Special Partnership Trust

FINANCE POLICY

Date Last Reviewed: September 2026

Review Date: September 2027

Special Partnership Trust

1.Introduction

The purpose of this policy and associated policies and procedures is to ensure that The Special Partnership 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 The Special Partnership Trust's Funding Agreement with the Department for Education (DFE).

The Special Partnership Trust must comply with the principles of financial control outlined in the academy's guidance published by the DFE. This policy expands on that and provides detailed information on The Special Partnership Trust's accounting procedures. It will be read and adhered to by all staff involved with financial systems.

All Policies, procedures and processes should be made available to all relevant staff and adequate training given to staff who will use these.

The policy covers finance related policies such as procurement, asset management, pecuniary interests, depreciation, Trust companies, reserves, investments, charging and remission, and staff expenses.

This policy is designed to be consistent with:

- DFE Academies Handbook
- Articles of Association / Constitution / FGB and Committees' Terms of Reference
- Funding Agreements
- HM Treasury's "Regularity, Propriety and Value for Money."
- HM Managing Public Money

2. Organisation

The Special Partnership Trust has defined the responsibilities of each person involved in the administration of The Special Partnership Trust finances to avoid duplication, include separation of duties, prevent omission of functions and to provide a framework of accountability for directors and staff.

The 7 principles of public life apply to all those in sectors that deliver public services, they were first set out by Lord Nolan in 1995; the Trust adheres to these:

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

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

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

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

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

6. **Honesty**
   Holders of public office should be truthful.

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

Governance

The Board of Trustees/ Resources and Estates Committee

The Board of Trustees/ Resources and Estates Committee of The Special Partnership Trust has overall responsibility and delegated responsibility for the administration of its Academy's finances and the effectiveness of internal controls. The main responsibilities of the Board are prescribed in The Special Partnership Trust Articles of Association, its Constitution and in the Funding Agreement with the Department for Education (DFE). These responsibilities in relation to financial matters include:

Academy Board of Directors

The Board is responsible for ensuring that high standards of corporate governance are maintained, addressing such matters as:

- Finance policy development and strategic planning.
- Setting the annual budget for the school ahead of the financial year.
- Ensuring sound management and administration of The Special Partnership Trust and ensuring that managers are equipped with relevant skills and guidance.
- Ensuring compliance with general legislative requirements.
- Establishing and maintaining a transparent system of prudent and effective internal controls.
- Management of The Special Partnership Trust's financial, human, and other resources; including DFE Academies Handbook.
- Monitoring performance and the achievement of objectives and ensuring that plans for improvement are acted upon.
- Setting The Special Partnership Trust's standards of conduct and values.
- Assessing and managing risk, (including the preparation of a statement on the academy's risk management, for its annual report and accounts).
- To hold to account the Director and their staff.
- To appoint the Director
- Setting the desired Risk Appetite in line with business objectives and public expectations.
- Maintain a risk register covering identified risks from horizon scanning.
- Have disaster recovery plans and ensure they are maintained, reviewed, and monitored.

The Resources and Estate Committee

The Committee is responsible for the detailed consideration as to the best means of fulfilling The Special Partnership Trust's responsibility to ensure sound management of The Special Partnership Trust finances and resources, including proper planning, monitoring and probity; most particularly by:

- Monitoring annual expenditure and income against the budget.
- Recommending the annual budget for the school to the full Board of Trustees.
- Promoting the highest standards of propriety in the use of public funds and ensuring proper accountability for the use of those funds.
- Improving the quality of financial reporting by reviewing internal and external financial statements on behalf of the Board.

- Promoting a climate of financial discipline and control which will help to reduce the opportunity for financial mismanagement; and
- Promoting the development of internal controls and risk management systems which will help satisfy that The Special Partnership Trust will achieve their objectives and targets and are operating in accordance with any statutory requirements for the use of public funds in a manner which will make most economic and effective use of resources available.
- Ensuring internal scrutiny is adequate.
- Authorising changes to The Special Partnership Trust's personnel establishment.

N.B. There is a separate committee that manages remuneration.

3. Leadership & Management

The Director

The Director is the Accounting Officer with responsibilities as described in HM Treasury's "Regularity, Propriety and Value for Money" documentation. The Accounting Officer has personal responsibility for the propriety and regularity of the public finances for which he / she is answerable. It must be ensured that, in considering proposals relating to the expenditure or income for which they have responsibilities, all relevant financial and legal considerations are taken into account and full regard is had to any issues of propriety or regularity.

The main responsibilities of the Director include:

- The development of the annual budget.
- The development of medium-term financial planning.
- The regular monitoring of actual expenditure and income against budget.
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 as may be amended from time to time and the latest DFE guidance issued to academies.
- Ensuring that the regular reports provided to the Board are timely and accurate.
- Authorising orders and the award of contracts within the approval limits as set out in the Scheme of Delegation appendix one.
- Authorising payments within the approval limits as set out in the Scheme of Delegation appendix one.
- Implementing changes to The Special Partnership Trust's personnel establishment.

