



Finance Policy

This Policy replaces the previous Financial Management Policy and was adopted by

**Yorkshire Collaborative Academy Trust
on**

Chair of Trustees: Mrs J Baynes	
Frequency of review:	1 year
To be reviewed by:	FRAR
Adopted:	July 2024
Date of next review:	July 2025

REVIEW RECORD

Date of review	Reason for review	Date of next review
	Annual review cycle	

on behalf of YCAT Full Board

FINANCIAL MANAGEMENT POLICY

MISSION STATEMENT

Our multi-academy trust is a partnership of primary schools that believe that through working and learning together we will make even more difference to our children’s lives.

Striving to better meet our children’s needs is our fundamental goal.

Our strong working partnership will help us to more consistently meet all of our pupils’ learning needs.

Collaborative learning is at the heart of our practice as this is the most effective way to raise achievement and foster life-long learning for children and staff.

We believe in evidence-based learning that focuses on ensuring teaching has impact on raising pupils’ outcomes and provides them with a high-quality education.

The partnership is built on professional integrity and honesty with all staff continually striving to improve their practice to achieve the best for all children.

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AIMS:

It is the aim of the Board of Trustees to ensure that all financial resources made available to the schools are used in an efficient and effective manner in order to ensure that Value for Money is achieved. The aim of this policy is to create a framework within which YCAT schools and individual members of the school staff and the Board of Trustees and Local Governing Bodies can achieve this.

This policy conforms to the requirements of the funding agreement between YCAT and the DfE and to the Academy Trust Handbook - September 2023.

The policy – in conjunction with the Scheme of Delegation and Procurement Policy - acts as a financial framework for our academies to work within. We acknowledge that operational practices will differ within our academy structure, but processes must be set with the parameters set out below.

This policy builds on the financial principles and requirements established and adopted in previous Financial procedures Policies and includes key amendments outlined in the Academies Trust Handbook.

GUIDELINES:

Financial decisions will be made after consideration of:

- a) the needs of the pupils/students and staff of the schools;
- b) the conditions and requirements as laid down in the funding agreement and Academy Trust Handbook;
- c) the need to support and deliver the National Curriculum together with any additional elements as agreed by the Board of Trustees;
- d) the financial resources delegated to the schools; and
- e) the priorities as identified in the costed YCAT development plan.

Organisation of Responsibility and Accountability

Roles and Responsibilities

1. Members

Members are the ultimate layer of governance in the Trust. They appoint and remove Trustees, amend our Articles of Association and hold our Trustees to account. The academy trust must have at least three members but should have five or more. Members cannot be employed by the trust. The majority of members should not be trustees.

2. The Board of Trustees

The Board of Trustees has a statutory responsibility to oversee the financial management of the school and to ensure adherence to the funding agreement with the DfE and the Academy Trust Handbook. The trustees of the academy trust are both charity trustees and company directors.

The Board of Trustees recognises the importance of clearly defining the roles and responsibilities of its committees, the Local Governing Bodies, Headteachers and other staff.

The academy trust is the legal entity with the board having collective accountability and responsibility for the academy trust.

The board should identify the skills and experience it needs, including sufficient financial knowledge to hold the executive to account. The board should also address this for committees/local committees/local governing bodies.

3. Finance, Resources, Audit and Risk Committee

The Finance Resources Audit and Risk Committee (FRAR) will consist of trustees and the Executive Leadership team and will work to the agreed terms of reference at Annex A.

The FRAR will meet at least once a term and will consider, as a minimum:

- a) Financial monitoring statements for the Trust (YCAT level)
- b) The consolidated YCAT budget and long-term financial forecast
- c) Cashflow forecasts
- d) The annual financial statements - Autumn only
- e) Financial Management and Governance Self-assessment - annually
- f) Key risks and agreed mitigating actions
- g) The auditor's management letter - annually
- h) Internal assurance report

The FRAR Committee will submit a brief summary report to the Board at least once per term. Budget monitoring reports will also be available for all FRAR members to review.

4. Accounting Officer

The Accounting Officer is appointed by the Board of Trustees. They are personally responsible to Parliament and the ESFA's Accounting Officer for assuring the Board of Trustees that there is compliance with the Academy Trust Handbook, the funding agreement and all relevant aspects of company and charity law.

This responsibility includes ensuring regularity, probity and value for money in all transactions of YCAT.

The Accounting Officer should be employed by the trust. Accounting officers must adhere to the 7 principles of public life.

The accounting officer must complete and sign a statement on regularity, propriety and compliance each year and submit this to ESFA with the audited accounts. The accounting officer must also demonstrate how the trust has secured value for money via the governance statement in the audited accounts.

When the senior executive leader is planning to leave the trust (for example retirement or resignation), the board of trustees should approach their Regional Director in advance to discuss their structure and options, including plans for recruitment.

