

FINANCE POLICY

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Version	Date	Note of Revision
1.0	01/12/2022	Reviewed policy
2.0	31/10/2023	Added inclusion and diversity p3 Added CEO approve restructure/staff settlement p6 Added CFOO review restructure/settlement payments p7 Removed Director of Operations Added staff trading model rates p21 Updated Insurance to include RPA p25 Added only card holder can use credit card p20
3.0	03/09/2024	updated budget software IMP Recruitment has central approval from DoCA p16 Bank Payments – Faster payments p23 Land Depreciation – 0% p25
4.0	01/05/2025	Added banking table to 12.3 p24
5.0	01/09/2025	Introduction of New Finance System (Sage Intacct)
6.0	01/09/2026	Aligned Finance Policy with ATH26 – effective 1 st Oct p4 Any appointments with salary >£174k require DfE approval p7 Ensure that Trustees have correct skills on Board p8 Management Accts presented to Trustees 6 times year p9 Updated LGB's responsibilities p11 Must use independent internal auditors p14 Added retention of documents p16 Added security of systems access p16 Responsibility of ABLs to produce timely reports p17 Completion of SRMSAT p18 Any change in pension scheme requires DfE approval p20 Utilising GCA framework with procurement p21 DfE Grants added p23 Publish a statement of funds p28 Maintain a live risk register p29 Appendix 5 added – schedule budget production p36

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Inclusion, Diversity and Equality

As part of our focus on diversity and inclusion, BDAT pledges that our policies will seek to promote equality, fairness, and respect for all staff and students. Our policies reflect the BDAT values of inclusion, compassion, aspiration, resilience, and excellence. By working closely with a range of stakeholders, such as our school, union, and HR colleagues, we have ensured that BDAT's policies do not unlawfully discriminate against anybody.

1. Introduction

The Chief Finance and Operations Officer will review this policy, the Finance Scheme of Delegation and associated financial procedures at least annually and whenever the Academy Trust Handbook is published. Material changes will be presented to the appropriate committee and the Finance and Resources Committee for approval before taking effect.

The purpose of this document is to ensure that the Bradford Diocesan Academies Trust (BDAT) 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 agreements with the Department for Education (DfE).

Each academy within BDAT must comply with the financial-control requirements set out in its funding agreement and the Academy Trust Handbook 2026, effective from 1 October 2026. Trustees, the Accounting Officer, the Chief Finance and Operations Officer and all staff exercising financial responsibilities must understand and comply with the requirements relevant to their roles.

BDAT will ensure all staff, including the Accounting Officer, the Chief Finance and Operations Officer, Head Teachers/Principals, Academy Business Leaders, and Finance Officers, who deal with financial matters, are trained in the appropriate financial procedures. BDAT's Finance & Resources Committee, a sub-group of the BDAT Board will be responsible for reviewing all controls and procedures of financial systems operating within the Trust.

The Bradford Diocesan Academies Trust (BDAT) is a Multi Academy Trust. The Trust is a company limited by guarantee with charitable status and is governed by Board of Trustees. The membership and the main responsibilities of the Board are set out in the written terms of reference.

The Trustees have opted to establish separate committees to be known as Local Governing Bodies (LGBs) for each Academy and will ensure that, where possible, each Local Governing Body shall include at least one elected representative of the parents of students attending the relevant Academy.

2. Principles

Each Local Governing Body and Board of Trustees will manage their affairs in accordance with the high standards detailed in 'Guidance on Codes of Practice for Board Members of Public Bodies' and in line with the seven principles of public life

Selflessness

Make decisions solely in the public interest.

Integrity

Avoid obligations to external individuals or organisations that could influence official duties.

Objectivity

Make appointments, award contracts and grant rewards or benefits on merit.

Accountability

Be accountable to the public and subject to appropriate scrutiny.

Openness

Be open about decisions and actions, explain them, and restrict information only where the wider public interest requires it.

Honesty

Declare relevant private interests and resolve conflicts to protect the public interest.

Leadership

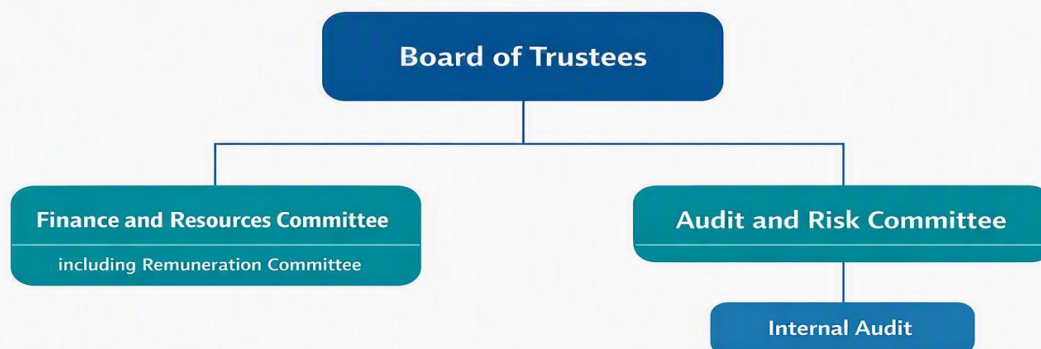
Promote and uphold these principles through leadership and example.

3. Organisation and Responsibilities

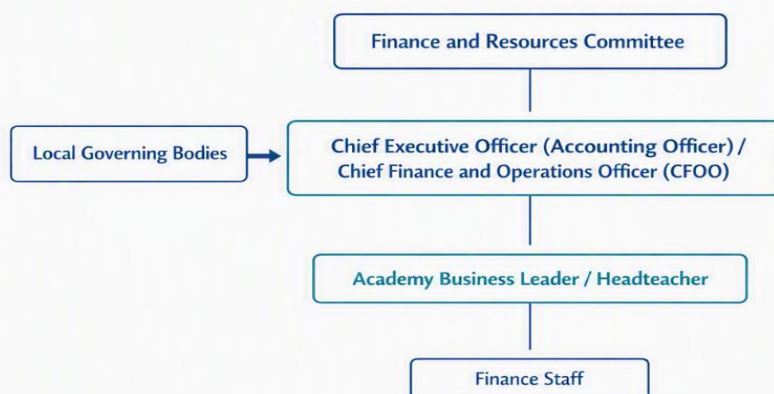
The Board of Trustees have defined the responsibilities of each person involved in the administration of the Trust's finances to avoid the duplication or omission of functions and provide a framework of accountability for governors and staff.

Reporting Structure

BDAT Governance Reporting Structure



BDAT Finance Reporting Structure



3.1 Finance and Resources Committee

The Committee has delegated responsibility for financial oversight as set out in its terms of reference and the Finance Scheme of Delegation. Its responsibilities do not replace the collective accountability of the Board of Trustees. The Committee will scrutinise budgets, management accounts, cash management, reserves, investments, contracts and financial policies and will report its conclusions and recommendations to the Board.

The main responsibilities include:

- Ensure the GAG from the DfE and Restricted funding is used for the purposes intended
- Ensure a Scheme of Delegation is in place
- Ensure stewardship of assets
- Ensure accurate accounting records are maintained
- Ensure that monthly management accounts present an accurate position of income and expenditure
- Ensure policies are kept up to date
- Ensure the annual accounts are produced in accordance with the requirements of the Companies Act and the DfE guidance issued to academies
- Authorising the award of contracts up to the amount stated in the Scheme of Delegation (Appendix 1) and compliance with Procurement Policy and ATH.
- Scrutinise the 3-year budgets
- Approval of the Trust cash deposits in line with the Investment Policy

3.2 Remuneration Committee

This committee reviews pay setting for the central team and head teachers of the academies. The committee reviews all recommendations of increments highlighting all employees who are at risk of not receiving a progression increment.

The committee reviews executive level salaries and benchmarks these salaries nationally against similar roles.

Before advertising a new appointment with remuneration above the threshold specified in the Academy Trust Handbook (currently £174,000), the Trust must obtain Department for Education approval. Executive-pay proposals must be supported by a documented, evidence-based business case, independent benchmarking, affordability analysis, consideration of internal pay differentials and confirmation that executive pay will not increase at a faster rate than teachers' pay. The decision and any dissenting views must be clearly recorded in the minutes of the Remuneration Committee.

