Brontë Academy Trust

Great schools. Inspirational people. Strong foundations.

Bronte Academy Trust

Financial Procedures Policy

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STATEMENT OF INTENT

It is important for Bronte Academy Trust to demonstrate that we use public money appropriately. To ensure that the financial standing of the Trust cannot be brought into disrepute, this policy will be implemented by all academies within the Trust, guaranteeing consistency in financial procedures across the academies.

This policy applies to all employees in the Trust, Trustees and members, as well as services and goods sourced from external agencies, such as contractors and caterers.

The Trust takes its responsibility for handling public funds with the upmost importance and strives to continuously provide a high-quality education and safe learning environment, whilst having a strong financial standing.

1 LEGAL FRAMEWORK

This policy has due regard to statutory legislation, including, but not limited to, the following:

- Employment Relations Act 1999
- Companies Act 2006
- The Equality Act 2010
- The Education (School Teachers' Appraisal) (England) Regulations 2012 (as amended)
- UK General Data Protection Regulation (UK GDPR)
- Data Protection Act 2018
- DFE (2025) 'Academy Trust handbook 2025'
- DfE 'Related party transactions: information for academy Trusts'
- HM Treasury 'Guidance on Public Sector Exit Payments: Use of Special Severance Payments'

This policy operates in conjunction with the following Trust policies:

- Teachers' Pay Policy
- Charging and Remissions Policy
- Conflicts of Interest Policy
- Tendering and Procurement Policy
- Gifts, Hospitality and Anti-bribery Policy
- Data Protection Policy
- Anti-fraud and Corruption Policy
- Whistleblowing Policy
- Cyber-security Policy
- Cyber Response and Recovery Plan
- Declared Conflicts of Interests Register
- Articles of Association

2. ROLES AND RESPONSIBLITIES

The members are responsible for

- Appointing, by special resolution, new members or removing existing members
- Appointing Trustees in line with the Trust's Articles of Association
- Where necessary, by special resolution, issuing direction to the Trustees to take a specific action
- Approving the Trust's auditors and receiving (but not signing) the Trust's audited annual accounts
- Conduction the business of the Trust in accordance with company and charity law and adhering the Trust's funding agreement with the Secretary of State

Members will not be employees of the Trust or occupy staff establishment roles on an unpaid voluntary basis. The Trust will ensure that members are not currently subject to a section 128 direction and will not appoint anyone as a member if they are currently subject to a section 128 direction.

The board of Trustees is responsible for:

- Applying the highest standards of conduct and governance and taking full ownership of their duties
- Ensuring the board meets at least three times a year, and conducts business only when quorate
- Approving a written scheme of delegation of financial powers

- Identifying the skills and experience it needs, including sufficient financial knowledge to hold the CFO to account
- Managing conflicts of interest and related party transactions
- Approving a balanced budget for the financial year and minuting the approval
- Ensuring decisions about executive pay follow a robust evidence-based process reflecting the individual's role and responsibilities and that the approach to pay is transparent, proportionate and justifiable
- Appointing an audit and risk committee to advise on the adequacy of the Trust's controls and risks
- Submitting audited accounts to the DfE by 31st December
- Ensuring an appropriate, reasonable and timely response is given to findings by auditors

Any newly appointed senior executive leader can only be a Trustee if the members decide to appoint them as such, the senior executive officer (CEO) agrees and the Articles of Association permit it.

The board of Trustees will appoint a CEO who may be appointed as a Trustee – this will be the chief executive or equivalent. The board will also appoint a named individual as the Trust's accounting officer – this will the CEO. The roles of CEO and accounting officer will not rotate. The role of the accounting officer will also not be held by the same individual as the CFO.

When the CEO is planning to leave the Trust, the board of Trustees will approach the Trust's Regional Director in advance to discuss the Trust's structure and options, including plans for recruitment.

The CEO is responsible for:

- The Trust's financial affairs
- Sharing the DfE's 'Letter to academy Trust accounting officers' letter with the members, Trustees, the CFO and other relevant stakeholders, arranging for it to be discussed by the board of Trustees and taking action, where appropriate, to strengthen the Trust's financial systems and controls
- Achieving value for money and the best possible educational outcomes through the economic, efficient and effective use of resources
- Ensuring regularity when dealing with items of income and expenditure in accordance with legislation, the terms of the Trust's funding agreement and the 'Academy Trust handbook' (ATH), and with the Trust's internal procedures
- Ensuring propriety with regards to expenditure and receipts, including standards of conduct, behaviour and corporate governance
- Completing and signing a statement of regularity, propriety and compliance each year and submitting this to the DfE with the audited accounts
- Keeping full and accurate financial records
- The management of opportunities and risks
- Assuring the board of Trustees that the Trust is compliant with the ATH and the funding agreement
- Informing the board of Trustees, in writing of any action or policy under consideration that is incompatible with the terms of the Articles of Association, funding agreement or the ATH
- Informing the DfE, in writing, where they have advised the board of Trustees that they are in breach of the Articles of Association, funding agreement or ATH but the board has continued with their actions