5. Chief Financial Officer

The Chief Financial Officer (CFO) is appointed by the Board of Trustees and must be employed by the Trust. The CFO is responsible for presenting annual school budgets and a consolidated trust budget to the FRAR and Board. The CFO is responsible for creating termly budget forecasts for individual schools and consolidated for the trust. The CFO must work with schools if forecasts are showing significant changes from the original, approved budget which will affect the school's financial stability.

The CFO manages the YCAT finance team and is responsible for making sure that all YCAT staff are following the procedures set out in this and other financial policies.

The CFO has overall responsibility for ensuring the effective operation of the administrative functions impacting on finance within the trust, including adherence to the funding agreement and Academy Trust Handbook.

6. School Local Governing Body (LGB)

Each school's Local Governing Body (LGB) will have a finance committee or equivalent which will have responsibility to ensure that YCAT finance policies are implemented at the school level. They will meet at least once a term to consider:

- a) Financial monitoring statements for the school
- b) School's current year budget and long-term forecast

The School LGB will submit a brief summary report to the Trustees at least once per term. The school LGB should identify the skills and experience it needs, including sufficient financial knowledge, the be able to act as 'the critical friend'.

7. Headteachers

The Headteachers are responsible for:

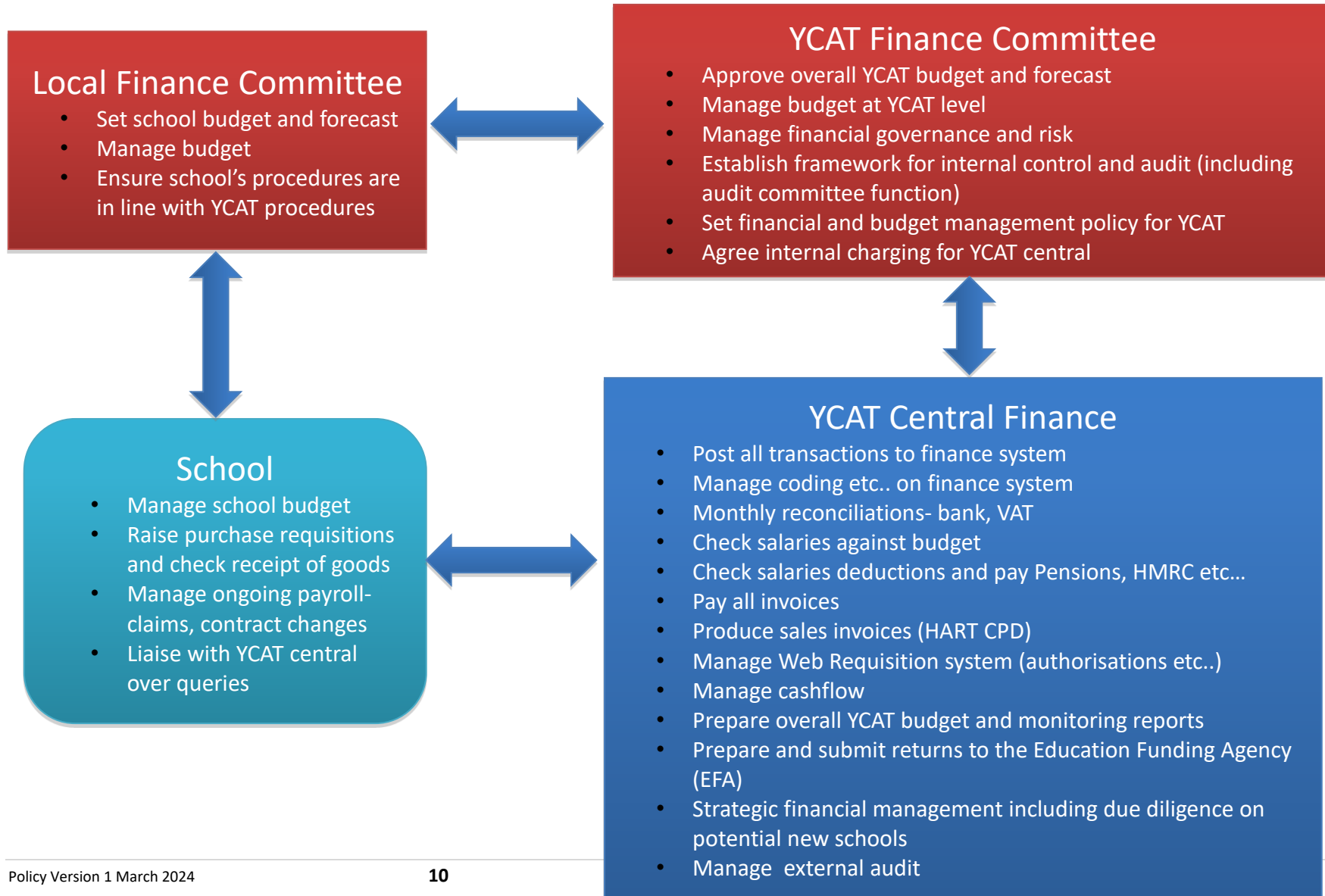
- a) the detailed preparation of an annual school budget, alongside the CFO, which addresses the strategic aims and targets established both at YCAT and the school level;
- b) the day-to-day management of the school budget under the Scheme of Delegation as set out at Annex B and approved by the Board of Trustees; and
- c) ensuring the effective operation of the administrative functions impacting on finance within the school, to include:
 - i. the roles of each member of staff being clearly defined and the duties of staff with responsibility for financial transactions being, as far as is practicable, distributed to ensure that key tasks such as the processing of orders and invoices, are assigned to separate members of staff (segregation of duties) and that appropriate systems of internal check exist;
 - ii. the adherence to the funding agreement and Academy Trust Handbook;
 - iii. the establishment of systems to ensure that financial control is maintained at all times, in line with YCAT policy, including procedures in the absence of key staff; and
 - iv. the maintenance of appropriate documentation and transactional records.

