

INVICTUS

Education Trust

FINANCIAL MANAGEMENT POLICY AND PROCEDURES

Approved by Board of Trustees
28 September 2020

To be reviewed by Board of Trustees
September 2021

Procedures Audited by Crowe LLP	August 2020
Associated Documentation	Academies Financial Handbook 2020

<u>CONTENTS INDEX</u>	<u>PAGE</u>
1. INTRODUCTION	9
2. PURPOSE OF THE POLICY AND PROCEDURES	10
<ul style="list-style-type: none"> • Application and coverage • Publication of the Policy • Approval of the Policy • Revision timescales 	
3. PRINCIPLES OF PUBLIC LIFE	11
<ul style="list-style-type: none"> • Seven principles of public life 	
4. ORGANISATIONAL FINANCIAL OVERSIGHT AND KEY RESPONSIBILITIES	12-18
<ul style="list-style-type: none"> • Diagram: Invictus Education Trust Management Structure • The Trust • Members • Trustees • Board Meeting • Scheme of Delegation • Accounting Officer/Chief Executive Officer • Chief Finance Officer • Central Finance Team • Chief Operating Officer • Invictus Education Trust Finance & Audit Committee • Headteacher • Senior Leader/Deputy Headteacher/Assistant Headteacher • Other Trust Staff 	
5. REGISTER OF BUSINESS INTERESTS AND RELATED PARTY RELATIONSHIPS AND PAYMENTS	19-20
<ul style="list-style-type: none"> • Why do we need a Register of Business Interest? • How Frequently is the Register Updated • Declarations of Interest at Trust Board/Committee/Governors Meetings • Principles Applying to Related Party Relationships • ESFA Approval Requirement where Related Party Contracts are in Place 	
6. THE FINANCIAL MANAGEMENT REQUIREMENTS FOR THE ACADEMY TRUST	21-26
<ul style="list-style-type: none"> • Basic Control Principles • Financial Planning • Budget Management <ul style="list-style-type: none"> • Virement • Annual Accounts: Preparation and Audit of Accounts • Treasury Management • Cash Management • Borrowing • Approved Loans 	

- Investments
- Reserves Policy

7. ESFA GRANTS

27-29

- ESFA Revenue Grants
 - General Annual Grant (GAG)
 - Managing General Annual Grant (GAG)
 - 16 to 19 Funding
 - 16-19 Bursary Policy
 - High Needs Funding
 - Revenue Funding Outside the General Annual Grant
- ESFA Capital Grants
 - School Condition Allocations (SCA)
 - Devolved Formula Capital (DFC)
- Use and Recording of Grants

8. BENCHMARKING PERFORMANCE INDICATORS

30-32

- Sources of financial data and tools
- School Resource Management Self-Assessment Tool Checklist
- Trust Benchmarking and Performance Indicators
- The ESFA has also published Top 10 planning checks
- Integrated Curriculum and Financial Planning (ICFP)

9. ACCOUNTING SYSTEMS

33-37

- Financial Accounting Systems
 - Statute of Limitations and Document Retention Requirements
 - PS Financial Accounting System
 - Access and Support
 - System Interfaces
 - Transaction Processing
 - Checks and Controls
 - Pebble School Fund Manager
 - Access and Support
 - System Interfaces
 - Transaction Processing
 - Checks and Controls
 - Tucasi School Fund Cash
 - Access and Support
 - System Interfaces
 - Transaction Processing
 - Checks and Controls
 - Tucasi Booking Pro
 - Access and Support
 - System Interfaces
 - Transaction Processing
 - Checks and Controls

10. PAYROLL

38-44

- Setting Executive Pay
- Tax Arrangements for Senior Employees
- Staff Appointments- New or Replacement
- Monthly Financial Management Reporting
- HR Recruitment, Contract Amendments, Leavers, Maternity Processes
- Single Central Record
- Staff Personnel Files
- Overtime and Casual Claims
- HR Task and Check List
- Employee Salary Payments and Monthly Monitoring
 - Monthly Payroll
 - Checking and Authorising the Monthly Payroll Report- Temporary Elements
 - Checking and Authorising the Monthly Payroll Report – Contract Amendments/Starters/Leavers/Absences
- Reconciliation of Payroll Analysis to PS Financial and Monthly Budget Monitoring Reports
- Third Party Payroll Payments
- Salary Advances
- Annual Pension Returns