The CFO is responsible for:

- Acting as the principal finance officer for the Trust
- Ensuring that the Trust's financial position is managed at a strategic level within the framework for financial control determined by the board of Trustees

- Ensuring that all financial matters focus on the wider needs of the Trust, rather than on any individual academy
- Working with internal auditors to provide assurance to the audit and risk committee and board of Trustees
- Ensuring the annual accounts are properly presented and adequately supported by the underling books and records of the Trust
- Challenging finance staff to ensure that value for money is routinely obtained
- Ensuring effective financial policies are in place across the Trust
- Liaising with the headteacher and office managers from each academy regarding financial matters
- Maintaining CPD and undertaking relevant ongoing training

The Trust's audit and risk committee are responsible for:

[Trusts with an annual income over £50 million must have a dedicated audit and risk committee. Other Trusts must either have a dedicated audit and risk committee or can combine it with another committee, such as finance]

- Directing the Trust's programme of internal scrutiny and reporting to the board on the adequacy of the Trust's financial and other controls and management of risks
- Ensuring that risks are being addressed appropriately through internal scrutiny
- Reviewing the annual report and accounts
- Reviewing the external auditor's findings and actions taken by the CFO in response to those findings
- Assessing 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

The LGB is responsible for:

- Ensuring that any grants are used for the purpose intended
- Approving recommendations from their schools headteacher in relation to the appointment, pay and contractual terms of members of staff other than member of the SLT

The board of Trustees will appoint a governance professional to support the board of Trustees who is someone other than a Trustee, headteacher, CEO, COO or CFO. The governance professional is responsible for ensuring the efficient functioning of the board of Trustees by providing:

- Administrative and organisational support
- Guidance to ensure that board works in compliance with the appropriate legal and regulatory framework and understands the potential consequences of non-compliance
- Independent advice on procedural matters relating to the operation of the board
- Administrative and organisational support

The DfE will be informed within 14 calendar days if the Trust appoints or terminates the contract of:

- An accounting officer or CFO, including their contact information
- A chair of Trustees, including their contact information

3. FINANCIAL OVERSIGHT

The Trust takes full responsibility for its financial affairs, stewardship of assets and use of resources to maximise pupils' outcomes.

The board of Trustees meets at least three times a year and as required in order to discharge responsibilities.

The audit and risk committee will meet at least three times a year.

The board of Trustees does not delegate overall responsibility for the Trust's funds. The board of Trustees approves a written scheme of delegation of financial powers that maintains robust internal controls. This scheme of delegation is reviewed annually, and immediately when there has been a change in the Trust's management or organisational structure.

The board of Trustees will delegate financial scrutiny and oversight to the finance committee, which can support the board in maintaining the Trust as a going concern.

4 BUDGET SETTING

Those responsible for finance will ensure rigour and scrutiny in budget management. The board of Trustees will approve and minute its approval of a balanced budget, and any significant changes to it, for the financial year to 31 August.

The budget is a working document which may need revising throughout the year as circumstances change. Any significant revision will be reported to the audit committee, as well as The Trust

The budget planning process follows an annual planning cycle and consists of the following four phases:

- Planning
- Budget setting
- Monitoring
- Review

The budget process takes the following elements into account:

- Forecasts of likely pupil numbers to estimate the amount of DfE grant available
- Review of other income sources
- Review of past performance against budgets
- Identification of potential efficiency and budget containment actions
- An annual review of expenditure headings to reflect known changes and expected variations in costs, such as pay increases, inflation or other anticipated changes

When reviewing and approving budgets for the Trust, the board of Trustees ensures the following:

- That budget forecasts, for the current year and beyond, are compiled accurately based on realistic assumptions and are reflective of lessons learned from previous years
- That pupil number estimates are challenged and that these underpin revenue projections, and review these on a termly basis

Each academy within the Trust will have an independent budget which will be managed by the CFO alongside the headteacher.

A balanced budget for the forthcoming financial year will be approved by the board of Trustees, and this approval will be minuted. The annual budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources will be utilised, establishing clear links to support the objectives identified in school development plans.

The board of Trustees will take a longer-term view of the Trust's financial plans consistent with the requirement to submit three-year budget forecasts to the DfE.

The CFO will notify the DfE, via the customer help portal, within 14 calendar days of any meeting at which it proposes to set a revenue deficit budget for the current financial year that cannot be addressed through the use of unspent funds carried forward from previous years. The board recognises that setting such a budget would be non-compliant with both the funding agreement and the Academy Trust Handbook.

5 BUDGET MANAGEMENT AND MONITORING

To implement a smooth-running planning process, the CFO will create a create a budget timetable which outlines important dates, such as when information will be collected, including salary information and estimated budget allocation

The SBMs or equivalent is responsible for monitoring income and expenditure in their academy throughout the year. Any potential overspend against the budget will be discussed with the CFO before receiving approval.

A three-year budget forecast will be prepared when the budget for the current financial year is being set.

The CFO will prepare monthly management accounts, setting out the Trust's financial performance and position and including an income and expenditure account, variation to budget report, cash flow information and balance sheet. The accounts will be shared on the Google Drive with Trustees every month.