3.3 Audit and Risk Committee

The main responsibilities of the Audit and Risk Committee are:

- to review the reports of the Internal audit process on compliance of the financial procedures and controls
- ensure regularity, propriety, and value-for-money in relation to the management of public funds

- Executive Pay setting by the Board must ensure decisions follow a robust evidence-based process
- Annual letters to the Accounting Officer from DfE regarding the Accountability Framework are discussed by the Board
- to consider and sign the DfE's School Resource Management Self-Assessment tool
- Publish on the Trust website, financial documents in line with the Academies Trust Handbook

3.4 Trustees

In addition to tasks held by the Finance and Resources Committee and Audit and Risk Committee and mentioned above. The Trustees should have the correct skills and experience to provide effective challenge and oversight. There will be regular reviews of the Trustee skills with annual training meeting the requirements of the ATH.

Trustees are responsible for the following:

- To ensure that the annual accounts are produced in accordance with the requirements of the Companies Act 2006, the Charities SORP, the current Academies Accounts Direction and other applicable Department for Education guidance.
- Approving the annual statutory accounts.
- Approval of the annual budget and any changes via re-forecast during the year e.g., 3YBFR

3.5 Chief Executive Officer – Accounting Officer

The CEO has overall executive responsibility for the Academies under the Trust and is the named Accounting Officer. The CEO retains responsibilities for:

- Approving new staff appointments for headteachers within the authorised establishment.
- Approving any staff settlements with HR partner
- Approving restructures with Director of Education, CFOO and headteacher.
- Authorising contracts within the limits set in the Scheme of Delegation (Appendix 1), reporting these decisions to the Finance and Resources Committee.
- Signing cheques, BACS when no other signatories are available, as detailed in the scheme of delegation.
- propriety and regularity of the public finances for which they are answerable (Appendix 2). This covers standards of conduct, behaviour and corporate governance
- keeping of proper accounts
- ensuring that the trust pay policy is implemented
- prudent and economical administration
- avoidance of waste and extravagance
- ensuring value for money
- efficient and effective use of all available resources
- efficient and effective treasury management
- management of opportunities and risks

In practice, much of the financial responsibility is delegated to the Chief Finance and Operations Officer but the Chief Executive Officer still retains responsibility for:

- approving new staff appointments, outside of the agreed staffing structure and budgets, except for any senior staff posts which the Trustees have agreed should be approved by them
- authorising orders, contracts and signing cheques/BACs / releasing payments in conjunction with other authorised signatory in accordance with the Scheme of Delegation.
- preparing budget plans in conjunction with the CFOO in line with DfE guidelines and [BDAT Reserves Policy](#).
- implementing expenditure in line with the Trust budget
- seeking BDAT approval for purchase orders or contracts in excess of delegated thresholds
- submitting reports to the BDAT Board of Trustees giving details of income, expenditure, and commitments to date
- ensuring any actions resulting from the annual audit are implemented
- creating sustainable Trust cash flows that support the investment policy.

3.6 Chief Finance and Operations Officer / Deputy Chief Finance Officer/Deputy Chief Operations Officer

The Chief Finance and Operations Officer (CFOO) collaborating with the CEO through whom they are responsible to the Board of Trustees. The CFOO also has direct access to the Finance and Resources and Risk and Audit Committee. The main responsibilities of the CFOO are:

- day to day management of financial issues including the establishment and operation of a suitable accounting system for the Trust's central budget and individual academies
- Review restructure financial plan and redundancy calculations and pension strain costs.
- Agree settlement notice pay calculations and approve payment with payroll partner.
- management of the Academy financial position at a strategic and operational level within the framework for financial control determined by the trustees
- preparation of budget plans in conjunction with the Chief Executive Officer and the Head Teachers/Principals
- the maintenance of effective systems of internal control including a coordinated approach of internal audit across financial and non-financial aspects of BDAT.
- stewardship of fixed asset and maintenance of registers
- liaising with auditors to ensure that the annual accounts are properly presented in accordance with the Annual Accounts Direction and adequately supported by the underlying books and records of the Trust
- The Chief Finance and Operations Officer is responsible for preparing monthly management accounts comprising an income and expenditure account, balance sheet, cash-flow forecast and sufficient supporting commentary to explain material variances, financial risks and corrective actions. The accounts must be shared with the Chair of Trustees each month and considered by the Board or an appropriate committee at least six times a year. Evidence of review and challenge must be retained.
- ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance
- additional roles, some of which are not directly finance related, as outlined in the Chief Finance and Operations Officer's job description

- Consideration of Novel, Contentious or Repercussive transactions before they are entered into and reported to DfE
- To maintain a register of related party transactions in accordance with the Academies Trust Handbook
- Ensuring the correct governance is completed for pay increments of teachers

3.7 Role of the Trust Central Finance Team

The duties of the finance team are to provide support for all academies in the following areas:

- Day to day financial transactions
- Trust cash management and reporting
- Banking and reconciliation
- Order and invoice processing

3.8 Local Governing Body - Summary of Responsibilities

- Local Governing Bodies exercise only the responsibilities delegated to them by the Board through the Trust's Scheme of Delegation. The Board remains legally responsible for the governance, financial management and use of funds across all academies. Local responsibilities must be carried out within Trust policies.
- Monitor actual financial performance against budgets at every LGB through monthly management accounts.
- The Local Governing Body delegates day to day responsibility for carrying out the policies and decisions of the Local Governing Body and its committees to the Headteacher/Principal
- Management and administration duties undertaken by the Headteacher/Principal and the members of the school staff shall be carried out in accordance with the terms of this statement, and within the terms of their contract of employment
- It is the responsibility of the Local Governing Body to review an annual budget for the school utilising BDAT's budgetary assumptions. The budget should meet the school's aims and objectives, as set out in the current School Improvement Plan, as well as setting a 3-year balanced budget. The budget should be reviewed and recommended by governors and be clearly recorded in the minutes by the LGB and be in sufficient time to allow prompt submission of the plan to BDAT's Finance and Resources Committee.

3.9 The Role of the Local Governing Body

The role of the Local Governing Body in academy financial administration is:

- to review the committee's Terms of Reference and membership on an annual basis;
- to plan the overall academy budget, including priorities for future expenditure;
- to agree three-year balanced budget and submit to BDAT's FARC for approval;
- to maintain a register of pecuniary interests for governors and staff;
- To maintain a register of gifts and hospitality.
- Review Management accounts compared to budgets
- Review capital procurement
- Approve large contractual expenditure in line with the delegated thresholds – Appendix 1
- plan the school budget in accordance with the priorities in the School Improvement Plan

- consider reports from the Headteacher/Principal comparing expenditure with budget and to approve virements as necessary
- approve teacher pay increments, highlighting any teacher that will not receive a pay increment
- operate the governing body's arrangements for obtaining quotations and inviting tenders
- submit to the Board any proposed write-offs and disposals of surplus stock and equipment
- determine matters relating to building maintenance, health and safety and lettings outside school hours in accordance with the Governors' delegated responsibilities
- determine matters relating to academy security
- the Chair of the Committee shall ensure that minutes are signed at the next meeting to confirm that they are accurate. Copies of the agenda, the approved minutes (subject to confidentiality exclusions), and papers for each meeting should be made available at the school for anyone to read

3.10 The Role of the Head Teacher/Executive Head Teacher/Head of School/Principal

The day-to-day operation of the budget is delegated to the Head Teacher/Principal, who will be responsible for:

- approving the monthly payroll changes e.g., overtime, new TLRs, change of hours.
- Approving salary reports (Payroll Report 321 pdf) and the IMP budget payroll reconciliation with signature confirmation highlighting known variances.
- preparing the school improvement plan and budget in accordance with agreed priorities before presenting to Local Governing Body for agreement.
- managing internal control systems and internal financial transactions in accordance with the Finance Policy and the Scheme of Delegation.
- maintaining adequate financial records in accordance with Academies Trust Handbook
- providing monthly management accounts to every LGB. This should report any variations in expenditure against the approved budget plan and be signed by Headteacher/Principal.
- Signing monthly bank and credit card reconciliation reports
- Approving invoices and paylists in advance of BACs run in preparation for Trust upload to central bank.
- ensuring that returns to BDAT are submitted according to published deadlines
- providing access to accounting and other relevant records to audit, including academy fund(s), and implementing auditor recommendations where necessary
- ensuring that all capital expenditure is approved in accordance with the Finance Policy and the [School Condition Allocation Policy](#).
- checking that the academy asset register is maintained as accurately and up to date as possible and ensuring that an independent check of the asset register is made at least once a year and reported to the CFOO
- recommending to governors' equipment to be written off or disposed of. Ensuring that disposal of such equipment is adequately recorded in the Governors' minutes and that the disposal of assets is conducted in an open manner and where income generated from disposal is maximised. Ensuring that stolen items are reported to the CFOO and LGB. before formal approval to delete that item from the asset register.
- ensuring that adequate procedures are in place for the prompt security marking of all items of a portable and desirable nature