The CFO

The CFO works in close collaboration with the Director.
The main responsibilities of The CFO are:

- The management of The Special Partnership Trust's financial affairs at a strategic and operational level within the framework for financial control set out in this policy.
- The maintenance of effective systems of internal control.
- Ensuring that the annual accounts are properly prepared and presented.
- The preparation of budgets, medium term financial plans, and budget monitoring reports.
- Ensuring returns to DFE and other funding agencies completed correctly and on time.
- Ensuring returns to statutory agencies are completed.
- Maintaining a system for and recording cash flow forecasting and treasury management including managing investments.
- Implementing orders and the award of contracts within the approved limits set out in the Scheme of Delegation appendix one.
- Implementing payments within the approval limits as set out in the Scheme of Delegation appendix one.
- The preparation of bids to the DFE and other bodies for additional funding.

Responsible Officer Role

An independent service is commissioned to undertake a termly programme of internal audit reviews to ensure that financial transactions have been properly processed and that controls are operating effectively. A report of the findings from each visit will be provided to the Resources Estates & Audit Committee.

External Audit

The Members appoint the Auditors. External auditors' sole responsibility is to provide assurance that the financial statements show a true and fair view. If during audit work, control issues are identified these will be brought to management's attention.

Internal audit is how assurance may be given on the bullet points detailed below:

- The financial responsibilities of the Board are being properly discharged.
- Resources are being managed in an efficient, economical, and effective manner.
- Sound systems of internal financial control are being maintained and financial considerations are fully taken into account in reaching decisions.
- Risks are identified and appropriate actions put in place.

Other Staff

Other members of staff, primarily Finance/School Admin Managers, and delegated budget holders, will have some financial responsibilities.

Budget holders are responsible for remaining within their delegated budget and to seek appropriate authority prior to committing spending outside their delegated budget.

Delegated trained staff must place all orders through the centralised purchasing system.

All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's financial procedures.

4. Conflict of Interest

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they participate in making. To avoid any misunderstanding that might arise all Trust members, directors, trustees, local governors, and senior staff including budget holders are required to declare any business and pecuniary interests they have in companies or individuals from which The Special Partnership Trust may purchase goods or services and or personal relationships within the Trust. The register is open to public inspection, available on the website. The register will include all business interests such as directorships, shareholdings, or other appointments of influence within a business or organisation which may have dealings with The Special Partnership Trust. The disclosures will also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a director or a member of staff by that person.

The existence of a register of business interests does not detract from the duties of directors and staff to declare interests whenever they are relevant to matters being

discussed by the board or a committee. This is a standing agenda item at the start of every meeting. Where an interest has been declared, directors and staff will not attend that part of any committee or other meeting.

Additionally, a list of any contracts or contractual arrangements in place will be held relating to novel and contentious transactions which ensures transparency.

5. Accounting system

The Special Partnership Trust uses PS Financials. All financial transactions of the Special Partnership Trust must be recorded on this system on a timely basis.

Where computing facilities are used for financial management and administration arrangements for their use will conform with the requirements of Data Protection legislation.

The Special Partnership Trust uses the computer to process and record financial and other management data including pupil and staff records. These records are registered with the Information Commissioner's Office under the Data Protection Act 1998.

6. System Access

Entry to the PS Financials systems is password restricted. Levels of access are restricted based on role and responsibility within the organisation,

Access to the component parts of the system can also be restricted and the Finance Manager is responsible for setting and maintaining a log of access levels for all members of staff using the system.

7. Back - up Procedures

The CCO is responsible for ensuring that there is effective back up procedures for the system.

8. Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the accounting system procedures. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are identified in the associated operational system procedures. To be kept up to date allowing for accurate decision making

9. Reconciliations of Balance Sheet Accounts

The CFO is responsible for ensuring the following reconciliations are performed routinely, and that any reconciling or balancing amounts are identified and cleared:

- Sales ledger control account monthly.
- Purchase ledger control account monthly.
- Payroll control account monthly.
- Bank balance per the nominal ledger within 10 working days to the bank statement.

10. Payroll

The Special Partnership Trust carry out payroll processing inhouse. The main elements of the payroll system are:

- Processing payroll administration and pension payments using EduPay software

Access to payroll data and files is restricted to the CFO, Assistant Finance Manager, Finance and Payroll Assistant and the Trust HR Lead.

HR Contract information is held at schools in secured, locked cabinets. Access to payroll related HR data and information is restricted to the CFO, Assistant Finance Manager, Finance and Payroll Assistant and Trust HR Team and records are located in locked cabinets, in a secure, locked office.

Compliant with IR35 regulations.

Payroll processes are compliant with Data Protection Policy.