The board of Trustees will consider the management accounts when it meets and will ensure appropriate action is being taken to maintain financial viability. The board of Trustees will select key financial performance indicators and measure its budgetary performance against these regularly.

The monitoring process will be effective and timely in highlighting variances in the budget so that differences can be investigated, and action taken where appropriate. The audit and risk committee will continually monitor the quality of the financial information presented to them to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative.

The CFO will submit a budget forecast return (BFR) to the DfE each August. The Trust's budget forecast return outturn information will be included in the budget forecast return.

The returns will be approved by the board of Trustees before submission to the DfE.

Where the board of Trustees has concerns about the Trust's financial performance, it will act quickly to ensure the Trust has adequate financial sills in place and consider whether additional financial reporting is required.

6 CASH MANAGEMENT

The Trust has robust procedures in place to manage its cash position and will avoid becoming overdrawn on any of its bank accounts so that it does not breach restrictions on borrowing.

The CFO will prepare cash flow forecasts to ensure that the Trust has sufficient funds available to cover day-to-day operations. The office managers will record all transactions for their academy and the CFO will record transactions for the Trust. When producing cash flow forecasts, if significant balances can be foreseen, steps will be taken to invest the surplus funds.

Debit cards linked to a Trust bank account are issued to personnel under the scheme of delegation to pay for goods and services when the normal ordering processes are not possible. The procurement of goods and services using debit cards will be kept to a minimum and monitored by the Trust's CFO. Payment via debit or credit card requires the same authorisation as that of invoices.

7 PURCHASING, PROCUREMENT AND RETURNS

Full details of the Trust's procurement processes are outlined in the Tendering and Procurement Policy.

The Trust will ensure:

- Spending has been for the purpose intended and there is probity in the use of public funds, including in relation to any actual or perceived conflicts of interest
- Spending decisions represent value for money
- Internal delegation levels exist and are applied
- Professional advice is obtained where appropriate
- Appropriate due diligence is in place

All academies within the Trust will act in accordance with the Trust's Tendering and Procurement Policy, and comply with the procurement rules and thresholds in The Public Contracts Regulations 2015 and Find a Tender service.

8 INCOME AND EXPENDITURE

The CFO monitors the receipt of grants, ensuring that all grants due to the academies within the Trust are appropriately collected.

The Trust collects income from parents via a number of methods including, but not limited to, the following:

- Trips and residential visits
- Book bags and uniforms
- Additional nursery places
- Breakfast and afterschool club lettings
- Reimbursements from various parties and activities
- Lettings

There are two main areas of expenditure:

- **Salaries** – this forms the largest element of expenditure. The Trust follows PactHR policy and procedures in regards to incremental progression and pay review recommendations
- **Premises maintenance** – a combination of maintenance surveys and historical costs will form the basis for planned maintenance. The CFO will incorporate an allowance for unexpected contingencies, as well as for any small new works, which may be proposed in-year.

Each office manager is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. Reconciliations will be prepared promptly following the banking of money and will be reviewed and certified by the CFO.

The Trust funds will not be used to purchase alcohol for consumption, except where it is to be used in religious services.

9 INVESTMENTS

Where the board of Trustees wishes to make investments to further the Trust's charitable aims it will ensure that investment risks are properly managed. When considering an investment, the board will:

- Act within its powers to invest as set out in the Articles of Association
- Act in line with the Trust's Reserves and Investment Policy and review this policy on a regular basis
- Ensure value for money
- Take advice from professional advisers where appropriate
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- Ensure investment decisions are in the best interests of the Trust

Prior approval will be sought from the DfE before all investment transactions that are novel, contentious and/or repercussive, regardless of value.

10 BORROWING AND DEBT

Prior approval will be obtained from the DfE before borrowing from any source, where such borrowing will be repaid from grant monies or secured on assets funded by grant monies.

Credit cards will only be used for business expenditure. Payment via credit card requires the same authorisation as that of invoices. Credit card balances will be cleared before any interest accrues.

The Trust will disclose aggregate figures for transactions of any amount and separate disclosure for individual transactions above £5,000 in its audited accounts for writing off debts and losses, as well as guarantees, letters of comfort and indemnities.

The CFO will contact individuals of any outstanding debts owed after 30 days of the notification of payment, e.g. an invoice being sent. The CFO will issue payment reminders to any non-payments at the following intervals.

- 4 weeks from the invoice being sent – first reminder
- 6 weeks from the invoice being sent – second reminder
- 10 weeks from the invoice being sent – final reminder

If after the final reminder is sent, payment is not received in full, the CFO will send a letter informing the individuals that if the Trust does not receive payment within 14 days, they will refer the matter to a small claims court.

Debts will not be written off without the express approval from the board of Trustees. The CFO will also obtain prior approval from the DfE where it wishes to write off debts and losses, enter into guarantees or letters of comfort, and/or indemnities which are not in the normal course of business, where the following delegated limits apply.