8. YCAT Central Finance

The YCAT Central Finance Team will have responsibility for the day to day running of computerised finance systems. In addition, the central finance team will have responsibility for:

- a) the preparation of the YCAT level annual budget and longer-term spending plans (consolidating information from each of the schools)
- a) the maintenance of computerised records of income and expenditure in line with the Academies Accounts Direction and Charities Statement of Recommended Practice (SORP);
- b) the checking and reconciliation of the school's financial records including reconciliations for bank, purchase ledger and sales ledger when appropriate
- c) the undertaking of monitoring procedures and the production of regular monitoring statements for the YCAT senior management team and the FRAR

YCAT Finance- key responsibilities



Pecuniary and other Business Interests

Members, Trustees, Governors and staff of the school will be required to complete a Register of Business Interests and declare any links they or any member of their immediate family have with any firm from which the school may wish to buy goods or services. The basic principle to be followed is that any interest should be recorded which could be seen to improperly influence any decisions taken, pecuniary or otherwise, regarding the operation of the school.

The Register will be:

- a) annually reviewed;
- b) maintained for any in-year changes as notified; and
- c) made available for inspection by Trustees, Governors, staff, parents and the Local Authority.

The information in the register is taken into account whenever buying or staffing decisions are made. Any trustee, governor or member of staff who has an interest in a business tendering for a contract does not form part of the committee awarding the contract. Any trustee, governor or member of staff who has an interest in the appointment, salary, promotion or conditions of service of a member of staff does not form part of the committee recommending or deciding these.

The minutes of the Trustee and Governor meetings where buying decisions can be influenced will record any interests as a standing agenda item.

Trading with Connected Parties

YCAT will pay no more than cost for goods and services provided to it by any member/ trustee of the Trust or any company, individual or organisation connected to a member/ trustee.

All related party transactions will be reported to the ESFA in advance of the transaction taking place using the ESFA online form (Available from April 2019)

Novel / contentious transactions

Any transaction which is outside the range of normal business activity or may be viewed as contentious will be referred to the ESFA for prior authorisation. Details of transactions which are novel or contentious are included in the Academy Trust Handbook.

Staff Provisions Policy

Expenditure on hospitality from public funds is only incurred in the provision of education. Hospitality is generally only provided in the workplace and usually restricted to tea/ coffee, biscuits, soft drinks or sandwiches/ pizza at the headteacher's discretion. Modest hospitality is occasionally provided outside the workplace. Each School Administrator maintains a register of the occasions when hospitality is provided, the number of people involved and the costs incurred. On these occasions Head Teacher approval must be in place before the event takes place and a budget set and approved.

Managing the Budget

1. Aims and Objectives

The LGBs/ FRAR together with the Headteacher will consider and provide costing information both for maintaining the required level of educational provision as well as proposals to develop the short, medium and long term aims and objectives as identified in the School Development Plan. In addition to the educational priorities for YCAT, this will take account of the building and repair maintenance programme and repair and renewals programmes for furniture, fittings and equipment.

Such consideration will include the determination of an appropriate level of general contingency and the formulation of a policy for the application of any balances in excess of the agreed target for general contingencies on the development proposals within the School Development Plan. See reserves policy for more detail.

It is recognised that finite resources will lead to a need to prioritise proposals and to accelerate/delay spending plans as circumstances change.