11. PURCHASING TENDERING AND CONTRACTING REQUIREMENT

45-54

- Value for Money (VFM) Procedures
- Contractor Requirements
- Thresholds for Orders
 - Orders of £2,500 and below
 - Orders from £2,501 to £5,000
 - Orders from £5,001 to £10,000
 - Orders from £10,001 to £50,000
 - Orders over £50,000 and the Procurement Policy Note – New Thresholds 2020
 - Exceptions
- Forms of Tender
 - Open Tender
 - Restricted Tenders
 - Negotiated Tender
- Preparing for Tender
- Invitation to Tender
 - Aspects to Consider
 - Financial
 - Technical
 - Other considerations
- Tender Acceptance Procedures
- Tender Opening Procedures
- Tender Evaluation Procedures

- Purchasing
 - Authorised Budget Holders
 - Orders for Goods and services
 - Delivery of Goods and Services
- Payment of Accounts
 - Processing of Invoices
 - Credit Card Purchase Transactions
 - Payments to individuals – Non Employees
 - Other Purchases
 - Internet Purchases
 - Reimbursements to Staff

12. INCOME

55-64

- Income generation
- Income collected by the Academy
- Accounting Systems for Income Collection
 - PS Financials and Income Recovery
 - Pebble School Fund Manager and Income Recovery
 - Tucasi School Fund and Income Recovery
 - Tucasi Booking Pro
 - Parent Pay / World Pay
 - PayPal
 - Go Cardless
- Trips and Activities
- Lettings
 - Tucasi Booking Pro
 - Internal Excel Spreadsheets
 - Leasowes
 - Pedmore
 - Facilities and Operations Manager Lettings Role
- School Transport Coaches
- Custody
- Recovery of Debts

13. CASH MANAGEMENT

65-67

- Academy Banking Arrangements
- Manual Deposits
- Direct Credit Deposits at Bank
- Payments and withdrawals
- Overdrawn
- Bank Reconciliations
- Petty Cash Accounts
- Cyber Fraud
 - Cyber Crime
 - Email Hacking
 - Phishing
 - Malvertising

14. VAT	68-69
<ul style="list-style-type: none"> • VAT Registration • Business Activity Income • Academy Trusts Lettings Flow Chart for VAT Assessment for Hirer Income • VAT Claims • The VAT Submission Timetable 	
15. FIXED ASSETS	70-71
<ul style="list-style-type: none"> • Acquisition and disposal of fixed assets • Fixed Assets • Leasing <ul style="list-style-type: none"> ○ Finance leases ○ Operating leases • ESFA Approval for Certain Leases • Operating Leases 	
16. PORTABLE ASSETS	71
17. INSURANCE	71
<ul style="list-style-type: none"> • The Risk Protection Arrangement • The Trust's Insurance Arrangement 	
18. RISK MANAGEMENT AND RISK REGISTER	72-73
<ul style="list-style-type: none"> • Steps to Developing a Risk Management Process • Risk Management Policy 	
19. COMPUTER SYSTEMS	73
20. GIFTS	73-74
<ul style="list-style-type: none"> • Anti-Bribery Policy 	
21. ALCOHOL PURCHASES USING <u>ANY</u> TYPE OF SCHOOL FUNDING	74
22. THE SCHOOL PROM/SUMMER BALL	74
23. WHISTLE BLOWING PROCEDURE	75
<ul style="list-style-type: none"> • Whistle-blowing Policy 	
24. FRAUD, THEFT AND IRREGULARITY	75
25. DELEGATED AUTHORITIES. THE FINANCIAL FREEDOMS AND LIMITS APPLYING TO ACADEMY TRUSTS	76-79
<ul style="list-style-type: none"> • Requirement to Obtain ESFA Approval • Disclosure • Novel, Contentious and Repercussive Transactions • Special Payments • Special Staff Severance Payments • Compensation Payments 	

- Write-offs and Entering into Liabilities

26. REPORTING TO THE DEPARTMENT FOR EDUCATION 80-81

- External Auditors Appointment of External Auditors
- Removal of External Auditors
- Review of Regularity Accounting Officer's Statement
- Auditor's Review of Regularity
- Audit Findings
- External Auditors
- Whole of Government Accounts