- 1 percent of total annual income of £45,000 (whichever is smaller) per single transaction
- Cumulatively, 5 percent of total annual income in any financial year per category

The CFO will keep accurate records of the debt process, including:

- Logging invoices and receipts on the Trust's accounting system
- Keeping any emails pertaining to debt collection for three months after the payment has been made
- Keeping emails of payment notifications, ensuring each email clearly states the number of the reminder and the date it was sent

11 FIXED ASSETS

The Trust will obtain prior approval from the DfE for the following transaction:

- Acquiring a freehold of land or buildings
- Disposing of a freehold of land or buildings
- Disposing of heritage assets, as defined in financial reporting standards, beyond any limits in the Trust's funding agreement for the disposal of assets generally

Other than the transactions outlined above, the Trust does not need the DfE's approval to dispose of any other fixed assets.

Any disposal will maintain the principles of value for money, regularity and propriety.

The board of Trustees will refer to the DfE's 'Good estate management for schools' guidance to help them to manage capital assets and budgets.

12 LEASING

For the purpose of this policy, there are two types of leases:

- Finance lease – a form of borrowing
- Operating leases – not a form of borrowing

The Trust will obtain prior approval from the DfE for the following lease transactions

- Taking up a finance lease on any class of asset not on the DfE approved list in Changes to leasing agreements for academy Trusts for any duration from another party
- Taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven years or more
- Granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party

Any lease will maintain the principles of value for money, regularity and propriety. Advice will be sought from the Trust's external auditor if there is any doubt over whether a lease involves borrowing.

13 GIFTS

The Gifts, Hospitality and Anti-bribery Policy sets out the Trust's procedures relating to the acceptance of gifts, hospitality, awards, prizes and any other benefit that might be seen to compromise the judgement or integrity of the Trust.

The value of any gifts will be reasonable and within the limits set out in the Gifts, Hospitality and Anti-bribery Policy.

The decision to make gifts will be documented and have regard to propriety and regularity in the use of public funds.

14 RELATED PARTY TRANSACTION

All academies within the Trust will act in accordance with the Conflicts of Interest Policy.

The Trust will be even-handed in their relationships with related parties by ensuring:

- Compliance with their statutory duties to avoid conflicts of interest, benefits are not accepted from third parties, and interests in proposed transactions or arrangements are declared
- A Declared Conflicts of Interest Register has been completed
- No member of the Trust uses their connection to the Trust for personal gain
- All payments are permitted by the Articles of Association or by authority from the Charity Commission
- The Charity Commission approves payments to a Trustee where there is a significant advantage to the academy
- Any payment provided to the persons referred to in the 'At-cost requirements' section of the policy satisfies the 'at cost' requirements

The CFO will ensure procedures pertaining to related party transaction are applied across the Trust. The CFO and accounting officer will manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with 'The Seven Principles of Public Life'

The chair of Trustees and the accounting officer will ensure their capacity to control and influence does not conflict with requirements.

The Trust recognises that some relationships with related parties may attract greater public scrutiny, such as the following:

- Transactions with individuals in a position of control and influence, including the chair of Trustees and the accounting officer
- Payments to organisations with a profit motive, as opposed to those in the public or voluntary sectors
- Relationships with external auditors beyond their duty to deliver a statutory audit

The CFO will keep up to date records and make sufficient disclosures in their annual accounts to show accordance with the high standards of accountability and transparency required within the public sector.

The CFO will report all related party transactions made to the DfE in advance of the transaction taking place. The Trust will obtain prior approval from the DfE for related transactions that are novel, contentious

and / or repercussive, regardless of value, using DfE's related party online form. For the purpose of reporting to, and approval by, the DfE, related party transactions do not include salaries and other payments made by the Trust to a person under a contract of employment through the Trust's payroll.

The Trust will obtain approval from the DfE for the supply of goods or services to the Trust by a related party agreed on or after 1 September 2023, where any of the following limits apply:

- The contract or other agreement exceeds £40,000
- The contract or other agreement of any value would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £40,000 in the same financial year ending 31 August.

Approval will not be required where contracts and other agreements for the supply of goods or services to the Trust are with colleges, universities and schools which are sponsors of the Trust, and other state funded schools and colleges, including academies. This concession will not apply to transactions with a subsidiary of such a related party.

Declared Conflicts of Interest Register

All business and pecuniary interests will be recorded on the Declared Conflicts of Interest Register, including:

- Directorships, partnerships and employments with businesses
- Trusteeships and governorships at other educational institutions and charities
- For each interest: the name of the business, the nature of the business, the nature of the interest and the date the interest began

The Declared Conflicts of Interest Register will identify any relevant material interests from close family relationships between the Trust's members, Trustees or local governors. Relevant material interests arising from close family relationships between these individuals and employees will also be identified.

The Declared Conflicts of Interest Register will be kept up to date at all times and amended when any new interests are declared.

The relevant business and pecuniary interests of members, Trustees, local governors, CFO and CEO will be published on the Trust's website.