- ensure that adequate controls are in place to ensure that all responsibilities delegated are monitored
- maintain a central file of all submitted applications for grant funding and counter sign submissions for audit purposes
- keeping up to date with BDAT policies and ensuring that compliance is maintained
- Ensuring that HMRC tax compliance is maintained
- Ensuring that DfE guidelines are not breached through following the latest ATH.
- Report on surplus balances greater than 15% to the LGB and FARC.
- Any deficit position triggers a “Deficit Recovery Plan” that is reported to the CFOO and the FARC

3.11 The Role of the (Executive) Academy Business Leader

Subject to accordance with individual job descriptions the Head Teacher/Principal may delegate financial procedures to the Academy Business Leader. The role includes:

- reviewing the monthly salary reports and signing and dating these to confirm they are accurate and noting any queries
- providing management accounts for the Headteacher/Principal to present to governors and submission, as requested, to the Chief Finance and Operations Officer.
- submitting pay returns to payroll as appropriate
- ensuring that invoice checking procedures are followed
- ensuring that, in conjunction with the Head Teacher/Principal, authorisation of orders, invoices and paylists are in accordance with this Finance Policy and the Academies Trust Handbook
- prompt banking of income and associated recording of income in accordance the Academies Trust Handbook
- operating the local bank account as per the Finance Policy.
- assisting in the maintenance of an accurate asset register and associated security procedures
- preparation of the three-year balanced budget plan.

3.12 The Role of the Finance Staff

The role of staff in school financial administration is:

- to familiarise themselves with this Policy
- to conduct all financial transactions relating to the academy in accordance with the Finance Policy
- to actively seek ‘value for money’ on all work, goods, materials, or services procured on behalf of the academy
- to ensure that all relevant documents (delivery notes, invoices etc.) are promptly processed.
- to ensure that approval for new suppliers is sought from the Chief Finance and Operations Officer prior to any purchase taking place

4. Delegated Authority

This policy serves as further detail from the Scheme of Delegation providing information on the day-to-day operations of the financial procedures.

The delegated authority is shown in *Appendix 1* and this template shows the authority thresholds from the Board, Finance and Resources Committee, LGBs, Chair of Trustees, CEO, CFOO, Business Leader. *Appendix 2* provides a summary of regularity.

5. Register of Interests/Related Parties

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, trustees, governors, and staff who can influence financial decisions, or spending powers, are required to declare any financial interests they have in companies or individuals from whom the Trust may purchase goods or services. There is a requirement to maintain a register of related party transactions in accordance with the Academies Trust Handbook on the DfE portal.

The [register of interest](#) is open to public inspections and includes all business interests such as directorships, shareholdings, or other appointments of influence within a business or organisation which may have dealings with the Trust. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a member, director, governor, or a member of staff by that person. It is also important to identify any connected parties and or related parties with any other charity, company, or organisation with which it operates in the pursuit of charitable activities. The register is to be reviewed on a regular basis.

The existence of a register of business interests does not, of course, detract from the duties of members, trustees, governors, and staff to declare interests whenever they are relevant to matters being discussed by the Governing Body or a committee. Where an interest has been declared, members, trustees, governors, and staff should withdraw from that part of any committee or other meeting. The Governance Professionals will at least annually log pecuniary interests as well as noting specific interests in the Governors and Trustee Committee meetings.

6. Process for Scrutiny

Every Trust must have in place a process for independent checking of financial controls, systems, transactions, and risks.

Audit and Risk Committee will oversee the process for independent checking of financial controls, systems, transactions, and risks which the Chief Finance and Operations Officer will lead on.

The Audit and Risk Committee will direct a programme of independent internal scrutiny informed by the Trust's risk assessment and covering financial and non-financial controls. The programme will be approved before the start of each financial year, delivered by suitably qualified persons independent of the activities reviewed, and reported directly to the Committee. Findings will be graded, assigned to named owners with deadlines, tracked to completion and summarised annually to the Board.

6.1 Prevention of Fraud and Irregularity

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 BDAT are also responsible for preventing such losses of public funds, and this means that members, trustees, and governors 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. BDAT is also responsible for ensuring appropriate action is taken where fraud and irregularity is suspected or identified.

All instances of fraud, theft or irregularity against the Trust must be reported promptly to the Accounting Officer and Chair of the Audit and Risk Committee and investigated under the Trust's Anti-Fraud and Anti-Corruption Policy. The Trust must notify the Department for Education of cases that meet the reporting thresholds or other notification criteria in the current Academy Trust Handbook, including unusual or systematic fraud regardless of value.

The Chief Finance and Operations Officer will maintain this confidential register for all suspected or confirmed fraud, theft and irregularity affecting the Trust. Each case must be assigned a unique reference, updated promptly as enquiries progress and supported by securely retained evidence. Access must be restricted to authorised officers. The Accounting Officer and Chair of the Audit and Risk Committee will receive prompt notification of new cases and material developments, and the Committee will receive an appropriately anonymised summary at least termly. Personal data and sensitive investigative detail must not be included in routine committee reports. (*Appendix 4*)

The DfE has provided "fraud indicators" that can identify risks of fraud. This list can be used by all staff to see high risk areas where fraud could occur ([see Anti-Fraud & Anti-Corruption Policy](#)).

The annual report for the "Economic Crime and Corporate Transparency" will include an update on all requirements of the Act including preventative measures and training undertaken during the academic year with trustees, governors, headteachers, business leaders and finance staff.

6.2 Appointment of External Auditors

Under the Companies Act 2006, Trusts must appoint an auditor to give an opinion on whether their annual accounts present a true and fair view of the trust's financial performance and position.

The appointment of external auditors is by the Members, other than where the Companies Act permits the trustees to appoint – for example for the Trust's first period of account).

Trusts should tender their external audit contract at least every five years and the Audit and Risk Committee must consider the relevant points when evaluating:

- review the external auditor's plan each year
- review the annual report and accounts
- review the auditor's findings and actions taken by the trust's managers in response to those findings

- assess the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal or retendering. Considerations may include:
 - the auditor's sector expertise
 - their understanding of the trust and its activities
 - whether the audit process allows issues to be raised on a timely basis at the appropriate level the quality of auditor comments and recommendations in relation to key areas
 - the personal authority, knowledge and integrity of the audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
 - the auditor's use of technology
- produce an annual report of the committee's conclusions to advise the board of trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.

The audit contract, and regularity engagement, must be in writing and must not cover other services. If additional services are purchased, a separate letter of engagement must be obtained specifying the work and the fee. Trusts should note that auditors are subject to the Financial Reporting Council's Ethical Standard which aims to strengthen auditor independence and prevent conflict of interest where additional services are provided to a client.

The letter of engagement must allow for removal of auditors, before the expiry of the term of office, in exceptional circumstances. Proposals to remove auditors must require a majority vote of the members who must provide reasons for their decision to the board. There must be a requirement in the letter of engagement for the auditors to provide the trust with an explanation if the auditors resign, within 14 calendar days of their resignation.

The board of trustees must notify DfE immediately of the removal or resignation of the auditors. For removal, the trust must notify DfE of the reasons, copying to DfE any statement received from the auditor on this matter. For resignation, the trust must copy to DfE an explanation from the auditors.

7. Accounting/Budgeting Systems

All the financial transactions of BDAT must be recorded on the Sage Intacct accounting system and Budget System (IMP) operated by the finance department in each academy.

Financial records must be retained for the periods specified in the Trust's Data Retention Policy and any longer period required by legislation, funding conditions, audit, taxation or an active investigation. The Chief Finance and Operations Officer will ensure that retention schedules cover source documents, approvals, reconciliations, contracts, payroll records and electronic audit trails.

The Asset Management System is a software platform for maintaining the stewardship of fixed assets and is maintained within each academy.

7.1 System Access

Access to Sage Intacct and IMP must be role-based, individually assigned and restricted to the minimum permissions required. The Chief Finance and Operations Officer, in consultation with Academy Business Leaders, will authorise access and maintain segregation between supplier maintenance, transaction entry, approval and payment release. Access rights will be reviewed at least annually and whenever a user changes role. Multi-factor authentication must be used where available, and shared accounts are prohibited.

Access for leavers must be removed no later than their final working day. Access for staff changing role must be reviewed and amended before the new duties commence. Human Resources, line managers, the IT managed-service partner and Finance must operate a documented joiner, mover and leaver process.

7.2 Back-up Procedures

The Chief Finance and Operations Officer in conjunction with our IT Managed Service partner are responsible for ensuring that there is effective back up procedures for the system. These systems are cloud-based with significant security protocols around the data storage.