2. Budget Timetable

The Headteachers (or their delegated representative) will prepare financial information for consideration by their Local Governing Bodies and submit it to the FRAR for consolidation and agreement across YCAT:

Date	Action / Response
End of March	General Annual Grant (GAG) statement for the next academic year available from the ESFA
Spring term	Prepare papers on issues to be <u>addressed</u> in preparation for the setting of the following year's budget. Agree Trust assumptions to be used for future year pay awards and funding.
May	Headteachers/ local school staff/ YCAT Central staff prepare individual school budgets and agree with LGB for submission to YCAT
June	YCAT level budget prepared including discussion where appropriate with individual schools
June	ESFA produces format for annual budget forecast
July	YCAT Budget agreed by FRAR and submission made to ESFA
August	Year end
December	Financial statements sent to ESFA. Academies Accounts Return sent to ESFA
January	Financial statements for previous year on website
May	Financial statements submitted to Companies House

The Local Governing Bodies will not submit a deficit budget unless there are exceptional circumstances and advice and written agreement have been received from YCAT board of trustees.

Budget monitoring reports will be considered by the FRAR and individual LGBs at least once a term with a brief report to the Full LGBs and YCAT Board.

3. Efficiency & Value for Money

The Schools in conjunction with YCAT Central will seek to achieve efficiencies and value for money to optimise the use of financial resources and to invest in teaching and learning.

4. Financial Benchmarking

The Headteacher (or their representative) will prepare for consideration by the LGBs/ FRAR financial benchmarking comparisons on an annual basis each Spring/Summer term once the EFA have updated the figures with the previous financial year. The benchmarking data will be extracted for similar schools from either the Schools Financial Benchmarking website. The Trust can also be access benchmarking information via the 'View my financial insights' tool. The conclusions and recommendations resulting from this process will be used to inform the financial planning and resource allocation process.

5. Review of Contracts for Services

The FRAR will review the quality, cost and impacts of services purchased from external providers (including the Local Authority) on a regular basis **and** before contracts are renewed. To assist in this process the Headteacher or their representative will prepare a schedule of service contracts to include values and renewal dates in order that priorities for review can be determined. Where possible, a review of contracts for similar services will take place at the YCAT level to establish whether any economies of scale can be made by a central YCAT contract. After each review the FRAR will make recommendations to the Board of Trustees where the contract is worth over £5000.

6. Standards of Financial Management

The Board of Trustees will have regard to any Standards of Financial Management endorsed by the DfE to self-evaluate the quality of financial management processes and to aid in training staff to become better financial managers.

7. Level of Balances

The YCAT FRAR Committee will annually review the balances situation of the schools and make recommendations to the Board of Trustees based on the trusts Reserves Policy.

The Finance/Resources Committee will have regard to any balance limits placed on schools by the DfE.

8. Virement Procedures

Virements will not be actioned as reports to FRAR and the Board based are based on performance against the actual approved budget which was submitted to ESFA. Any significant changes to income and expenditure are reported through the management accounts and budget update reports.

9. Quality of Information

Trustees and Governors expect that the financial information they receive will be relevant, timely, reliable and understandable. An appropriate level of financial reporting information will be discussed and agreed with the relevant recipients to ensure that it meets their specific needs

10. Extended Activities

The Local Governing Bodies will discuss, decide and agree with FRAR their intention to use school budget funding to support the provision of extended school activities. Fees and charges for extended school activities and paid nursery sessions will be reviewed and approved by Directors as part of the annual budget approval.

11. Capital Expenditure and Fixed Assets

The LGBs will give consideration to the use of the devolved capital allocations available to their school in the light of the priorities identified in the School Development Plan and then make recommendations to the FRAR.

All fixed assets over £1000 will be capitalised and depreciated in line with the fixed assets policy.

12. Documentation and Retention of Records

All financial systems and procedures carried out will be in accordance with the terms of the funding agreement, the Academy Trust Handbook, the, Scheme of Delegation and the YCAT Finance Procedures. A copy of these documents will be readily available and kept up to date.

All records will be retained in line with the legal requirements.

13. Procedures and Security

The school will make use of a computerised financial monitoring package. Data will be input on a regular basis including financial commitments made by the school. Information will be reconciled to the school bank statements every month.

Appropriate use of the package and orderly filing procedures will ensure that all transactions are traceable.

Security passwords will be maintained on the computer and documentation will be kept in a secure location.

14. Security of Stocks and Equipment

An inventory of stocks and equipment held in the school will be maintained and checked on an annual basis.

The YCAT Board will ensure appropriate and adequate insurance arrangements are in place to protect the school's assets (see Insurance section below)

A register will also be maintained of equipment removed from schools for use off-site and when it was returned.

The Governing Body will authorise all write-offs and disposal of surplus stocks and equipment. Where disposing of freehold land or buildings, or heritage assets (as defined in the Academy Trust Handbook) ESFA approval will be sought prior to the disposal.

When it is considered appropriate, the Governing Body will request and act upon the advice of a Crime Prevention Officer.

15. Insurance

Insurance has been obtained through the Academies Risk Protection Arrangements (RPA). The cover provided by the RPA will be reviewed annually to ensure it meets the insurance needs for YCAT.