'At cost' requirements

The Trust will not pay more than 'cost' for goods or services provided by the following:

- Any member of Trustee of the Trust
- Any individual or organisation related to a member or Trustee of the Trust, namely:
  A relative of a member or Trustee; defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner.
  An individual or organisation conducting business in partnership with the member, Trustee or a relative of the member or Trustee.
  A company in which a member or the relative of a member (taken separately or together), and/or a Trustee or the relative of a Trustee (taken separately or together), holds more than 20 percent of the share capital or is entitled to exercise more than 20 percent of the voting power at any general meeting of that company.

An organisation which is controlled by a member or the relative of a member (acting separately or together), and/or a Trustee or the relative of a Trustee (acting separately or together) – an organisation is controlled by an individual or organisation if that individual or organisation is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes

- Any individual or organisation given the right under the Trust's Articles of Association to appoint a member of Trustee of the Trust, or anybody connected to the individual or organisation
- Any individual or organisation recognised by the Secretary of State as a sponsor of the Trust, or anybody connected to the individual or organisation

A body is connected to an individual or organisation if it is controlled by the individual or organisation, controls the organisation, or is under common control with the individual or organisation, namely any of the following:

- Holding a greater than 20 percent capital share or equivalent interest
- Having the equivalent right to control management decisions of the body
- Having the right to appoint or remove a majority of the board of governing body

'At cost' requirements do not apply to the Trust's employees unless they are employed by of the of the parties outlined in this section. 'At cost' requirements apply to contracts for goods and services from a related party exceeding £2,500, cumulatively, in any one financial year. Where a contract takes the Trust's cumulative annual total with the related party beyond £2,500, the element above £2,500 must be at no more than cost.

If any of the parties outlined in this section are based in, or work from, the Trust's premises the Trust will agree an appropriate sum to be paid to the Trust for use of the premises, unless the party is conducting work on behalf of the Trust.

'At cost' requirements apply to legal advice or audit services when the organisation's partner directly managing the service is a member or Trustee of the Trust, but not in other cases.

The Trust will ensure that any agreement with an individual or organisation referred to in this section is procured through an open and fair process and is:

- Supported by a statement of assurance from the individual or organisation to the Trust confirming their charges do not exceed the cost of the goods or services
- On the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply

The cost will be the full cost of all the resources used in supplying the goods or services and will not include any profit. Full costs include:

- All direct costs – the costs of any materials and labour used directly in producing the goods or services
- Indirect costs – a proportionate and reasonable share of fixed and variable overheads

15 PAYROLL

Each academy within the Trust will act in accordance with the Teachers' Pay Policy and Supply Staff Pay Policy.

All payroll transactions relating to Trust staff, permanent or casual, will be processed through the payroll system. Payments for employment will not be made through any other mechanism.

Each academy within the Trust will act in accordance with PactHR Pay Policy.

The main elements of the payroll system include staff appointments, payroll administration and payments. Payroll is notified of any staff absence using the absence recording system.

The headteacher and office manager are responsible are ensuring that:

- Payments are made only to bona fide employees
- Payments are in accordance with individual's conditions of employment
- Deductions, including income tax, national insurance and pensions, are properly administered
- Payments are made only in respect of services provided to the academy
- Amendments to the payroll are properly processed

The office manager, in collaboration with the admin officer, is responsible for keeping the staff personnel database up to date via the designated recording system. This will include the following information about staff members:

- Salary
- Bank account details
- Taxation status
- Personal details
- Any deductions or allowances payable

Payroll is continuously monitored and reviewed by the CFO to ensure any changes have been implemented correctly and the information is up to date.

Executive Pay

The board of Trustees will ensure that executive pay (including salary and any other benefits) follow robust evidence passed process and are a reasonable effectively, ensuring its approach to pay and benefits is transparent, proportionate and justifiable, including:

- **Process** – that the procedure for determining executive pay and benefits is agreed by the board in advance and documented. The board ensures that both pay and benefits are kept proportionate
- **Independence** – decisions about executive pay and benefits reflect independent and objective scrutiny by the board and conflicts of interest are avoided
- **Robust decision making** – factors in determining pay and benefits are clear, including whether educational and financial performance considerations, and the degree of challenge in the role, have been considered
- **Proportionality** – pay and benefits represent good value for money and are defensible relative to the public sector market
- **Commercial interests** – the board is sighted on broader business interests held by senior executives, and is satisfied that any payments made by the Trust to executives in relation to such interests do not undermine the transparency requirements for disclosing pay in accordance with the Academies Accounts Direction
- **Documentation** – the rationale behind the decision-making process, including whether the level of pay and benefits reflects value for money, is recorded and retained
- A basic presumption that executive pay and benefits should not increase at a faster rate than that of teachers, in individual years and over the longer term.

- Understanding that inappropriate pay and benefits can be challenged by the DfE, particularly in any instance of poor financial management of the Trust.

The Trust publishes on its website, in a separately readily accessible form, the number of employees whose benefits exceeded £100,000, in £10,000 bandings for the previous year ended 31 August. Benefits for this purpose include salary, the Trust's pension contributions, other taxable benefits and termination payments., but not the Trust's own pension costs. For employees who are Trustees, their salary and other benefits will also be disclosed in £5,000 banding in the Trust's financial statements.