The CFOO should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by trustees of the major risks to which the trust is exposed and the systems that have been put in place to mitigate those risks.

7.3 Financial Regularity

The Chief Finance and Operations Officer will maintain regularity of the key financial processes ensuring that sufficient controls are in place for safe and secure transactions. The reports include:

- monthly payroll reports
- monthly bank statement reconciliations
- monthly procurement card statements
- monthly VAT returns
- management accounts summarising expenditure and income against budget

7.4 Reconciliations

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

- payroll
- bank balance per the general ledger to the bank statement
- procurement cards
- VAT
- trial balance
- Control accounts

Business Leaders are responsible for ensuring that monthly reconciliations are prepared promptly, supported by evidence and reviewed by an officer independent of their preparation. Reconciling items must be investigated and cleared within defined timescales. The Headteacher or Principal will evidence review of the academy reconciliations, while the Chief Finance and Operations Officer or a delegated senior finance officer will review central reconciliations and unresolved or unusual items.

8. Financial Planning

8.1 Three Year Budgets

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

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of students to estimate the amount of DfE grant receivable based on Local Authority sufficiency place planning over the 3 years, this process should include academy insights to any in-year movements that would further impact grants receivable.
- review of other income sources available to the individual academies within BDAT to assess likely level of receipts
- review of past individual performance against budgets to promote an understanding of the academy cost base
- identification of potential efficiency savings and the use of tools, such as benchmarking and Integrated Curriculum Financial Planning.
- review of the Trust assumptions considering the School Teacher Review Body, unions and the wider sectors expectations. e.g., pay increases, funding increases, inflation, and other anticipated changes
- liaising with external agencies including major suppliers to ensure that the Trust's best financial interests are met
- the central services offer
- the likelihood of restructures – utilising the *Restructure Toolkit*

Individual academy plans and budgets will need to be revised until income and expenditure are in balance. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding.

If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available.

If a potential surplus is identified at an individual academy within BDAT, 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.

Each Local Governing Body will review and recommend its academy's three-year budget for submission to the BDAT Board. The Chief Finance and Operations Officer will consolidate academy and central budgets, and the Board of Trustees will approve the Trust's three-year budget and any material subsequent revisions in accordance with the Finance Scheme of Delegation. All recommendations, challenge and approvals must be clearly minuted.

The Chief Finance and Operations Officer is responsible for preparing and obtaining approval for BDAT's three-year budget, which aggregates the budgets of each academy in the Trust. The budget must be approved by the Board of Trustees.

The approved aggregated budget must be submitted to the DfE by the deadline specified by the DfE. The deadline date for submission of the academy budget will be the 15th May each year and will allow sufficient time for the approval process. There is a detailed timetable for governors, Trustees, Governors, Headteachers and Business Leaders to follow. (Appendix 5)

The budgets will be frozen following the Board approval with a working version being created for ongoing monitoring. There will be opportunity to review early into the academic year to account for any confirmation/changing of staffing/pay agreements following Board approval.

8.2 Monitoring and Review

Management Accounts have been developed in which variances are highlighted for discussion and appropriate monthly reports should be prepared by each academy. The reports will detail actual income and expenditure against budget and at a summary level for the Head Teacher/Principal, so that up-to-date figures are available for the Chief Finance and Operations Officer on Sage Intacct. This process should be effective and timely in highlighting variances in the budget so that differences can be investigated, and action taken where appropriate. Any potential overspend against budget must, in the first instance, be discussed with the Chief Finance and Operations Officer. Virements should be used to reallocate budgets and maintaining an overall balanced position.

Each academy should present Management Accounts to LGB at every meeting. Sage Intacct summary report

The Trust must complete the Department for Education's School Resource Management Self-Assessment Tool in accordance with the published requirements and timetable. The completed assessment and resulting action plan will be reviewed by the Audit and Risk Committee and reported to the Board and relevant local governing bodies, with progress monitored to completion.

The Accounting Officer must notify the Board promptly where there is a risk to the Trust's going-concern status. The Board will assess the position, approve and monitor an appropriate recovery or mitigation plan, and notify the Department for Education where required. The assessment, challenge, decisions and follow-up actions will be clearly documented.

9. Payroll

9.1 Staff Appointments

The Local Governing Bodies have agreed a staffing structure for each academy on the recommendation of the Head Teachers/Principals. All variations of staffing during the academic year should be budgeted for with all recruitment requiring the approval from Director of Corporate Affairs.

Trustees of BDAT have the authority to appoint the Chief Executive Officer, Chief Finance and Operations Officer and the Head Teacher/Principal at each academy.

Each academy in BDAT maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified to the Business Leaders immediately and authorised by the Headteacher.

The Chief Executive Officer is responsible for ensuring that the Trust's pay policy is implemented.

The Chief Executive Officer is responsible for ensuring that the statutory obligations around the safer recruitment policy and procedures are administered. The Business Leaders will be responsible for maintaining accurate records of all staff employed at their school in the single central record.

9.2 Payroll Administration

BDAT payroll is outsourced and administered by Working with Schools. Amendments to payroll data, e.g., appointments, resignations, pay changes and overtime, should be authorised by the Headteacher and a record kept in personnel files.

All supply teacher, casual working and overtime claims must be checked and confirmed by the Business Leader.

9.3 Payroll Payments

All staff are paid monthly by bank credit transfer to their bank accounts. Working with Schools payroll system automatically calculates the deductions due from payroll to comply with legislation. The major deductions are for tax, National Insurance contributions and pensions.

Business Leaders should undertake a monthly reconciliation between the current month's actual expenditure and the budgeted payroll costs. Any variations should be investigated and reported to the Head Teacher/Principal and queries raised immediately with Working with Schools Team. The reconciliation should be signed by both the Business Leader and the Head Teacher/Principal to verify the accuracy of the payments made.

BDAT has a responsibility for ensuring that all payments to individuals are subject to tax and national insurance deductions where appropriate. To achieve this, the following guidelines should be followed:

- an assessment (IR35) [Check employment status for tax - GOV.UK](https://www.gov.uk/guidance/check-employment-status-for-tax) must be made as to whether the individual is providing a contract of service (i.e., employed) or a contract for services (i.e., self-employed),

- if considered to be a contract of service, the individual shall be set up as an employee of the school before receiving payment through the payroll
- where an individual seeks payment from the school for a contract for services, this must be in the form of an invoice

Careful attention should be paid to repetitive payments to individuals.

The Trust must obtain prior Department for Education approval before offering any alternative to participation in the Teachers' Pension Scheme or Local Government Pension Scheme where such approval is required. Electric-vehicle salary-sacrifice arrangements may be operated without prior approval only where comprehensive contractual, financial and payroll controls ensure that no cost or liability falls on the Trust if an employee does not fulfil their obligations to the scheme provider. All such arrangements must be approved under the Scheme of Delegation and reviewed annually.

10. [Procurement - Procurement-Policy-May-2025.pdf](#)

The Trust's Procurement Policy further details procurement requirements based on the approval thresholds. The principle of value for money from all our purchases is a key consideration throughout all procurement. This means we want to get what we need in the correct quality, quantity, and time at the best price possible. A large proportion of their 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 Academy
- **Accountability:** the Academy is publicly accountable for its expenditure and the conduct of its affairs
- **Fairness:** that all those dealt with by the Academy are dealt with on a fair and equitable basis.

10.1 Routine Purchasing

From September 2026, supply teachers and education recruitment services must be procured through the Government Commercial Agency Supply Teachers and Education Recruitment framework unless an alternative arrangement is compliant with the Procurement Act 2023, observes the applicable financial thresholds and does not exceed the rates available through the designated framework. Trust-wide expenditure must be aggregated when assessing the procurement route and contract value.

Budget holders will be informed of the budget available to them as soon as the budget is formally ratified and approved by their 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.