11. Staff Appointments

The Special Partnership Trusts' Board will approve a staff establishment for The Special Partnership Trust. Substantial changes (e.g., the addition of permanent full-time posts) can only be made to this establishment with the express approval of the Board who must ensure that adequate budgetary provision exists for any establishment changes.

The Director has the authority to appoint staff within the authorised establishment.

Trustees have the responsibility for appointing the Director and will be involved in other appointments.

Trustees have the responsibility for Special Payments / Severance Pay in compliance with the academy handbook.

12. Procurement

See separate Procurement & Tendering Policy.

The Special Partnership Trust aims to achieve the best value for money from all its purchases. This means obtaining goods at the required quality, quantity, at the best time and at the best price possible.

A large proportion of purchases will be paid for with public funds and there is a 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 Special Partnership Trust.
- **Accountability**: The Special Partnership Trust is publicly accountable for its expenditure and the conduct of its affairs.
- **Fairness:** that all those dealt with by The Special Partnership Trust are dealt with on a fair and equitable basis.

Limits for the authorisation of purchases are set out in the Scheme of Delegation at appendix one.

13. Routine Purchasing

Budget holders will be informed of the budget available to them at the start of the academic year. It is the responsibility of the budget holder to manage the budget, working with the CFO, and to ensure that any expenditure is consistent with the objectives of the academy. As per internal delegations.

All purchases will be procured using the approved value for money exercise including the payments.

The purchase of alcohol is prohibited from trust monies.

13.1 Purchase Orders

Purchase orders should be used for all expenditure, where possible, so commitments are recorded in the accounts and budgets can be monitored accurately. Please refer to the Purchase Order Process for further information.

No member of staff should commit the Trust to any expenditure without prior approval of the appropriate budget holder. All approvals should be confirmed through raising a Purchase Order. A Purchase Order commits the Trust to a liability to pay that must be covered by an approved budget. Any potential commitment to incur expenditure above approved budgets, should be met by savings.

13.2 Purchase Cards (please refer to the Purchase Card Policy for further detail)
The Trust Purchase Cards have an agreed monthly credit limit. When a user applies for a Trust Purchase Card, they agree to adhere to the procedures to use the card only for Trust business. Failure to comply with these regulations will result in the removal of the Purchase Card and cardholders will be subject to disciplinary action.

13.3 Contracts – Procurement and Tendering (please refer to the Procurement & Tendering Policy for further detail)

Telephone/direct verbal ordering will be permitted only in situations where raising an official order is not practicable and with prior approval from the HT/budget holder.

14. Charging & Remission Policy

Please refer to the Charging and Remissions Policy.

15. Hiring the facility

The Special Partnership Trust may decide to hire out some of the school facilities to community clubs, organisations, and groups. The hire of the Special Partnership Trust facilities will be conducted in line with the Hiring procedures. Charges for such hires are authorised by the Director. Please see Hiring of Premises Policy and Lettings Procedure for further details

Letting tariffs are annually reviewed by the Resources & Estates Committee. Each tariff must have due regard for VAT legislation, Health and Safety and the need to cover the full cost of the letting (e.g., energy, caretaking/cleaning, and maintenance costs). Any additional overtime incurred beyond the initial booking agreement will be met by the hirer. A let may be subsidised but at no time may the costs be borne by the grant funded budget. Discretion regarding subsidised lets may apply to:

- Charitable organisations.

- Small recreational groups affiliated/associated with The Special Partnership Trust.

The Premises Teams provides a booking form which clearly states all responsibilities and legal requirements to which the hirer must sign and adhere. The Premises Teams are responsible for ensuring that any equipment, perhaps involving the ICT Team are available.

Upon authorisation the Premises Teams will ensure invoices are raised through to the Finance Department unless payment is made at the time of booking.

The finance department will receipt all sources of lettings income and input into the finance system, which will be reflected in the Budget Monitoring Reports. The lettings register will be kept in the Operations / Admin Manager Offices.

Receipts issued are subsequently used for reconciliation purposes and income transactions are entered onto the Finance system.

The CFO monitors income generated through lettings and the procedures for the collection of income.

A list of the annual charges is detailed in the Letting of Premises Policy.

16. Cash Management

16.1 Operation of Bank Accounts

The Trust operates on the basis of a single bank account. The opening of any additional accounts must be authorised by the Director, CFO, and the Board. The CFO who will 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.

Official bank accounts will be held in the name of Special Partnership Trust and must not be opened in the name of any individual. Authority to order, sign, or countermand cheques is restricted to the Director, CFO, Finance Manager and Trustees.

In respect of transactions other than remuneration of staff, all BACS, or other withdrawals, above a predetermined limit will be authorised by two approved signatories.

No authorised signatory will sign a cheque payable to himself/herself. Each cheque payable to an authorised signatory will be signed independently of the payee. (This may need to be varied in emergency circumstances.)