27. INTERNAL SCRUTINY 82-84

- Purpose of Internal Scrutiny
 - Approach
- Directing Internal Scrutiny – the Audit Committee Requirement
- Remit of the Committee in Relation to Internal Scrutiny
- Membership of the Committee
- Operating the Committee
- Delivering Internal Scrutiny Principles
- Options
- External Reporting and Transparency

28. ESFA INTERVENTION POWERS 85

APPENDICIES

Appendix 1	Invictus Education Trust Scheme of Delegation	86-89
Appendix 2	Invictus Education Trust Register of Business Interest Form	90-91
Appendix 3	Invictus Education Trust Annual Financial Cycle	92-94
Appendix 4	Invictus Education Trust Virement Form	95
Appendix 5	Invictus Education Trust PS Financials Users and Access Levels	96
Appendix 6	Invictus Education Trust Finance and Audit Committee Structure	97
Appendix 7	Invictus Education Trust Finance and Audit Committee Terms of Reference	98-101
Appendix 8a	Invictus Education Trust Finance HR Team Tasks and Checklist	102-104
Appendix 8b	Dudley MBC Payroll Provider Month End HR Payroll April 2020- March 2021	105
Appendix 9	Invictus Education Trust Finance Proforma Three Quotes over £2501	106
Appendix 9a	Invictus Education Trust Contracts and Service Level Agreements	107
Appendix 10	Invictus Education Trust Finance Budget Holder Authorisation Roles	108
Appendix 11	Invictus Education Trust Finance Order & Requisition Form	109
Appendix 12	Invictus Education Trust Finance Bank Mandate Signatories	110
Appendix 13	Invictus Education Trust Finance Credit Card Holders	111
Appendix 14	Invictus Education Trust Finance IR35 Instructions, Letters & Forms	112-121
Appendix 15	Invictus Education Trust Finance Expenses Form	122
Appendix 16	Invictus Education Trust Finance Educational Trips Costing Statement	123-124
Appendix 17	Invictus Education Trust Finance Facilities and Lettings Form and Guidance	125-141
Appendix 18	Invictus Education Trust Finance Barclay Bank Commercial	142
Appendix 19	Academy Trust Lettings Income Flow Chart-VAT Assessment of Hirer Income	143
Appendix 20	Invictus Education Trust School Prom/Summer Ball procedures	144-146
Appendix 21	Amendments Made and Tracker post September 2020	147

ABBREVIATIONS

DFE	Department for Education
ESFA	Education Skills and Funding Agency
NGA	National Governors Association
AFH	Academies Financial Handbook
MAT	Multi Academy Trust
CEO	Chief Executive Officer
CFO	Chief Finance Officer
COO	Chief Operating Officer
PA	Personal Assistant
GAG	General Annual Grant
ICT	Information Computer Technology
HR	Human Resources
BACS	Bank Automated Clearing System
BFRO	Budget Forecast Revenue Outturn
BFR3Y	3 Year Budget Forecast Return
SORP	Statement of Recommended Practice
CIF	Condition Improvement Fund
HQ	Invictus Head Quarters
SEN	Special Education Needs
NNDR	National Non Domestic Rates
SCA	Schools Condition Allocation
DFC	Devolved Formula Allocation
PDS	Property Data Survey
AMP	Asset Management Programme
ICFP	Integrated Curriculum and Financial Planning
PSF	PS Financial
DBS	Disclosure and Barring Service
IR35	Inland Revenue 35
AVC	Additional Voluntary Contributions
HMRC	Her Majesty's Revenue and Custom
Efolder	Electronic Folder
PAN	Published Admission Number
VFM	Value for Money
EU	European Union
CDM	Construction Design and Management
VAT	Value Added Tax
RPA	Risk Protection Arrangement
TES	Times Educational Supplement
PIMS	People Information Management System
GRN	Goods Received Note
FNtl	Financial Notice to Improve

INVICTUS

Education Trust

The detailed Procedures can be found on the Trust's Shared Area.

You will be able to access these if you are an Invictus Education Employee.

The Procedures are regularly updated and there is an Appendix at the last page of the document which outlines the recent changes.

Link below

<T:\Staff Resources\Staff\Policies\Financial Management Policy and Procedures\INV financial procedures 2020 31.8.20 after audit FINAL for Trust Board Approval 28.9.20- update Jan 2021 - KC.pdf>

If there are any issues with access please email us and we will get back to you

The Invictus Trust Finance Team
financestaff@invictus.education