It is essential that all the following controls are adhered to:

- orders should not be entered into verbally

- the use of 'Official Order Forms' through the local system 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 emailed to suppliers, in order to reduce timelines.
- orders should only be approved in accordance with the authorised limits within the scheme of delegation
- orders may only be used for goods and services provided to BDAT. Private individuals and other organisations may not use 'Official Order Forms' to obtain work, goods, materials and services net of VAT
- **orders under £10,000** - can be ordered by Business Leaders, who will be responsible for ensuring that reasonable steps have been taken to achieve Value for Money. Value for Money could be achieved by:
 - supplier chosen from the list of approved suppliers maintained by the Trust Finance Office
 - bulk purchasing of common consumables
 - negotiating discounts
 - taking advantage of sale seasons
 - obtaining alternative quotations wherever possible
- **orders over £10,000 ex-vat but less than £25,000 ex-vat (Primary)** - at least three written quotations are required to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by Business Leader for audit purposes and approved by the Head Teacher/Principal
- **orders over £10,000 ex-vat but less than £50,000 ex-vat (Secondary)** - three written quotations are required to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by Business Leader for audit purposes and approved by the Head Teacher/Principal
- **orders over £25,000 ex-vat but less than £75,000 ex-vat (Primary)** - all goods/services ordered with a value over £25,000, or for a series of contracts which in total exceed £25,000, must be subject to three written quotations and must be referred to the CFOO/CEO for formal approval
- **orders over £50,000 ex vat but less than £75,000 ex vat (Secondary)** - all goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000, must be subject to three written quotations and must be referred to the CFOO/CEO for formal approval
- **orders over £75,000 ex vat– £175,000 ex vat** - all goods/services ordered with a value over £75,000 but less than £175,000, or for a multi-year contract which in total exceed £75,000, must be subject to three written quotations. These contracts will be approved by Trustees in the Finance & Resources Committee.
- **orders over £175,000 ex vat or £213,477 inc. vat (Procurement Act 2023)**– will be subject to a tendering policy and must be published on the e-tendering portal Find a Tender Service (FTS) These contracts will be approved by Trustees in the Finance & Resources Committee
– See [Procurement-Policy-May-2025.pdf](#)

The academy budget holder or the academy Business Leader must make appropriate arrangements for the delivery of goods and services to the academy. On receipt of goods and services there must be a detailed check of the goods and services received against the purchase order (or equivalent in exceptional circumstances). All discrepancies should be discussed with the supplier of the goods and services without delay.

All invoices should be sent to the academy's Finance Team to be checked against the Sage Intacct numbered order (or equivalent in exceptional circumstances) and the delivery note to evidence the following:

- invoice arithmetically correct
- goods/services received
- goods/services as ordered
- prices correct.

Invoices will be authorised for payment by the relevant budget-holder and then approved for payment on Sage Intacct by the Business Leader and Headteacher (or delegated approver).

10.2 MAT Only Purchasing

The threshold for MAT purchasing for Trust contracts is £20,000.

- **orders over £20,000 ex-vat but less than £75,000 ex-vat (MAT)** - all goods/services ordered with a value over £20,000, or for a series of contracts which in total exceed £20,000, must be subject to three written quotations and must be referred to the CFOO/CEO for formal approval.
- **orders over £75,000 ex-vat – £175,000 ex-vat** - all goods/services ordered with a value over £75,000 but less than £175,000, or for a series of contracts which in total exceed £75,000, must be subject to three written quotations. These contracts will be approved by Trustees in the Finance & Resources Committee.
- **orders over £175,000 ex vat or £213,477 inc. vat (Procurement Act 2023)**– will be subject to a tendering policy and must be published on the e-tendering portal Find a Tender Service (FTS) These contracts will be approved by Trustees in the Finance & Resources Committee See [Procurement-Policy-May-2025.pdf](#)

10.3 Multiple Year Contracts

The total contract value must include the full initial term, all extension options and any related purchases. Approval must be obtained against that total value under the Scheme of Delegation. A Headteacher or Business Leader may approve a multi-year contract only where both its duration and total value fall within their delegated authority; all other contracts require approval at the appropriate higher level before commitment.

10.4 Dispensations

A dispensation may be approved only where exceptional circumstances make the normal competitive process impracticable, including a genuine emergency, demonstrably unique, or bespoke professional services, or a justified extension needed to complete an existing contract. The business case must record the reason, total contract value, value-for-money evidence, conflicts-of-interest checks, legal or procurement advice where appropriate, the approving

authority and any retrospective reporting required. A dispensation must not be used to avoid competition or statutory procurement obligations.

10.5 Procurement Cards

Procurement cards are issued only to named cardholders and must not be shared. Each transaction must be supported by an approved business-purpose record and itemised receipt, regardless of value, and must not be approved solely by the cardholder. Monthly statements must be reconciled promptly by the finance team and independently reviewed and approved in accordance with the Scheme of Delegation. Personal expenditure, cash withdrawals, split transactions and use to circumvent normal procurement controls are prohibited, except for cash withdrawals expressly authorised under a documented emergency procedure.

All card transactions exceeding £50 must be accompanied by an appropriate authorised requisition and receipt, retained for accounting purposes, and must be used solely for company purchases.

Cards must be kept secure at all times and card numbers and PIN numbers are NOT to be divulged. All debit/credit card transactions must be reconciled monthly and authorised in line with the bank mandate.

10.6 Supplier Maintenance

The Trust finance team is responsible for maintaining supplier records in Sage Intacct. All new suppliers must be approved by the Chief Finance and Operations Officer before an order is raised. Requests to create a supplier or change bank details must be supported by an authorised form and independently verified using contact details obtained from a trusted source, not from the change request itself. The officer entering or amending the record must not perform the independent verification or approve the related payment. Evidence of each check and approval must be retained.

11. Grants, Income and Collection

11.1 Capital Grants (including Devolved Formula Capital (DFC) and School Condition Allocation (SCA))

School bids for SCA are invited once a year for the 25% of the SCA awarded for school improvement projects. The Estates manager will provide professional expertise on specification when required. These are agreed with your governors prior to submission.

These are forwarded to the Capital email (Capital@bdat-academies.org) for the Central Team to review and then present to the FARC for approval as per the SCA Policy - [SCA-Policy-March-25.pdf](#)

The amount of DFC awarded to each academy is allocated at school level by the DfE. This is a school-based decision by the Headteacher/Principal and governors.

11.2 DfE Grants

There are several pupil specific grants listed below:

- Pupil Premium
- PE and Sports Premium
- Mainstream Inclusion Fund, Post-16 Inclusion Fund, Inclusion Early Years Fund

These grants require a strategic plan that meets the school objectives which are then published on the school's website, following agreement from the governing body and Trust. These plans are then monitored educationally and financially before finalising impact reports.

The Regional Improvements for Standards and Excellence (RISE) are grants supporting school improvement. These grants are approved by the DfE and require periodic reporting on progress and finance.

11.3 Income received from parents

An electronic cashless system is the preferred method of collecting payments from parents, otherwise, all income received must be recorded in Sage Intacct against the income general ledger. Any cash received must be receipted and paid into the bank in a timely manner.

11.4 Lettings/Charging Policy

The Business Leader is responsible for maintaining records of bookings of sports and other facilities and for identifying the sums due from each organisation.

The Academy finance team must establish a sales ledger account and produce a sales invoice from the accounting system for individuals and organisations booking facilities. No debts should be written off without the express approval of the Chief Finance and Operations Officer.

BDAT may provide services to other organisations where the activity supports its charitable objects, is legally permissible, represents value for money and has been approved in accordance with the Scheme of Delegation. Before services are supplied, the Trust will document the full cost, proposed charge, tax and VAT treatment, contractual terms, capacity, risk and any requirement to conduct the activity through a trading subsidiary. Charges will be reviewed regularly and must not result in public funds subsidising non-charitable activity.

No.	Title	Daily Rate
Central Team		
1	Executive Leader – Education including CEO	£750
2	Executive Leader – Corporate/Finance	£600
3	Extended Executive – Head of Dept.	£450
4	Officer – Corporate/Admin	£200
School Based Staff		
5	Head Teacher – Secondary	£600
6	Head Teacher - Primary	£550
7	Senior School Leader	£450
8	Academy Business Leader	£350

There is a caveat to these rates when there is a funding agreement in place which provides a maximum value that can be charged, the decision on whether to provide these services will be taken by the CEO.

11.5 Recharging

If there are any internal school to school-based transactions whether secondments or resources these will be recharged centrally at cost.

11.6 Grants from External Bodies

Any bids for grants/funding from external bodies should be submitted in conjunction with BDAT's Chief Finance and Operations Officer to ensure all BDAT Academies can benefit from the funding source.

12. Treasury Management and Banking

12.1 Custody

Receipts should be issued for all cash and cheques received. All cash and cheques must be kept in the Finance Office safe prior to banking. Banking should take place at least once a month or more frequently if the sums collected exceed the insurance limit on the Finance Office safe. For current insurance limit, please refer to the DfE's Risk Protection Allocation statement.

Monies collected must be banked in their entirety in the appropriate bank account. The finance team is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system.

12.2 Cash Management

The financial resources of BDAT will be managed through one main operational bank account together with a series of local academy bank accounts managed at the academy level. The current bank for BDAT and its Academies is Lloyds Plc.