Instructions to the bank concerning the account will be conveyed in writing and authority to give instructions will be restricted to the approved manager or, in his/her absence, an approved deputy. No cash withdrawal will exceed a predetermined limit of £500 unless the bank has been instructed accordingly.

All bank accounts must be reconciled and checked at least monthly by the Finance Manager. These are then reviewed and authorised by the CFO accordingly.

16.2 Payments and withdrawals

All cheques and other instruments authorising withdrawal from the Special Partnership Trust bank account must bear the signatures of authorised signatories. In the interests of security, high value payments will be made by BACS direct from the main bank account as a cash book payment.

16.3 Online Payments / Card Payments

The Special Partnership Trust can make Bacs payments through Lloyds Commercial Banking Online. (Please refer to Section 13 – Routine Purchasing of this document).

Main use of card is for: -

- internet purchasing – within guidelines
- Where suppliers do not accept purchase orders
- Emergency / immediate supplies i.e., face to face
- Only within card holder's transaction limits
- Not to be used for cash withdrawal
- Not used for mobile phone bills, contracts

Please refer to the Purchase Card Policy and Guidance notes for further information.

16.4 Petty Cash Accounts

The Trust has minimised cash within schools as far as possible. The Trust maintains a maximum cash balance of either £250 or £500 at the residential schools within the Trust only. The Petty Cash will be operated in accordance with operational procedures (process).

The Director/CFO shall make arrangements for any advance of petty cash to be operated in accordance with the Trustee's approved Schedule of Financial Limits.

Access to petty cash is limited to authorised personnel only. The Finance Team are responsible for recording all entries of reimbursements and expenditure in the accounting system based on authorised claims submitted by petty cash holders.

Budget holders are not permitted to authorise petty cash payments to themselves. If a budget holder wishes to claim reimbursement, authorisation must be given by the appropriate line manager or if a higher seniority is required a member of the SLT, after satisfying themselves that a reimbursement claim is genuine.

The CFO is responsible for ensuring that all transactions relating to petty cash are entered into The Special Partnership Trust's computerised accounting system.

Monthly checks are made to ensure that the petty cash balance recorded, and physical cash agree this requires to be signed and dated.

Petty cash is to be used for: -

- local purchase of low value items of expenditure (where the purchaser does not have a Trust Card and suppliers will not accept payment via invoice)
- In accordance with petty cash guidelines (Residential only)

16.5 Cash Flow Forecasts

The CFO is responsible for preparing monthly cash flow forecasts for twelve months ahead to ensure that the Trust has sufficient funds available to pay for day-to-day operations. Monthly cash flow forecasts form part of the monitoring reports to The Chair of Trustees.

16.6 Catering

Where possible, catering is paid via the Trust's approved Payment system directly into the SPT Bank Account and forms part of our regular reconciliation process. The Trust practices a cashless payment practice however in the instance cash is received by a school this must be counted and banked by each school weekly. A cash allocation sheet is completed and sent to the finance department. The process complies within the separation of duties requirements as specified by audit.

17. Fixed assets

Assets coming into the ownership of schools, by purchase or otherwise, should, so far as is reasonably practicable, be effectively marked to identify them as The Special Partnership Trust property. They will not be removed from school premises otherwise than in the ordinary course of official business except in accordance with a policy approved by governors. Where assets become obsolete or are damaged so as to render further use inappropriate, they will be written off provided they have no net resale value, in accordance with a policy approved by governors. Adequate arrangements will be made for the recording and reporting of write-offs. Please refer to the Asset Management Policy for further detail.

Proper security will be maintained for all buildings, vehicles, plant, stocks, stores, furniture, equipment, money, and other valuables.

The CFO must approve all fixed asset additions. All expenditure on IT equipment, IT infrastructure and related IT developments must be approved by the CFO, who will consult with the Director and Network/IT provider to ensure that investment is consistent with The Special Partnership Trust's overall IT strategy.

17.1 Asset register

Safe and efficient arrangements are made for the reception, storage, issue and return of assets. Such arrangements include the maintenance of appropriate records and inventories, and periodic checks against the relevant records and inventories. Copies of all records and inventories to be kept digitally in a secure location within the Trust Finance systems. Please refer to the Asset Management Policy for further detail.

17.2 Security of Assets

All the items in the asset register will be permanently marked as The Special Partnership Trust's property.

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

17.3 Loan of Assets

Items of The Special Partnership Trust property, except staff and student laptops or tablets, must not be removed from academy premises without the authority of the Director/CFO.

A loans register must be held for each school within the Trust where all loans are recorded these require annual checking to ensure no loss has occurred.

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 will therefore be kept under review and any potential benefits discussed with The Special Partnership Trust's auditors.

17.4 Disposals

For disposal limits please refer to the Scheme of Delegation appendix one.