Staff absence insurance will be managed by the Trust to ensure best value for money and consistency across the trust.

16. Income

The YCAT Board will implement a charging and remissions policy for school activities which will be made publicly available on the YCAT and school websites. Steps will be taken to ensure the early collection of income due and receipts issued and records will be kept.

The schools will operate an online income collection system (currently ParentPay).

The writing off of debts will be undertaken in line with the Academy Trust Handbook:

- a) For debts up to £500 in value, the school will seek the approval of the Governing Body and report this to the FRAR; and
- b) For debts over £500, the approval of the YCAT board must be sought (further to the endorsement of the Governing Body to do so).
- c) Where a debt is greater than 1% of total income, (or £45,000, whichever is lower) prior approval from the ESFA is required

The HART Alliance will develop and sell products including, for example, training programmes and materials and consultancy support to individual schools. Products will be focused on implementing the Business Plan.

Processes will be put in place to ensure all sales are identified (for example, course attendees) and invoiced in a timely manner. Where appropriate, a 3rd Party Event Management Organisation may be used to provide course booking processes.

Remittances the EFA and for all income received from NYC will be received by the YCAT central finance team email.

All income will be entered centrally on the computerised financial system.

17. VAT Returns

VAT 126 returns will be made promptly and accurately (ideally monthly but at least termly) using the computerised financial system. VAT requirements, will be reviewed on an ongoing basis to monitor the need to register for VAT.

18. Staffing

The FRAR will be responsible for the Pay Policy across YCAT. The FRAR will seek, over time, to synchronise the policies of all member schools, having regard to TUPE requirements. The LGBs will consider appointments, terminations, promotions and performance management as necessary with the exception of headteacher appointments which will be made by the YCAT Board.

19. Computer Systems

YCAT will maintain approved software for the administration of financial records.

The schools have been registered in accordance with the Data Protection Act 2018. All data handling procedures undertaken by the schools are in accordance with recommended practices for data security and information governance. GDPR regulations are being followed by schools and the trust.

20. Internal control and risk management framework

YCAT FRAR will implement a cross MAT internal control framework that recognises public expectations about governance, standards and openness.

The internal control framework must include:

- co-ordinating the planning and budgeting processes
- applying discipline in financial management including managing banking and cashflow, with appropriate segregation of duties
- preparation of monthly budget monitoring reports
- ensuring that delegated financial authorities are respected
- effective planning and oversight of any capital projects
- the management and oversight of assets
- the propriety and regularity of financial transactions
- reducing the risk of fraud and theft
- ensuring efficiency and value for money in the organisation's activities
- a process for independent checking of financial controls, systems, transactions and risks

Risks will be managed in accordance with the YCAT Risk Management Policy.

A process will be in place to check financial systems, controls, transactions and risks. This process will be overseen by FRAR as part of their 'audit committee' responsibilities and will include the appointment of independent external and internal audit services in line with the Financial Reporting Council (FRC).

21. Counter Fraud Arrangements

YCAT will maintain a robust system of controls to safeguard itself against fraudulent or improper use of public money and assets. The YCAT Board will ensure that it has adopted a whistle-blowing policy and, along with the Headteacher, must inform all staff of all school policies and procedures related to fraud and theft, the controls in place to prevent them and the consequences of breaching these controls. This information must also be included in the induction of new school staff, Governors and Trustees.

22. Audit

YCAT will be subject to an annual external audit and a regularity and propriety audit. Financial statements will be prepared in accordance with the Academies Accounts Direction relevant to the accounting year.

Financial Procedures

1. Accounting System

All financial transactions, both central and within academies, must be recorded on the computerised accounting system and in the agreed format.

The Trust has adopted The Xero finance package for academies and has a standardised financial framework, processes and procedures that all academies must implement upon conversion. All purchase requisitions should be raised through ApprovalMax.

Transaction Processing

All transactions must be posted to the computerised accounting system and authorised in accordance with delegated levels of responsibility and authority. Appropriate levels of segregation of duties must be in place.

All transactions must be processed in a timely manner. All academy financial statements and reports are prepared under the Accruals Basis of accounting which requires that income and expense over £500 must be recognized in the accounting periods to which they relate rather than on cash basis.

The Trust Finance Team will be responsible for ensuring the following is completed by the agreed deadlines, the deadlines are circulated at the beginning of the financial year and can be found on the access dashboard –

- All income entered onto the finance system
- All invoices entered onto the finance system
- Bank reconciliation completed
- Charge card transactions entered and reconciled
- Payroll journal entered onto the finance system.

The consolidated monthly management accounts will be prepared by the CFO and then shared on a monthly basis.

