Including Budgeting and Reforecasting)
3. Management Accounting (Including Monitoring and Reporting)
4. Income Management
5. Payroll and Pension Administration
6. Revenue Expenditure (Including Approvals)
7. General Procurement and Accounts Payable Management
8. Staff Expenses
9. Management of Assets (Fixed Assets and Capital Investment)
10. Treasury Management (Including Cash Management)
11. Integrated Curriculum and Financial Planning (ICFP)
12. Business Assurance and Risk Management
13. Corporation Tax and Value Added Tax (VAT)

Financial Operations and Procedures Manual can be found in Appendix C attached.