Where the Trust has entered into an off-payroll arrangements with someone who is not an employee, the amount paid by the Trust for that person's work will also be included in the website disclosure where payment exceeds £100,000, as if they were an employee.

Electric Vehicle (EV) salary sacrifice schemes will not require DFE approval where no liability falls on the Trust if an employee does not fulfil their contractual obligations with the scheme provider, or where the Trust is under a Notice to Improve (NtI), prior DFE approval will be sought.

16 CHARGING AND REMISSIONS

The Trust board is responsible for creating a Charging and Remissions Policy. Each academy will act in accordance with the Trust's Charging and Remissions Policy at all times.

Charging is permitted for education provided out of school hours, unless it is within the requirements of the national curriculum or to fulfil statutory duties relating to RE.

The Trust may charge parents for the cost to replace items broken, damaged or lost if it is due to pupil behaviour. Payments for activities will be processed and recorded by the office manager. The office manager is responsible for ensuring that the correct invoices are sent to parents, and that payment is received.

The audit and risk committee will review the Charging and Remissions Policy annually, seeking advice from the CFO where necessary.

17 VAT PROCEDURES

The Trust, and the academies within it, are not VAT registered but they are entitled to reclaim VAT on qualifying purposes through a monthly VAT return. Under legislation, VAT claims can be made on expenditure which supports the Trust's core business purposes.

A report is run for each of the academies within the Trust by the CFO, to provide the data necessary for the completion of the VAT reclaim form. VAT is reclaimed monthly. Only one return for the Trust is required by HMRC; however, individual academies are required to produce their own return.

The Trust is eligible to reclaim most of the VAT it pays on invoices from HMRC. Any invoices for which VAT cannot be reclaimed, as the purchases were for business activity, are identified and deleted.

Where invoices relate partly to business activity and partly to non-business activity, only the proportion of the VAT relating to the non-business activity will be reclaimed.

The Trust will not recoup the VAT element of journeys in the UK or abroad which are identified in invoices unless the Trust is making substantial and direct cash subsidies for each pupil.

Reclaimed VAT will not be debited to the individual academies, but to the VAT control account of the Trust.

On receipt of the reclaimed VAT from HMRC, the CFO will review the remittance, confirm whether this equals the claim made and sign the remittance to confirm this agreement

18 RISK MANAGEMENT

The Trust will maintain a risk register and manage risks to ensure its effective operation, including contingency and business continuity planning. Risk management covers the full operations and activities of the Trust, not only financial risks.

The board of Trustees will take overall responsibility for risk management, including ultimate oversight of the risk register, while drawing on advice provided to it by the audit and risk committee. The board of Trustees will review the risk register at least annually.

The Trust will have adequate insurance cover in compliance with its legal obligations or will become a member of the academies risk protection arrangement.

19 SPECIAL PAYMENTS

Certain transactions by the Trust may fall outside of the usual planned range of activity and may exceed statutory and contractual obligations. The Trust will treat such transactions as special payments.

For the purpose of this policy, special payments include:

- Staff severance payments.
- Compensation payments.
- Other types of special payment, including ex gratia payments

Where the Trust considers making a staff severance payment above statutory or contractual entitlements, the following factors will be considered prior to making the commitment:

- The proposed payment is in the interest of the Trust
- The payment is justified, based on legal assessment of the chances the Trust will successfully defend the case at employment tribunal
- The level of settlement is less than the legal assessment of what the relevant body will award

The Trust will not make severance payments where the money could be interpreted as a reward for failure, e.g. gross misconduct or poor performance; the only instance in which the Trust may offer severance payments in the event of gross misconduct would be where the claimant would be likely to succeed in an employment tribunal because of procedural or legal errors. In the case of poor performance, the cost of a severance payment will be considered against the time and cost of taking the individual through performance management and capability procedures.

Where the Trust is considering a severance payment equal to or greater than £50,000, the Trust will seek prior approval from the DfE. The DfE will refer the transaction to HM Treasury so the Trust will allow sufficient time for this to be considered. Value for money will be shown for all severance payments.

The Trust will also obtain prior approval from the DfE before making a special staff severance payment where:

- An exit package which includes a special severance payment is at, or above, £100,000.

- The employee earns over £150,000.
- A payment is novel, contentious or repercussive

Compensation payments will take account of the facts of the matter ensuring value for money is achieved. For compensation equal to or greater than £50,000, prior approval from the DfE will be sought. Ex gratia payments will always be referred to the DfE for approval.

The Trust will consider whether cases reveal concerns pertaining to the effectiveness of internal control.

20 ANNUAL ACCOUNTS

The Trust will maintain accounting records and prepare an annual report and audited accounts in line with the Charity Commission's Statement of Recommended Practice and the DfE's 'Academies Accounts Direction'.

The audited accounts will be:

- Submitted to the DfE by 31 December each year.
- Published on the Trust's website by 31 January.
- Filed with Companies House in accordance with company law requirements, usually by 31 May.
- Provided to every member (under the Companies Act).
- Provided to anyone who requests a copy.