The Special Partnership Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other school assets. If the sale proceeds are not reinvested, then The Special Partnership Trust must repay to the EFA a proportion of the sale proceeds.

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

All disposal of above the value of £5,000 shall be reported to The Resources, Estates & Audit Committee.

18. Leases

The Special Partnership Trust is able to enter into operational leases as outlined in the Academy Trust Handbook. Finance leases are classed as borrowings and can only be entered into with the specific authority of the DFE.

Leases must maintain principles for VFM, regularity and propriety of spend. Advice should be sought to ensure that they are in line with DFE requirements.

The CFO, Director and Board of Trustees must approve all leases

19. Depreciation

The Special Partnership Trust will depreciate fixed assets in line with recognised accounting standards, best practice and DFE guidelines. Depreciation rules will be reviewed and approved by Governors when reviewing the annual accounts. The current periods of depreciation are set out below:

- Freehold land – no depreciation
- Freehold buildings – 50 years

- Furniture & equipment – lifts – 10 years
- Furniture & equipment – all other items – 5 years
- Computer equipment – 3 years
- Motor vehicles – 4 years

Please refer to the Asset Management Policy for further detail.

20. Reserves Policy & Investments Policy

The Special Partnership Trust will build and maintain a revenue reserve fund to provide flexibility and certainty in forward planning.

The current policy is for The Special Partnership Trust to hold revenue a percentage of reserves equivalent to one month's EFA funding. All revenue reserves are controlled by The Special Partnership Trust Trustees including those transferred in upon conversion and cannot be spent without the approval of the Board.

Please refer to either the Reserve Policy and/or the Investment Policy for further detail.

21. Staff Expenses Policy

The Special Partnership Trust Staff may claim for reasonable expenses incurred to perform their duties or for items bought by them on behalf of The Special Partnership Trust. Reasonable expenses include:

- Travel by public transport.
- Use of own car and parking (excluding home to work travel).
- Unavoidable overnight accommodation.
- Reimbursement for approved items bought on behalf of The Special Partnership Trust.

Rates and allowances are set by The Resources & Estates Committee. A copy of the schedule of rates and allowances is held by the CFO. Staff claim forms are signed by a member of SLT/middle management as the budget holder.

22. Tax

The Special Partnership Trust will account for VAT strictly in compliance with the rules and regulations applicable at that time. It is the responsibility of The CFO to ensure compliance with VAT regulations. Monthly VAT returns are to be made to HMRC and an annual check on the minimum levels in co-ordination with the school's accountants.

Receipts must be sought for all expenditure to ensure that where applicable all VAT incurred can be reclaimed.

23. Insurance

The Resources and Estates Committee is responsible for ensuring that appropriate insurance cover is in place. The CFO reviews all risk annually to ensure that the cover available and the sums insured are adequate.

The Special Partnership Trust will notify the insurers of any new risks or any other alterations affecting existing insurance.

The Special Partnership Trust will immediately advise the insurers of any accident, loss of other incident which may give rise to an insurance claim.

The Special Partnership Trust will not give any indemnity to a third party.

24. Debt Recovery

Wherever possible, income due will be collected before or at the time the relevant sale or service is provided. If this is not possible, an invoice will be issued.

The school is responsible for managing all parental debts, and non-payment will be followed up by issuing reminders or taking legal action at the following intervals:

- 4 weeks from date of account - 1st reminder.
- 6 weeks from date of account – final reminder.
- 13 weeks from date of account – formal legal action may be considered. (Dependant on type of debt – refer to Resources, Estates & Audit Committee)

You can reclaim the VAT you have paid HMRC but not received from a customer if it is a 'bad debt' (once you have written off). To qualify for the relief:

- The debt must be between 6 months old and 4 years and 6 months old.
- The debt must not have been sold on.
- Must not have charged more than the normal price for the item.

The Special Partnership Trust will reclaim via the VAT Return and keep records about the debt.

The Scheme of Delegation appendix one, sets out the respective levels of authority for the write-off of bad debts.

All bad debts will be reported to the Resources, Estates & Audit Committee.

25. Monitoring Outcomes & Review

Effectiveness of this policy and any associated procedures will also be monitored by the Resources and Estates Committee and by Internal Audit. Audit results will be presented annually to The Resources & Estates Committee. Findings & recommendations will be used to revise this policy and associated procedures- this will be undertaken by referring any recommendations for changes to The Resources & Estates Committee

Key indicators of the success of this policy are:

- No inappropriate use of money.
- Adherence to budgets.
- Value for Money being demonstrated.
- Expenditure targeted on key priority areas.
- Timely reports to Board, DFE and others.
- Up to date, accurate records.