12.3 Bank Accounts

- **Bank Deposits**
Record each deposit on a paying-in slip, counterfoil or supporting record.
- **Bank Payments and Withdrawals**
Withdrawals from any Trust-operated account must be authorised by central signatories in accordance with the bank mandate.
- **Central Authorisation of Academy Payments**
Before approving each BACS payment, the CFOO (or deputy), CEO, DoCA (or deputy) or must review the payment list, all invoices over £10,000 and randomly generated sample invoices.
- **Bank Account Administration**
The CFOO or Business Leader must complete monthly Sage Intacct-to-bank reconciliations and retain a list of outstanding payments.
- **Bank Account Balance Administration**
Academy bank balances will be reviewed termly and adjusted to cover direct debits.
- **Bank Account Receipts/Payments**
The table below shows which account receives or pays each transaction.

	Central Bank	Academy Bank	Notes
Income			
DfE Funding	✓		
LA Funding		✓	
Other Income		✓	
Expenditure			
Payroll Payments	✓		
Invoice Payments	✓		
Direct Debits		✓	Except PFI

12.4 Petty Cash Accounts

Each location can maintain a maximum cash balance of £1,500, although cashless is preferred, the cash is administered by the finance team and is kept in the safe. Any academy wishing to hold higher values of cash must inform the CFOO to agree the increased value. This will be reviewed annually.

The deposits to petty cash should be from cheques or debit cards specifically for the purpose on the Bank Account. 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 academy bank account.

In the interests of security, petty cash payments will be limited to £50. The Finance officers are responsible for administering the Petty Cash Account and ensuring that it is balanced regularly.

12.5 Cash Flow Forecasts

The CFOO is responsible for preparing cash flow forecasts for the Trust to ensure that there are sufficient funds available to pay for day-to-day operations.

12.6 Investments/Deposits

The board will approve any investments in line with the “Investments Policy”. [Hyper link to Investments Policy](#) A monthly agreed deposit paper will be shared with the FARC for approval ahead of changing any deposits.

13. Fixed Assets Management

13.1 Academy/Trust Asset register

Academies are responsible for maintaining an asset register of all equipment at their location. All assets purchased with a value over £1,000 must be entered in the Trust’s asset register. The CFOO is to monitor and control the register. The academies are to annually review the register ensuring approval of the headteacher and report to the CFOO.

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
- Support insurance claims in the event of fire, theft, vandalism, or other disasters.

All IT equipment must be recorded on the register. Details recorded should include the date purchased (where possible) and the serial number (if one is available). (IT assets will be coordinated via the AIT contract)

13.2 Disposals of Assets

Asset disposals must be authorised in accordance with the Finance Scheme of Delegation and recorded in the asset register. The decision must be supported by the reason for disposal, valuation or other value-for-money evidence, the disposal method, purchaser where applicable, proceeds received and conflict-of-interest checks. Any disposal requiring prior Department for Education or Secretary of State approval must not proceed until written approval has been obtained.

13.3 Loan of Assets

Items of BDAT/Academy property should not be removed from premises without the authority of the CFOO/Business Leader/Headteacher. A record of the loan must be recorded in a loan asset register within the academy. When a student or staff member leaves the academy, it must be returned.

13.4 Capitalisation & Depreciation

Subject to the value considerations and the details set out below, it is BDAT's policy to capitalise fixed assets; and to depreciate them (using the straight-line method) over their estimated economic lives.

Capitalisation Level

Individual assets with a cost of £1,000 or above will be capitalised and entered on the asset register.

All purchases/replacements with an individual item of less than £1,000 will be charged to expenses and will follow the standard purchasing procedures.

Asset Categories and Depreciation Rates

Asset Category	Asset Life (Years)	Depreciation Rate (%)
LAND		0%
BUILDINGS/IMPROVEMENTS	50	2%
REFURBISHMENTS	50 or 5	2% or 20%
PLANT & MACHINERY	5	20%
FURNITURE FITTINGS AND EQUIPMENT	5	20%
ICT EQUIPMENT	3	33.3%
MOTOR VEHICLES	5	20%

The standard depreciation rates, as categorised above, will be assessed on a project-by-project basis to determine individual depreciation rates for each item of capital expenditure.

14. Academy Contribution to BDAT

As part of the finance strategy agreed annually by the trustees, Academies will contribute an agreed percentage of recurrent GAG income towards the cost of the central services and infrastructure, governance and BDAT wide ethos. This will include the following functions:

Central management, Communications, Finance, Governance Services, Education School Improvement Services, Internal and External Audit, Statutory Maintenance and other costs as agreed between the BDAT board and the LGB's in regard to the latest central services offer.

The Trust will publish on its website, by 31 January each year, a summary statement explaining how it distributes and manages funds across its academies, in the form required by the Department for Education. The Chief Finance and Operations Officer will prepare the statement and the Board will approve it before publication.

15 Insurance and Risk Management

15.1 Insurance/Risk Protection Arrangement (RPA)

BDAT will maintain insurances with a group policy for the Academic year, co-ordinated centrally against the commonly identified risks which include (but are not limited to):

- Property Damage
- Business Interruption
- Money
- Engineering Inspection/Insurance
- Public Liability
- Employers Liability
- Hirers Liability
- School Journey
- Legal Expenses
- Personal Accident
- Fidelity Guarantee
- Governors/Trustees Liability
- Libel & Slander
- Cyber

BDAT will review all risks annually and highlight any areas not covered by the RPA which after seeking professional advice which then can be purchased in addition to the RPA, to ensure that the sums insured are commensurate with the risks.

It is the responsibility of each location to inform the BDAT Finance department of all new risks, property equipment and vehicle, which require insurance or of any real or potential situations which require alterations to existing insurance policies. Each location has the responsibility of ensuring that BDAT property such as musical instruments or computers are insured when off BDAT premises.

All locations shall display such notices regarding RPA as shall be required by statute the statement of Employer's Liability Insurance. At no time shall any location give any indemnity to any third party without the written consent of the insurers.

Each Academy will handle claims direct with the RPA/insurers and will notify deputy Chief Finance and Operations Officer of any claim. Claims are made by contacting the broker who will direct Business Leaders. The Chief Finance and Operations Officer should be informed of any claims over £5,000 in line with ATH.

It is the responsibility of each Academy to maintain any Staff Absence Insurance. Motor and Engineering insurance is independent to the RPA and is not part of the central services offer.

15.2 Risk Management

Risk is one of life's certainties and how successfully organisations deal with it can have a major impact on the achievement of their key goals. Often relatively little is formally done to evaluate and manage risk.

The Trust will maintain a live strategic risk register supported by operational risk registers where appropriate. Risks, controls, assurance, owners, target dates and residual ratings must be reviewed regularly by management and at least termly by the Audit and Risk Committee, with significant changes and risks outside appetite reported promptly to the Board. The Accounting Officer is responsible for ensuring that the framework operates effectively, while individual risk owners remain accountable for managing assigned risks.

The Accounting Officer is responsible for ensuring that an up-to-date register is maintained. This ties in with the audit and Annual Report and Financial Statements for trustee sign-off prior to submission to the DfE by 31st December each year.

Appendix 1. Summary of Financial Authorisation Levels

	Board of Trustees	Finance & Resources Committee	LGB	Chair of Trustees and CEO	CFOO/ dCFO /dCOO	Executive /Head Teacher/ Head School/ Principal	Business Leaders/ Central Finance Officer	Academy Finance Manager
Approval of Annual Budget/3 year plan	✓							
Variations to budget heads (virements) over £50,000	✓	✓						
Variations to Primary budget(virements) £10,000 to £25,000	✓	✓	✓	✓	✓			
Variations to Secondary budget (virements) £25,000 to £50,000	✓	✓	✓	✓	✓			
Variations to budget heads (virements) up to £10,000	✓	✓	✓	✓	✓	✓	✓	
Authorise expenditure over £75,000	✓							
Authorise expenditure £50,000 - £75,000 (Sec) £25,000 - £75,000 (Prim)	✓	✓		✓	CFO			
Authorise expenditure £10,001 - £50,000 (Sec) £10,001 - £25,000 (Prim)	✓	✓	✓	✓	✓	✓		
Authorise expenditure £1,001 - £10,000	✓	✓	✓	✓	✓	✓	✓	
Authorise expenditure up to £1,000	✓	✓	✓	✓	✓	✓	✓	
Authorise Petty Cash up to £50					✓	✓	✓	✓
Authorise appointment/ salary of perm. and temp. staff (other than Leadership Group)						✓		
Authorise appointment/ salary of CEO,CFO and HT	✓							
Authorise appointment/ salary of DHT and AHT	✓	✓	✓					
Any proposed severance or settlement payment must be assessed against the ATH and HM Treasury guidance before an offer is made or agreement. Up to £50,000	✓	✓		✓				
Advertising of tenders over £75,000	✓	✓		✓	✓			
Advertising of tenders under £75,000		✓		✓	✓			
Authorisation of disposal of assets over £5,000	✓	✓		✓	✓			
Authorisation of disposal of assets under £5,000		✓			✓	✓	✓	