All copies of the accounting audit will be stored and filed securely, in line with the Trust's Data Protection Policy.

21 AUDITING

The Trust will follow a tiered approach to internal control, risk management and assurance processes comprising:

- Clearly communicated procedures, structures and training of staff.
- Appropriate day-to-day supervision and checks by management.
- Internal scrutiny overseen by an audit and risk committee.
- External audit and assurance.

The control framework will:

- Ensure delegated financial authorities are complied with
- Maintain appropriate segregation of duties
- Co-ordinate the planning and budgeting process
- Apply discipline in financial management, including managing debtors, creditors, cash flow and monthly bank reconciliations
- Plan and oversee capital projects, including those relating to estate safety
- Manage and oversee assets and maintain a fixed asset register
- Ensure regularity, propriety and value for money in the organisation's activities
- Ensure a risk register is maintained and reviewed by the Trust, drawing on advice provided to it by the audit and risk committee
- Reduce the risk of fraud and theft
- Deliver independent checking of controls, systems, transactions and risk

Internal scrutiny

Internal scrutiny will be conducted within the Trust and directed by the audit and risk committee, alongside the work of an external auditor, to provide independent assurance to the board that its financial and other controls, and risk management procedures, are operating effectively.

Internal scrutiny will focus on:

- Evaluating the suitability of, and level of compliance with, financial and non-financial controls, including assessing whether procedures are designed effectively and efficiently, and checking transactions to confirm whether agreed procedures have been followed.
- Offering advice and insight to the board on how to address weaknesses in financial and non-financial controls.
- Ensuring all categories of risk are being adequately identified, reported and managed.

The programme of internal scrutiny will be covered by a scheme of work, driven and agreed by the audit and risk committee, and informed by risk. The programme of work will be spread appropriately over the year to ensure higher risk areas are reviewed in good time.

With reference to its risk register, the Trust will identify on a risk basis the areas it will review each year and modify its checks accordingly.

Internal scrutiny will take account of output from other assurance providers to inform the programme of work. Independence in internal scrutiny will be achieved by establishing appropriate reporting lines whereby those carrying out checks report directly to a committee of the board.

The Trust will confirm, in its governance statement, the method(s) it uses for internal scrutiny and why these are used.

The Trust may also use other individuals or organisations where specialist non-financial knowledge is required. Where this is done, the Trust will reflect the individual's or organisation's findings, recommendations and conclusions as part of the summary document submitted to the DfE.

Findings arising from internal scrutiny will be used to inform the accounting officer's statement of regularity in the annual accounts.

Regular reports of the programme of work will be provided at each audit and risk committee meeting, including recommendations to enhance financial and other controls and risk management.

The Trust will submit its annual summary report of the areas reviewed, key findings, recommendations and conclusions to the DfE by 31 December each year when it submits its audited annual accounts. If requested, the Trust will also provide any other internal scrutiny reports.

External auditing

The Trust will appoint an external auditor to give an opinion on whether its annual accounts present a true and fair view of the Trust's financial performance and position.

The contract with the external auditor will be in writing and be accompanied by a letter of engagement that only covers the details of the external audit including the requirements of the DfE. The letter of engagement will also include details of the removal of external auditors, before the expiry of the term of

office, in exceptional circumstances. There will be a separate letter of engagement for additional services beyond the prescribed audit.

The board of Trustees will notify the DfE immediately of the removal or resignation of the auditors.

The accounting officer will produce a statement on regularity, propriety and compliance and this will be included in the Trust's annual accounts. The statement on regularity, propriety and compliance will include a responsibility to ensure that:

- There is efficient and effective use of resources in their charge.
- Public money is spent for the purposes intended by parliament.
- Appropriate standards of conduct, behaviour and corporate governance are maintained when applying the funds under their control.

The Trust will respond promptly, reasonably and appropriately to any findings by the auditors.

22 RECORD KEEPING

All financial transactions of the Trust are recorded including, but not limited to, the following:

- Purchases and tenders
- Returns
- Payroll
- Cash flow
- Income and expenditures
- VAT returns

The CFO is responsible for keeping up-to-date records of the Trust's financial state. The office manager is responsible for keeping up-to-date records in relation to the finances of their academy.

Records will include the following information:

- Income and expenditure; identifying which transactions were cheques and which were cash payments
- The income and expenditure for each activity, with the activity recorded as a budget heading
- A balance sheet which identifies total income, expenditure and the balance for each budget heading
- The total income and expenditure for the year
- The balance and carry forward from the previous year
- Identified profit and loss – any causing concern is investigated

Each academy has its own set of financial records for day-to-day operational purposes and budget management.

A record will be kept of all the monies kept on the premises prior to banking, as well as the amount which is kept as petty cash. All financial records will be kept securely in each academy's safe.

Third party access rights

The DfE or its agents may carry out audits and investigations at the Trust. The Trust will provide the DfE with access to all books, records, information, explanations assets, premises and staff, and the DfE may take copies of relevant documents.