26. Budgets

The Director, supported by the CFO, will submit a draft budget in the summer of each year for consideration by the Resources & Estate Committee. The draft budget will be recommended to the Full Board of Trustees to approve. The budget will be in a form which will both meet the information requirements of the Trustees and enable the information to be easily communicated to the Department for Education(DFE). The Trust will have an integrated approach to curriculum and financial planning where there are clear links to any Improvement or development plans for the schools and the Trust overall.

Budgets will be prepared: -

1. in accordance with the provisions of the Academy Trust Handbook.
2. within the limit of the approved overall grant funding.
3. in accordance with properly approved and clearly stated plans and policies of The Special Partnership Trust.
4. in a format which will meet managerial needs and be readily intelligible to users.
5. with input and support from the Headteachers.

6. in accordance with sound accounting principles, these imply that financial estimates should: -
    - be based on the most up-to-date and reliable information available.
    - include provision for all approved activities.
    - include provision for contingencies.
    - be arithmetically correct.
    - be consistent with recognised accounting practice.
    - meet requisite time limits.
7. in such a way as to facilitate the subsequent monitoring and control of actual expenditure.
8. in such a way that they can be related meaningfully to relevant non-financial information.

Arrangements for the control of budgets will seek to ensure that: -

1. expenditure is maintained within approved budgetary provision.
2. funds are expended for approved purposes only.

Such arrangements will include adequate procedures for: -

1. the safe comparison and monitoring of the progress of actual expenditure in relation to estimated expenditure - it is emphasised that reports of actual expenditure will be based on complete, accurate and up-to-date financial records which are properly reconciled to the bank account.
2. the investigation of differences (variances) between actual and estimated expenditure.
3. appropriate action to correct differences (variances).
4. the approval of and required changes to the budget.
5. the prevention of unauthorised expenditure.

The administration of such procedures implies the existence and proper operation of an accounting system which is capable of producing, for every level of budgetary control, accurate, up-to-date, timely and appropriate financial information which facilitates the comparison and monitoring of actual and estimated expenditure.

Arrangements for financial management and administration will incorporate adequate provision for the review of budgets to establish whether The Special Partnership Trust's delegated budget is being deployed in the most effective manner for the purpose of achieving managerial objectives.

In terms of good operational practice, the Trustees recognise the legal requirements detailed within the Academy Trust Handbook. The procedures supporting the Finance Policy have been set up to:

(a) Ensure that the Trustees retain ultimate responsibility for the management of the budget.
(b) Provide procedures whereby the Director can manage the budget within the parameters laid down by the Board.
(c) Ensure that all parties concerned are aware of their roles and responsibilities in the financial management of the school.

When preparing its annual budget, the Trustees work within the following aims and objectives: -

1. To ensure that spending priorities match educational priorities.
2. To manage financial resources so that priorities in the development plan can be effectively accomplished within a framework that will meet the professional needs of staff through in-service training and purposeful performance management and appraisal.
3. To ensure that Health and Safety requirements are met.
4. To maintain a healthy working environment including a good state of decor and repair, adequate heating, and lighting.
5. To have due regard for the achievement of economy, efficiency, and effectiveness with the finances of The Special Partnership Trust in order to maximise value for money.
6. To ensure that the budget stays within the financial allocation.
7. To produce a budget that accords with the Academy's medium-term financial plan

Budget Monitoring (in year) - management accounts are to be produced monthly setting out the financial position and performance for each school and the Trust. These are shared every month with the Chair and other Trustees. The format includes income and expenditure accounts, variation to budget, cash flows and balance sheets. Key financial performance indicators will be monitored and reported in the annual trustees' report.

Reporting Timetable: (may change to align with revised DfE/DFE requirements).
Budget:
The Trust financial year runs from 1st September until 31st August. A timetable for the preparation of the annual budget is as follows:

January – budget planning begins for the following financial year
May – Draft budget presented to Trust Leadership Team
June – Draft budget to be approved by the Board
July – Final budget approved by the Board and submitted to DFE
July – Budget Forecast Return submitted to DFEAugust/Sept – budgets distributed to budget holders

Member of the Trust Board and Trust Leadership Team will undertake monitoring of all budgets under the overall guidance of the CFO. Responsibility will be devolved on a day-to-day basis to nominated budget holders of their own areas of activity.

27. Capital Expenditure

The Director may place before the Trustees proposals for approval for expenditure which are deemed to be capital expenditure by virtue of central government controls on capital expenditure. No proposal may proceed except in accordance with the Academy Trust Handbook.

All individual items costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

28. Receipt of Goods and Services

When the budget is set, funds are allocated to clearly defined headings/faculties in order to monitor expenditure.

Upon delivery of general purchases, the receptionist signs for the number of boxes and records this centrally before the goods are taken to the office/faculty/department by the Premises Teams.

The appointed staff member will check delivered items against the delivery note and update the school Finance team who in turn will GRN the goods on the finance accounting system, or on the electronic purchasing system.
On delivery to curriculum departments the goods must be checked within 24 hours and errors/defects reported to Operations or Admin Manager immediately.