2. Raising Orders

Staff who have authority to requisition goods will be given a password protected login to ApprovalMax system. Goods can be requisitioned by any person who has a login to the software. An email is then sent to the budget holder letting them know that goods have been requisitioned so that they can log in to the system and approve the order if it is in line with limits in the Financial Scheme of Delegation. Once approved by the budget holder the order will be emailed to the supplier.

Official orders must be raised for all goods, works, services and/or consultancy required by the trust or school using Xero, unless specifically exempted. The procurement procedure guidance documents the purchasing process and must contain adequate controls to ensure that:

- Official orders are raised in respect of all goods, services and works required by the trust, its' schools and subsidiary companies, except for those specifically exempted
- Only goods, services and works required by the trust, its' schools and subsidiary companies are actually ordered.
- Competitive quotations or tenders are obtained for all orders where the value of goods, services or works, individually or for a series of contracts, would exceed the relevant financial thresholds.
- Orders for goods, services and works are placed with the most appropriate suppliers in terms of cost, quality and delivery.
- Goods, services and works received are in accordance with those ordered.
- Payments are made only in respect of invoices authorised in accordance with the approved Scheme of Delegation and the trust's funds are adequately safeguarded.
- All payments are accounted for properly, promptly and in full.
- Relevant, timely and accurate management information on non-pay expenditure is produced and utilised.
- Adequate physical and logical security is in place.

Specific exemptions to the requirement to raise an official purchase order are limited:

- Rent or business rates
- Utility costs
- Works and services executed under a contract
- Purchasing catering supplies (food and drink only)

Where invoices are received without a PO, the process will be as follows, the invoice is entered on the system and checked to source documentation- e.g. NYES website. The system requires an 'authorisation' field to be completed. The budget holder identified above will be sent an email and the invoice will be sent to ApprovalMax for approval ALL invoices will be sent to the Finance Manager/CFO for additional approval. The Finance Manager will check the invoice and appropriate coding including VAT. Once approved, the invoice will be ready for payment. No orders shall be placed, or contracts altered or extended, with the intention of avoiding the relevant thresholds applicable within these Financial Regulations. In the event that the terms of any purchase order or contract have to be amended, an official variation order must be approved in accordance with the Scheme of Delegation and issued by the Academy Finance Team as appropriate.

3. Payroll

Salary Payments

The CFO checks overtime/pay changes before the monthly payroll run is approved.

All salary related payments are processed via BACS – only when the payroll has been checked and authorised by the CFO.

4. Income

The main sources of income for the Trust and associated academies is via grants issued by the ESFA, the receipt of which is monitored directly by the DOF who is responsible for ensuring that all grants due to the Trust are collected.

The academy start up grant will sometimes be paid directly to the academy by the ESFA. This grant must be transferred in full to the Trust in order to resource the costs associated with conversion.

The GAG will be received by the Trust at the beginning of the month in line with the funding profile.

The Trust will retain 5.5% of each schools' GAG, Early Years and TPAG as agreed for central support costs. The Trustees will review the percentage of retention on an annual basis and can resolve to move the figure up or down depending on the current and/or projected circumstances of the Trust or academy.

Other forms of delegated funding will be received by the Trust and/or school in line with ESFA guidance. This will mainly include:

- Top Up Funding – via LA
- Devolved Formula Capital
- Pupil Premium

The academy will also secure income from other sources for various purposes and receipted and disbursed in accordance with the systems and processes outlined in the relevant academy policy.

This could be in relation to:

- Trips and Visits
- Dinner money
- Letting of facilities
- Fund raising
- Donations
- Sponsorship
- Miscellaneous income

5. Debt Management

When an academy raises an invoice, unless specifically detailed on the invoice, the payment terms will be 30 days.

The following process shall apply where payment is not received:

- 30 days after original invoice – statement issued
- 2 weeks after statement issued – reminder letter issued
- 2 weeks after reminder letter – second reminder letter issued
- 2 weeks after second reminder letter – refer to DOF and seek legal advice if deemed necessary

The level in relation to the 'write off' of bad debts is outlined above.

Parent debts

School office managers should ensure debts are not accrued by parents for school meals, school trips, wraparound care and any other chargeable activities. Outstanding accounts should be reviewed and followed up on a weekly basis. When deemed appropriate a hold should be placed on any chargeable activities when debts remain unpaid.

6. Cash Management

Bank Accounts

The Trust has one bank account which is managed by the trust finance team.

Deposits

Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

- The amount of the deposit
- A reference, such as the number of the receipt or the name of the debtor

Payments and withdrawals

Bacs payments must be made wherever practicably possible and cheques to be used only if bacs is not available. Individuals with cards to authorise the BACS run are Sarah Johnson – CFO, Suzanne Watson - Finance Manager, Rachel Bentley - Business Manager- Askwith, Julie Miller – Business Manager - Bilton.