Where the DFE has concerns about financial management and/or governance at the Trust, it may wish to obtain from third parties' information or documentation about the Trust which the DFE considers relevant for the purposes of its investigation. The Trust will provide the DFE with written authority giving permission for any third party to provide such information to the DFE or its agents.

23 NOTICES TO IMPROVE

To reflect the broader scope of how the DfE intervenes in governance issues, Financial Notices to improve are not called Notices to improve. This section has been updated to reflect this name change.

Where the DFE has concerns about the Trust's financial management and/or governance, and has issued a Notice to Improve (NtI), the Trust will comply with this notice.

The DFE will notify the Trust of the date of which it published the NtI.

The Trust will publish any NtI issued by the DFE on its website within 14 days of it being issued, and retain this on the website until it is lifted by the DFE. If a NtI is issued, the Trust will seek prior approval from the DFE for all transactions outlined in section 19 specifically:

- Special staff severance payments.
- Compensation payments.
- Writing off debts and losses.
- Entering into guarantees, indemnities or letters of comfort.
- Disposals of fixed assets beyond any limit in the funding agreement.
- Taking up a leasehold or tenancy agreement on land or buildings of a duration beyond any limit in the funding agreement.
- Carrying forward of unspent general annual grant (GAG) from one year to the next beyond any limit in the funding agreement.
- Pooling of GAG.

Where required, the Trust will seek prior approval from the DFE before entering into transactions with related parties. The Trust will submit additional information, such as monthly income and expenditure accounts, if required by the DFE.

24 WHISTLEBLOWING AND FRAUD

The Trust puts proportionate controls in place to mitigate the risks of fraud, theft and irregularity, e.g. regular inspections addressing risks, and implements an Anti-Fraud and Corruption Policy.

Where instances of fraud, theft or irregularity are suspected or identified the board of Trustees will investigate it promptly and should any evidence of fraud be found, they will take appropriate action.
In any instance of fraud, theft or irregularity whereby the amount defrauded comes to a total exceeding £5,000 in a financial year, the board of Trustees will report it to the DFE as soon as they become aware of it.

When reporting to the DFE on instances of fraud, theft or irregularity, the academy will include the following information:

- Full details of the event(s) with all key dates
- The financial value of the loss
- The measures taken by the Trust to prevent recurrence
- Whether the matter was referred to the police and if not, the reasons why

- Whether the insurance or the risk protection agreement have offset any loss

If a member of staff suspects their colleagues are involving them in matters of fraud, they have a duty, as an employee of the Trust, to raise suspicions to a member of their SLT. Reports of fraud will be treated in a fair and unbiased manner.

If the report of fraud is against a member of the SLT, the member of staff can go directly to the chair of Trustees.

The CFO will be responsible for the initial enquiries of fraud, theft or irregularity – they will then pass on their findings to the board of Trustees for further inspection.

Upon receiving the CFO's initial findings, the board of Trustees will:

- Determine whether further investigation is warranted.
- Determine the initial response to the alleged perpetrator when this is a member of school staff.
- Determine who will carry out the investigation.
- Determine which outside agencies will be involved.
- Assess the risk of the fraud and the perpetrator to the academy.
- Determine to whom day-to-day management of the response will be given.
- Allocate responsibility for damage limitation action.
- Determine the course of action to recover losses.
- Determine the course of action to be taken against the perpetrator.
- Evaluate the events which enabled the fraud to occur.
- Ensure preventative action is taken to prevent recurrence.
- Report to the DFE any instances of fraud, theft or irregularity exceeding £5,000 individually, or £5,000 cumulatively in the financial year.

The Trust's Whistleblowing Policy outlines the procedures to follow in the event of a report being made by a member of staff, as well as the appeals process and what can be done in the event of a whistle-blower being treated unfairly.

The head of school will ensure all their staff are aware of the Whistleblowing Policy, ensuring that they understand the process of reporting a concern and what they can expect once they have brought a concern to the attention of the academy.

All concerns raised by whistle-blowers are responded to properly and fairly in line with the Whistleblowing Policy.

The Trust's Whistleblowing Policy is published on the Trust's website.

25 CYBER-CRIME

The Trust is aware of the risk of cyber-crime and will implement its Cyber-security Policy across the Trust.

Proportionate controls will be put in place to manage risks and appropriate action will be taken where a cyber-security incident has occurred.

The Trust will obtain permission from the DFE to pay any cyber-ransom demands and understands that the DFE supports the National Crime Agency's recommendation not to encourage, endorse or condone the payment of ransom demands.

26 MONITORING AND REVIEW

This policy will be reviewed on an annual basis, or when new legislation/guidance regarding the subject is published, by the audit and risk committee and the accounting officer.

The CFO will review and monitor all financial records continuously throughout the year. The office manager will review and monitor each academy's financial records, raising any concerns with the CFO.

Declaration of Responsibility
This MAT Financial Procedures Policy was reviewed and formally adopted by Bronte Academy Trust on

.....14 July 2026.....Date



.....Signed Chair of Trustees



.....Signed Chief Executive Officer