All invoices are authorised for process and payment following appropriate GRN on the approved purchase order or via appropriate signature from the budget holder. The Trust Finance Team process all invoices in the accounting system.

29. Income

Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted, and banked promptly. The appropriate method of income collection depends upon the nature and timing of the transaction and the status of the client / customer. Income collection processes will utilise available technology where appropriate including the use of online payments.

The Director will have authority to administer The Special Partnership Trust's income subject to the provisions of the scheme of delegation.

Arrangements for dealing with income will incorporate suitable controls designed to ensure in respect of income that: -

1. adequate records are maintained to substantiate all income transactions.
2. receipts are issued for all cash income received.
3. prudent terms for credit are approved and communicated to debtors and satisfactory procedures (including, where necessary, withdrawal of credit facilities) are adopted for dealing with breaches of terms.
4. invoices are raised in respect of all credit income and all such income is collected in accordance with approved instructions.
5. all income received at The Special Partnership Trust is held securely and banked promptly and intact.
6. amounts due are calculated in accordance with approved charging policies which include provision for annual review of charges.
7. where special conditions apply to the use or receipt of income, such conditions are adhered to.
8. income is not withheld for any purpose, including personal use.
9. every person paying money into a bank account shall enter on the paying-in slip and on the counterfoil or duplicate thereof, particulars of such payment including, in the case of each cheque, particulars which will connect each cheque to the transaction to which it relates.
10. all income transactions are recorded promptly and accurately in The Special Partnership Trust's financial accounting system.
11. income due is not written off unless authorised in accordance with approved policies and the financial scheme of delegation.

30. Cash and cheque handling procedure.

It is recommended, where possible, the online payment systems are used by parents to pay for curriculum trips/optional trips/music lessons/budget sales, however if cash or cheques are collected the procedure to ensure income is coded correctly is set out in the accounting system procedures held in the Finance/School Offices.

31. Audit / Financial Assurance/ Internal Scrutiny

The Director/CFO must make appropriate arrangements to facilitate the financial audit of The Special Partnership Trust and shall, on behalf of the Trustees, ensure

that audit reports are dealt with promptly. Financial Assurance work/ Internal Scrutiny will be undertaken on a quarterly basis by a commissioned third-party provider, currently the Local Authority, and on an annual basis, an external audit is carried out by The Special Partnership Trust's approved accounting provider.

32. Risk Management Strategy

Special Partnership Trust's approach to risk management is based on the Trustees' strategic vision for the Trust and is outlined within the Risk Strategy.

The Risk Management Strategy aims to ensure that the Trust complies with risk management best practice and sets out the current processes and procedures, roles, and responsibilities for risk management within the organisation.

The requirements set out in the strategy can be summarised as:

- The Trustees acknowledge responsibility for the systems of internal control.
- An ongoing process is in place for identifying, evaluating, and managing all significant risks.
- An annual process is in place for reviewing the effectiveness of the systems of internal control together with the risks identified within its risk registers.
- There is a system in place to deal with internal control aspects of any significant issues disclosed in the organisation's annual reports and accounts.

Please refer to the Risk Management Strategy document and the Strategic and Operational Risk Registers for further detail. Which detail all categories of risk which have been identified, reported, and monitored for the Trust and its schools.

See Risk Management Register for risks – reviewed termly
Risk Management – the trust manages its risks to ensure its effective operation and a register is held. This is how the Board monitors risks having ultimate oversight of risks pertaining to the Trust.

Risk management covers the full operations and activities of the trust, not only financial. The trust's management of risks include contingency and business continuity planning – see separate policy.

33. Anti-Fraud and Corruption Policy

The Anti-Fraud and Corruption Policy should also be read in conjunction with the Trust's Whistleblowing Policy and its Anti-Money Laundering Policy.

A poor control environment can provide opportunity for fraud therefore a balance of preventative and detective controls is required to tackle and deter fraud, corruption, and other malpractice.

For the purpose of this policy statement fraud includes all irregularities which could normally be described as theft, deception, fraud, corruption, or impropriety. Fraud is always wrong and can occur at any level. In any organisation, it countermands the management at every level and positive action is needed to prevent and discourage it. The prevention of fraud and the protection of the school is the responsibility of every member of staff. In every case, reported suspicions will be passed to the Resources, Estates & Audit Committee who will decide on the subsequent course of action.

When fraud is identified, action will be taken to:

- Establish the facts
- Limit the damage
- Seek reparation for losses incurred
- Report the matter to the appropriate authority
- Revise procedures and make revisions as necessary to prevent any recurrence

Response to suspected fraud

The Trust has rules which attempt to allocate resources on a fair and even-handed basis. Fraudulent activity circumvents these rules and gives an unfairly generous allocation to one or more individuals to the detriment of all others.