Appendix 2. Summary of Regularity

	Trustees	CEO	CFOO	DoCA	Extend Exec	Trust Finance Manager	Head teacher	Business Leader	Senior Leader	Dept. Manager
Payment Process										
BACS / Payment List (headteacher initial values > £10k (net))		✓	✓	✓	✓					
Faster Payment		✓	✓	✓	✓					
Transfer for Investment	✓	✓	✓							
Payroll										
Payroll Reconciliation - IMP with Variance							✓	✓		
Payroll – Gross to Net (321)							✓	✓		
Purchase Order										
Order / Non-Order < £10k								✓	✓	✓
Order/Non- Order £10k - £25k (Primary)							✓	✓		
Order/Non- Order £10k - £50k (Secondary)							✓	✓		
Order/Non- Order £25k - £75k		✓	✓							
Orders > £75k	✓									
Payment Process										
Invoice Approval							✓	✓	✓	✓
Bank/ Credit Card Reconciliation										
School Bank Reconciliation							✓	✓		
Credit Card Reconciliation							✓	✓		
Stewardship of Assets							✓			
Authorise Gifts and Hospitality £25		✓	✓							

Appendix 3. Glossary of Terms

A

Accounting officer

The academy trust's senior executive leader, accountable for value for money, regularity and propriety.

Accounts Direction

DfE's guide for academies on preparing their annual accounts.

Annual Report and Financial Statements

A statutory document that includes the trust's financial performance, governance statement, and audited accounts.

Academy Accounts return (AAR)

A return based on academy trusts' annual accounts, required for the sector annual report and accounts, and for collecting benchmarking data.

Articles of association

The articles describe the trust's charitable object(s) and governance arrangements.

Alternative Provision (AP)

An education facility that provides alternative provision other than a primary or secondary school

B

Budget Forecast Return (BFR)

A financial return submitted to the DfE outlining the trust's expected income and expenditure for the coming year

C

Capital Expenditure

Spending on assets such as buildings or equipment that will be used over a long period.

Core Schools Budget Grant (CSBG) (temporary will merge into GAG)

An interim funding to support the teacher pay rise

D

Dedicated schools grant (DSG)

The DSG is paid by the Education and Skills Funding Agency to local authorities, and is the main source of pre-16 schools funding.

Deprivation

Deprivation is a compulsory funding factor in the mainstream pre-16 schools block funding formula that directs funding to the most deprived pupils.

Devolved Formula Capital (DFC)

Capital allocated at school level based on pupil numbers of the school.

E

EHCP (Education, Health and Care Plan)

An EHCP is a legal document that outlines the education, health, and social care support required for a child or young person with special educational needs or disabilities (SEND). It is designed to ensure that the individual receives the appropriate support to achieve the best possible outcomes in education and life.

Early years funding

This applies to private, voluntary and independent providers, and to schools or academies with a nursery class. This is paid directly by local authorities to early years providers, including academies and maintained schools, through the early years national funding formula (EYNFF).

English as an additional language (EAL)

This is a compulsory funding factor in the mainstream pre-16 schools block funding formula.

Education other than at school (EOTAS)

This is a Local Authority term and is one of their SEND funding mitigation strategies

Experts at Hand (EaH)

This is the new experts available from the LA including Educational Psychologists etc

Early Years Inclusion Fund (EYIP)

This is the new inclusion fund for early years

F

Free school meals (FSM)

Arrangements by which children from low-income households are provided with a free meal while they are at school.

Full Time equivalent (FTE)

The proportion of time a support staff employee is contracted to work over an academy year.

Funding agreement

The agreement between the academy trust and the Secretary of State, including funding arrangements, obligations and termination provisions.

G

General annual grant (GAG)

Academy trusts' main revenue funding

Going concern

A 'going concern' multi-academy trust (MAT) is one that is expected to continue operating and meeting its financial obligations for the foreseeable future—typically at least 12 months from the date its financial statements are approved. Trustees are responsible for assessing and confirming the trust's ability to continue as a going concern. This includes evaluating cash flow, reserves, and any material uncertainties. External auditors must review and provide an opinion on whether the trustees' decision to prepare accounts on a going concern basis is appropriate

H

High needs block

The high needs block of the DSG covers place funding for special schools and academies, top-up funding for high needs pupils, alternative provision and education otherwise than at school, and funding for local authority central SEN services.

High needs place funding

This applies to mainstream schools and academies with a designated special unit or resourced provision, plus special schools, and special academies.

High needs top-up funding

This is additional funding paid directly by the commissioning local authority for some high needs pupils.

I

Inclusion Mainstream Fund (IMF)

A new fund to promote inclusion within mainstream schools

Income deprivation affecting children index (IDACI)

The income deprivation affecting children index (IDACI) measures the number of children in a given area who are under the age of 16, and live in low-income households. The mainstream pre-16 schools block funding formula can use a combination of IDACI categories and/or free school meals data to allocate their funding under the deprivation factor.

Internal Scrutiny

An independent review of financial controls and risk management within the trust, required by the DfE.

ICFP (Integrated Curriculum Financial Planning)

ICFP is a strategic approach used by schools and academy trusts to align curriculum planning with financial planning. It ensures that educational delivery is financially sustainable by analysing how resources such as staff time and funding are allocated in relation to curriculum needs and pupil outcomes.

L

Lagged funding

A term used to describe funding based on the previous year's school's census.

Looked-after children (LAC)

The term 'looked-after' refers to children, under 18, who have been provided with care and accommodation by children's services

Low prior attainment

A compulsory funding factor in the mainstream pre-16 schools block funding formula, it often acts as a proxy indicator for low level, high incidence special educational needs

Lump sum

A compulsory funding factor in the mainstream pre-16 schools block funding formula.

M

Management Accounts

Monthly or termly financial reports used by trustees and senior leaders to monitor the trust's financial position.

Minimum funding guarantee (MFG)

The MFG is a protection against changes in per pupil school budget share (SBS) funding between academic years.

Mobility

A compulsory funding factor in the mainstream pre-16 schools block funding formula. 'Mobility' refers to pupils who started the school at an unusual time during the last three academic years, that is not in August or September (or not in January for pupils joining in reception).

N

National funding formulae (NFF)

The NFF is the way the government calculates how much core funding to allocate to local authorities for mainstream state-funded schools in England. More information is available.

Notional SEN budget

A notional budget identified by local authorities which can be used for high incidence, low cost pupils with special educational needs.

P

PAN (Pupil allocated numbers)

The PAN is the maximum number of pupils that a school or academy trust agrees to admit into a particular year group during the normal admissions round. It is set by the admission authority

PE and sport grant

The PE and sport grant is additional funding given to publicly-funded schools in England to improve physical education (PE) and sport in primary schools.

Private finance initiative (PFI) factor

An optional funding factor in the mainstream pre-16 schools block funding formula. The purpose of this factor is to support schools that have unavoidable extra premises costs because they are a PFI school, or to cover situations where the PFI 'affordability gap' is delegated and paid back to the local authority.

Pupil premium grant

Pupil premium is a grant for publicly funded schools in England to raise the attainment of disadvantaged pupils.

R

Regularity

Dealing with income and expenditure in accordance with legislation, the funding agreement, the handbook, and the trust's internal procedures. This includes spending public money for the purposes intended by Parliament.

Related party

Related parties include persons and entities with control or significant influence over the academy trust, and members of the same group (for example parent and subsidiary companies). This description is not comprehensive.

Risk protection arrangement (RPA)

An alternative to insurance for academy trusts where losses are covered by government funds.

Reserves

Unspent funds held by the trust, often earmarked for future projects or contingencies.

Resource provision

A school based specialist provision that supports children with additional needs

S

School budget share (SBS)

SBS forms the majority of the general annual grant (GAG) and is calculated by DfE using the funding factors determined by the local authority.

Schools Budget Support Grant (SBSG) (temporary will merge into GAG)

An interim funding to support the teacher/support staff pay rise

School Condition Allocation (SCA)

An annual capital allocation for Trusts of a certain size.

Schools Forum

The schools forum is a body comprising representatives of maintained schools, academies, and early years providers within a local authority area, together with other local partners and stakeholders.