Manual cheques

Some suppliers will require payment at the time of service, for example school trips. Each school has a manual chequebook. All cheques require 2 signatories. The process is as follows, a coding and approval label will be completed at the school, including the details of cheque number where appropriate, the invoice will be scanned and sent to finance@ycatschools.co.uk, the invoice will be entered into the Bills to Pay and scanned. The transaction will be saved and submitted for approval, the invoice will then be sent back to the budget holder for approval through ApprovalMax, following budget holder approval, all manual invoices will then be approved by the Finance Manager or CFO, Once approved, the invoice is 'paid' in the Bills Awaiting Payment, the cheque number must be entered in the payment screen to ensure it can be identified on the bank reconciliation.

Direct debits

Direct debits, primarily for utilities, telephones and other regular contracts, are treated as per manual cheques:

1. The invoice is checked for arithmetical accuracy, scanned and entered on the system by YCAT finance
2. The invoice is sent for approval via ApprovalMax to the budget holder
3. Following budget holder approval, the invoice is further approved by the YCAT Finance Manager
4. Once approved, the invoice is 'paid' in the Bills Awaiting Payment through the 'Business – Bills to Pay menu
5. A reference including the date of the direct debit must be entered into the system to ensure it can be identified on the bank reconciliation

Administration

The trust finance team must ensure that bank statements are received regularly and that reconciliation is completed as a minimum on a fortnightly basis. Reconciliation procedures must ensure that:

- All bank accounts are reconciled to the trust's computerised cash book
- The Reconciliation report is countersigned by the CFO at the end of the month
- Any outstanding transactions are investigated as part of the month end reconciliation process

Petty cash is not to be held in any academy.

A separate school fund account is not to be held by academies, any school fund activities should form part of the academy budget.

Cash Flow Forecasts

The trust finance team is responsible for preparing up to date cash flow forecasts to ensure that the trust has sufficient funds available to pay for day to day operations. Any anticipated overdrawn balances must be reported to the CFO as a matter of urgency.

The cashflow forecast must be produced as part of the month end management accounts.

Charge card

The Trust recognises the benefits of charge cards as an alternative means of paying for goods and services. The advantages include reduced paperwork, reduced administration time and costs, opportunity to make online purchases and seek discounts from suppliers on the basis that they receive immediate payment.

Charge cards are particularly suitable for high volume, low value purchases, booking off site visits and for site staff to order building materials etc.

Key staff within each school will have a charge card. Annex C details holders and limits across the Trust.

Charge card expenditure should be entered on a spreadsheet. The spreadsheet will be input monthly to Xero and is then treated like a direct debit (see above). However, for individual

purchases over £100 made by non-budget holders, these should be processed as orders through ApprovalMax, using the supplier 'Lloyds Charge Card'.

Only the cardholder is to use the card for online purchases. Card details should not be stored on any website. Where considered appropriate by the head teacher, staff members may take the card out of school to purchase resources, following the completion of a purchase requisition. A signing in and out book must be completed and signed by the member of staff and countersigned by the card holder. The card must be kept in the school overnight and when not in use should be locked away.

Personal reward cards must not be used by staff members when using the charge card.

The charge card transactions must be reconciled on Xero on a monthly basis.

The charge card will be paid off in full monthly and payment is to be made by direct debit.

Cash withdrawals are not permitted.

YCAT FINANCE, RESOURCES, AUDIT AND RISK COMMITTEE (FRAR)**TERMS OF REFERENCE**

Membership: To consist of no fewer than three Trustees including the Chair or Vice Chair of Trustees and relevant members of the executive leadership team, specifically the CFO and other members of the finance staff as necessary.

The quorum is a minimum of three Trustees.

Meetings: One per term, at a minimum

Terms of Reference:

- To oversee the annual budget setting.
- To propose the annual budget to the Trustees and regularly report to the Trustees on all financial matters.
- To regularly monitor income and expenditure against budget. Including reporting of any significant budget amendments.
- To review and monitor all policies under the scope of the Finance, Resources and Audit Committee, as delegated from the Board of Trustees.
- To ensure compliance with the Finance Policy (consultation on awards of contracts over £50,000) Value for Money Statement and Academy Trust Handbook and ensure that academy financial control systems are robust.
- To ensure the Annual Report and Accounts are produced in accordance with the Academy Trust Handbook.
- To approve; opening and operation of academy bank accounts; authorised signatories; transfers between accounts; operation of credit cards; payment system controls including BACS.
- To review the annual report and accounts and recommend for approval to the Members and board of Trustees
- To approve improvement plans and actions relating to the finance and premises area.
- To ensure a strategic financial view of income, staffing, other expenditure and capital projects. To have a strategic view regarding forward planning of school finances through longer term financial plans and projections, including capital funding both for maintenance of existing facilities and for school improvement projects.
- To ensure that the school asset management plan is regularly updated and to monitor the progress of all facilities works, including ACMF projects.
- To review and approve all bought in service provision.
- To take approved reports to the Board of Trustees and report to the Trustees on any other matters of significance.