Reporting of suspected fraud:

Any suspicion of fraud will be reported to a member of the Senior Management Team. If it is considered more appropriate (for example, if a member of the Senior Management Team is involved) the suspicions may be reported directly to either the Chair of Governors, the Chair of the Resources and Estates Committee or any other Trustee who can pass on the information.

After a suspicion is reported:

The Senior Management Team member or governor/trustee will make any initial enquiries considered necessary to validate the report. In every case and as soon as possible after these initial investigations, he or she will pass the matter to the Chair of the Resources, Estate & Audit Committee. Even if there is no evidence to support the allegation, the matter must be reported.

The management of any investigation will be undertaken by a sub-committee set up and overseen by the Resources & Estates Committee. They will:

- determine whether further investigation is warranted
- determine the initial response to the alleged perpetrator when this is a member of school staff
- determine who will carry out the investigation
- determine which outside agencies (police, auditors) will be involved
- assess the risk to the school
- determine to whom day-to-day management of the response will be given
- allocate responsibility for damage limitation action
- determine the course of action to recover losses
- determine the course of action to be taken against wrongdoers
- evaluate the events which enabled the fraud to occur
- ensure preventative action is taken to prevent recurrence
- all fraud/theft exceeding £5k individually or cumulatively must be reported to the EFA

34. Gifts Register

See separate Gift & Hospitality policy.

Trustees recognise that from time to time they or the Senior Leadership Team (SLT) would like to show appreciation to staff or other similarly related individuals on special occasions for their commitment to The Special Partnership Trust.

A gift may be provided at minimal cost by the Trustees or SLT on occasions which may range (although not exclusivity) from the birth of their child, bereavement, marriage, ill health, and to long term service to The Special Partnership Trust, and therefore the gift value may range from £10 up to a maximum of £100.

A record of all gifts will be kept. This is a non-contractual payment and Trustees reserve the right to cease approving such gifts in line with the financial position of the school. This record will be held in the office by the Leadership and Governance Officer.

Governors will ensure that this gift will not be taken from school budget share or any restricted funds which The Special Partnership Trust receives for the students. (i.e., it will be taken from funds raised locally).

35. Training

The Director shall make adequate arrangements for the training of staff involved in financial management and administration. Training, whether on-or off-the-job, should enable staff to discharge their duties efficiently and effectively through time.

36. Removal & Interview expenses

Removal / relocation expenses to new members of The Special Partnership Trust staff are usually not paid, unless agreed by the Trustees/Governors in advance.

Interview expenses are paid at the discretion of the interview panel and will only be settled on the production of valid invoices or receipts.

Travel expenses
Public Transport:
Rail – Lowest available standard class return to Truro. Taxi costs will be reimbursed only by prior agreement.
Bus – Lowest available return fare to Truro.
Car - Reimbursement if approved, irrespective of engine capacity, will be payable at the appropriate fuel price at the time bearing in mind the distance travelled
Subsistence – meals (excluding alcoholic beverages) necessarily taken while away from home attending interview, and not provided by The Special Partnership Trust, will be paid up in accordance with subsistence levels on the production of a receipt. Please see the Subsistence Policy for further details.

Accommodation
Where, because of distances involved, an overnight stay is unavoidable before and/or following an interview, accommodation will be arranged and paid by The Special Partnership Trust. Candidates requiring accommodation should telephone The Special Partnership Trust as soon as possible after receiving the interview invitation to make the arrangements. Accommodation will be on a bed and breakfast basis.

37. Other Academy Funds

All final accounts are audited as part of the annual closure of accounts process and accordingly reported to the Board.

All receipts, bank statements and appropriate documentation are provided for the audit. All balances are reconciled as part of the official bank statements and checked by the Finance Manager and Assistant Finance Manager.

PTA funds are managed independently of the Trust. The Trust does not hold responsibility for the management, administration, or oversight of these funds.

38. Related Documents

There are a number of documents that are referred to on an annual basis in relation to finances:

- Business processes
- Annual letter to Accounting Officers
- Academy Trust Handbook

The following documentation is relevant to the financial operation of the Trust. The table below sets out where this documentation can be located.

Document	Location
1. Terms of Reference the Resources & Estates Committee	Trust Office
2. Gift register	Trust Office
3. Pecuniary interest form and register	Trust Office
4. Asset register	Trust Office
5. HR policies	Trust Office
6. Hiring the Facilities form	Trust Office
7. Hiring the Facility Annual Charges	Trust Office
8. Insurance Policy Schedule	Trust Office
9. Staff rates and allowances	Trust Office
10. Lettings/hire register	Trust Office
11. Accounting Systems Procedures	Trust Office

Appendices:

1. **Scheme of Delegation**
2. **Scheme of Financial Delegation**
3. **Purchase Card Form**
4. **Expenses Form**
5. **Purchase Form**
6. **Petty Cash Form**