Special Education Needs and Deprivation (SEND)

Pupils that have additional needs that could lead to additional EHCP funding

Statement of Financial Activities (SoFA)

A key financial statement showing income, expenditure, and changes in funds during the year.

T

Tiers

This refers to the Local Authority three tier approach to permanent exclusion and alternative provision

U

Universal infant free school meals (UIFSM)

The UIFSM grant is funding for schools to provide free school meals to all pupils in reception, year 1, and year 2.

V

Value for money

Achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of resources, the avoidance of waste and extravagance, and prudent and economical administration.

Appendix 4

	FR- YYY Y- 001	FR- YYY Y- 002	FR- YYY Y- 003
Case ref.			
Date reported			
Acad. / function			
Allegation and category			
Reported by / reporting route			
Case owner			
Initial risk and safeguarding / police considerations			
Investigation status and key dates			
Outcome / findings			
Gross loss £			
Recovered £			
O/s loss £			
Recovery and control actions			
DFE / insurer / auditor / police notification			
Date closed and approval			
Evidence location / retention date			

Appendix 5 Annual Budget-Setting Timetable

The timetable below forms part of the Trust's annual three-year budget-setting process. Timing is expressed principally by reference to the release of final Department for Education funding information, with an indicative annual calendar shown afterwards. The Chief Finance and Operations Officer may adjust operational dates where the Department for Education timetable changes, provided that the required sequence of scrutiny, recommendation and approval is preserved.

Stage	Indicative timing	Lead responsibility	Required activity	Key output / control
1. Pre-budget planning and assumptions	January to February	CFOO and Deputy CFO	Review emerging funding information, pupil census data, payroll information, pay and pension assumptions, inflation, utilities, central charges and known grant changes. Identify schools requiring additional support or use of reserves.	Draft three-year planning assumptions and initial risk assessment.
2. FARC review of budget assumptions	February or March	CFOO	Present proposed Trust-wide assumptions for funding, pupil numbers, pay, pension, inflation, supply, utilities, income, reserves and central charges.	Agreed assumptions with FARC for consistent use by all schools.
3. Receipt and validation of DfE funding	Week 0	Deputy CFO	Obtain each academy's GAG statement and supporting schedules. Reconcile identifiers, pupil numbers, formula factors, premises funding, protection and adjustments to the provisional model.	Validated academy funding schedule and exceptions log.
4. Preparation of school funding schedules	Weeks 1 to 2	Deputy CFO	Convert validated DfE information into school-level income budgets. Add known non-GAG income and identify funding that remains provisional.	School funding statements, DfE reconciliation and Trust control total.
5. Update budget model and software	Weeks 1 to 2	Deputy CFO	Configure the three-year budget system, load approved assumptions, staffing structures, contracts, pupil numbers, central service charges and funding.	Controlled three-year budget model ready for school use.
6. Funding quality assurance	End of Week 2	CFOO	Review the consolidated funding position, unusual movements, material variances and treatment of one-off or restricted income.	CFO-approved funding pack released to schools.
7. Budget launch and training	Week 3	CFOO	Brief Headteachers, Academy Business Leaders and relevant school leaders on assumptions, funding changes, evidence requirements, deadlines and escalation arrangements.	Budget guidance pack, timetable, assumptions, funding schedules and software issued.
8. First school-level budget preparation	Weeks 3 to 5	Headteacher and Academy Business Leader	Prepare the first three-year budget linked to the School Improvement Plan and ICFP. Update staffing, pupils, contracts, supply, premises, ICT, resources and other income.	First draft academy budget, staffing plan, pupil schedule and commentary.
9. School-level challenge and scenarios	Weeks 4 to 6	CFOO and Deputy CFO	Review completeness and reasonableness. Challenge staffing, vacancies, supply, pupils, income, contracts and reserves. Test key funding, pay and pupil scenarios.	Finance review notes, actions and required revisions.
10. Education, staffing and curriculum alignment	Weeks 4 to 6	School leader, Academy Business Leader and education leadership	Confirm that staffing and curriculum plans are educationally deliverable and financially sustainable;	ICFP evidence, staffing rationale and agreed educational priorities.

			complete relevant ICFP analysis.	
11. Escalation of financial concerns	Weeks 5 to 6	Deputy CFO to CFOO	Escalate deficits, unbalanced forecasts, low reserves, unaffordable staffing, unsupported pupil assumptions or proposed reserve use.	Exception report and recovery, restructuring or mitigation plan.
12. Revised school submission	End of Week 6	Headteacher and Academy Business Leader	Incorporate finance and educational challenge, update staffing and assumptions, and explain unresolved risks.	Second draft ready for the formal budget meeting.
13. CFOO and Deputy CFO meetings with school leaders	Weeks 7 to 8	CFO and Deputy CFO	Meet each Headteacher and Academy Business Leader, with the Chair of Governors where appropriate. Review the three-year position, staffing affordability, pupil assumptions, reserves, improvement-plan alignment, benchmarking, risks and mitigations.	Meeting record, action plan and final amendments before LGB consideration.
14. Final school budget quality assurance	Week 8	Deputy CFO	Confirm completion of meeting actions and recheck formulas, staffing, funding, reserves, grant restrictions and consistency with Trust assumptions.	Finance-cleared budget recommended for LGB consideration.
15. LGB papers issued	At least one week before the LGB meeting	Headteacher / Academy Business Leader and governance support	Issue the final budget, executive summary, assumptions, risks, reserves, staffing analysis and proposed recommendation.	Complete LGB budget paper issued for scrutiny.
16. LGB scrutiny and recommendation	Weeks 9 to 10; target by 15 May	Local Governing Body	Scrutinise the three-year budget, educational alignment, staffing affordability, pupils, income, benchmarking, reserves and risk mitigation. Recommend to the Trust or refer back with actions.	Clearly minuted LGB recommendation, including conditions or concerns.
17. Completion of LGB actions	Week 10	Headteacher, Academy Business Leader and Deputy CFO	Resolve conditions or amendments raised by the LGB and determine whether material changes require further endorsement.	Final academy budget, minute extract and completed action log.
18. Trust-wide consolidation	Weeks 10 to 11	CFOO, supported by Deputy CFO	Consolidate academy and central budgets, eliminate internal transactions, reconcile funding, central charges and pooling, and prepare three-year financial statements and reserves.	Draft consolidated Trust budget and academy summary.
19. CFO strategic review	Week 11	CFO	Challenge sustainability, reserves, liquidity, staffing ratios, capital commitments, grant restrictions and school and Trust risks.	CFO-approved consolidated draft and financial risk report.
20. CEO / Accounting Officer oversight	Week 11	CEO, supported by CFOO	Review strategic and educational alignment, affordability, regularity, propriety and value for money, including restructures, reserve use, cross-subsidy and material risks.	CEO-endorsed consolidated budget for FARC.
21. FARC paper preparation	Week 12, normally May or June	CFOO	Prepare the consolidated budget, academy summary, assumptions, reserve movements, pupil risks, staffing analysis, sensitivities, cash flow, capital commitments, key risks and recommendations.	Complete FARC budget report.
22. FARC scrutiny and recommendation	Week 12 or 13	FARC	Scrutinise assumptions, sustainability, reserves, affordability, cash flow,	Formally minuted FARC recommendation to the Board of Trustees.

			academy exceptions, deficit positions and mitigations. Recommend to the Board, subject to any required changes.	
23. Completion of FARC actions	Within one week of FARC	CFO and Deputy CFO	Address FARC questions and update the consolidated budget, risk narrative and academy plans. Identify changes made after LGB recommendation.	Final Board paper with reconciliation of changes.
24. Board of Trustees approval	June or July	Board of Trustees	Consider the FARC recommendation, consolidated three-year budget, financial risks and Accounting Officer advice. Approve, approve with conditions or require further work.	Formal Board approval recorded in the minutes.
25. Finalisation and communication	Immediately after Board approval	CFO and Deputy CFO	Lock the approved version, issue school budgets, communicate conditions and load budgets into finance and management-reporting systems.	Approved baseline budget for the new financial year.
26. DfE submission and evidence retention	By the applicable DfE deadline	CFO / Deputy CFO	Submit the required return and retain assumptions, meeting records, LGB minutes, FARC recommendation and Board approval.	Submission confirmation and complete governance audit trail.
27. In-year monitoring and reforecasting	Monthly and as required	Academy Business Leaders, Headteachers, Deputy CFO and CFO	Monitor actuals against budget, report variances, update forecasts, monitor pupils and staffing, and escalate potential overspends.	Management accounts, updated forecasts and exception reports to LGB and FARC.