Audit Committee

The finance committee also acts as the Audit Committee for YCAT

Staff employed by the trust may attend the audit committee to provide information and participate in discussions, but should not be members of it, or vote when matters relating to audit are discussed. The overall requirements for the Audit Committee, as specified in the Academy Trust Handbook 2023, are as follows:

Internal scrutiny

- direct the Trust's programme of internal scrutiny
- ensure the risks are being addressed appropriately through internal security
- report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks

External audit

- 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.

In detail this is achieved through: -

The audit committee manages this programme of risk review and checking of financial controls in the way that they deem most appropriate to their circumstances. Options include: internal audit, additional work by the external auditor, the work of a 'responsible officer' and/or work by 'peer review'.

The adequacy of arrangements will be established as part of the process leading to the accounting officer's annual statement and, where appropriate, through the self-assessment review of financial management and governance, FMGS.

Effectiveness of financial control

- To review the effectiveness of financial and other control systems
- To oversee the academy's policy on fraud and irregularity
- To ensure that all significant losses have been properly investigated and reported as appropriate, including notification to the ESFA of losses through fraud or theft in excess of £5,000

- To ensure capture of all business and pecuniary interests of members, trustees and senior employees
- To oversee the academy's corporate governance arrangements including the code of practice for Board of Trustees members and code of conduct for senior staff
- To monitor the academy's arrangements to secure value for money

Risk management

To advise the Board of Trustees on risk management by:

- Being familiar with the requirements of risk management
- Ensuring appropriate audit work on risk management

Audit

- To consider and advise the Board of Trustees on the assessment of overall audit needs
- To advise the Board of Trustees on the appointment and remuneration of internal and external auditors and the scope of their work
- To guide the internal auditor on the nature and scope of the audit as necessary
- To consider and advise the Board of Trustees on external audit reports and management letters
- To appoint the peer review/internal auditor and set the overall scope of the checks
- To review reports from the peer review/internal assurance visits on the effectiveness of the financial procedures and controls

Other

- To receive and review relevant reports relating to audit
- To prepare an annual report for submission to the Board of Trustees on the work of the committee including an opinion on the effectiveness of the internal control system and the pursuit of value for money together with an assurance on risk management

SCHEME OF DELEGATION TO THE HEADTEACHER

The Headteacher shall have delegated power to undertake all functions delegated to the Governing Body relating to the funding agreement except that:

1. they shall comply with all policy directions given to them from time to time by the Trust;
2. they shall have the authority to expend all monies allocated to individual or specific items in the approved budgets without further reference to the Governing Body.

Where no such specific item exists in the budget they shall not enter into any financial commitment without the consent of the Governing Body or, in the case of an urgent matter, the Chair thereof;

3. the above delegation shall not apply in respect of the appointment of staff. It shall be for the Governing Body to determine, from time to time, the extent of the power of the Headteacher to deal with staffing matters;
4. the Headteacher shall submit to the Governing Body at least once each term, and on such further occasions as the Governing Body may specify, reports on all expenditure incurred and commitments entered into, together with details of any income generated, since the last such report to the Governing Body; this report to include a comparison of these latest figures with the budget for the year; these reports are prepared by the CFO who works alongside HT's to provide up to date information on actual income/expenditure to date and updated forecasts for the year
5. any proposal to incur expenditure on new or significantly different items/contracts is to be the subject of a report by the Headteacher to the Governing Body; the report to include details of cost in both the current and future years;
6. the Headteacher shall have the power to nominate the Deputy Headteacher or another named (senior) member of staff to exercise the powers of this delegation during any periods of absence; and
7. the Headteacher and any other person nominated under Regulation (8) above shall ensure that, at all times, the funding agreement and Academy Trust Handbook have been adhered to.

CHARGE CARD HOLDERS AND LIMITS

Name	Role	Limit
Jo Robinson	CEO	£1,500
Sian James	Bilton Grange Headteacher	£5,000
Sarah Beveridge	Leyburn Headteacher	£5,000
Janine Benson	Operations Manager	£5,000
Rachel Bentley	Business Manager- Askwith	£2,500
Steph Ellison	Administrator- Lothersdale	£2,000
Helen Gibson	Bilton Grange	£1,500
Elaine Nayler	Head Teacher Askwith	£5,000
Melanie Tyson	Head Teacher Lothersdale	£1,500
Dawn Alderson	Administrator – Hawes	£1,000
Sarah Johnson	CFO	£1,500
Andrea Caygill	Head of School – Hawes	£1,000
Rachel Walshaw	Administrator – Bradleys Both	£1,000
Barry Rogers	Headteacher – Bradleys Both	£5,000
OVERALL LIMIT		£20,000