An Daras Multi Academy Trust
Finance Policy

The An Daras Multi Academy Trust (ADMAT) Company
An Exempt Charity Limited by Guarantee
Company Number/08156955

Status: **Approved**	
Recommended	DfE
Statutory	
Version	V1.1
Adopted	**12 June 2023**
Reviewed	**11th November 2026**
Next Review	**November 2029**
Linked Documents	
DfE Academy Trust Handbook the latest version	
Linked Policies	
An Daras Policies (the latest version as found on An Daras website):	
Anti-Fraud and Corruption Policy (incorporating Gifts and Hospitality)	Procurement and Tendering Policy
Asset Control and Accounting Policy	Reserves Policy
Best Value Statement	Staff Expenses and Purchasing Policy
Business Charge Card Policy	Write Off/Asset Disposal Policy and Procedures
Capitalisation and Depreciation Policy	Whistleblowing Policy
Charging and Remissions Policy	School Support Staff Pay Policy
Governor/Director Allowance Policy	Teachers Pay Policy
Investment Policy	Scheme of Delegation
Lettings Policy	Business Continuity Plan
Pecuniary Interests Policy	Finance Procedure Policy

1. Purpose

The purpose of this policy and procedures is to ensure that An Daras Trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of the Academy Trust's Funding Agreement with the Secretary of State for Education.

The Trust must comply with the principles of financial control outlined in the academies guidance published by the Department for Education (DfE). This policy expands on that and provides detailed information on the Trust's accounting procedures. It should be read by all staff involved with financial systems and accountability.

This policy applies to the financial administration across the whole Trust including catering, extended schools provision (childcare) and Early Years.

The areas of Procurement, Staff Expenses and Purchasing, Business Charge Cards, Finance Procedures, Depreciation, Reserves and Investments are all covered in separate policies.

2. Roles and Responsibilities

The Trust has defined the responsibilities of each person involved in the administration of Trust finances to avoid the duplication or omission of functions and to provide a framework of accountability for Directors and staff.

Board of Directors

The Directors will manage their affairs in accordance with the high standards detailed in "Guidance on Codes of Practice for Board Members of Public Bodies" and in line with the seven principles of public life:

Selflessness: Holders of public office should take decisions solely in terms of the public interest.

Integrity: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merits.

Accountability: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness: Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

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

Managing the Trust's Finances

The Board of Directors has overall responsibility for administration of the Trust's finances. The main responsibilities of the Board of Directors are prescribed in the Funding Agreementsbetween the Trust and the Secretary of State for Education. The main responsibilities include:

- Agree the long-term financial objectives for the Trust
- Ensure the grant from the DFE is used for the purposes intended
- Ensure financial plans are prepared and monitored, satisfying itself that the trust remains a going concern and financially sustainable
- Taking a longer term view of the trust's financial plans consistent with the requirement to submit 3-year budget forecasts to DfE
- Approval of the annual budget and any material changes
- Approval of changes to the personnel establishment
- Ensure a Scheme of Delegation is in place
- Ensure assets are managed in accordance with the DfE's "Good estatesm management for schools" guidance
- Ensure accurate accounting records are maintained
- Ensure the budget monitoring statements are a true and accurate record on income and expenditure
- Approval of the annual accounts
- Appointment of Audit committee
- Appointment external auditors

Finance, Resources & Staffing Committee (FRS)

The main responsibilities of the FRS Committee include:

- Initial review and authorisation of the annual budget and any material changes
- Regular monitoring of actual expenditure and income against budget
- Utilising Benchmarking and Integrated Curriculum Financial Planning tools
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, Charity SORP and the DfE guidance issued to academies
- Recommendation of changes to the personnel establishment
- Reviewing the reports of the Audit Committee on the effectiveness of the financial procedures and controls. These reports must be reported to the Board of Directors.

Executive Headteacher/Head teacher

The Head teachers have overall executive responsibility for their individual school. The Heads retain responsibilities for:

- Approving new staff appointments within the Trust Scheme of Delegation
- Authorising orders and contracts within the approval limits shown in Appendix 1
- Following the scheme of Delegation
- Authorising payments within the approval limits shown in Appendix 1 Financial Scheme of Delegation
- Monitoring regular budget reports with the Chief Financial Officer and acting on any overspends or risks

The Trusts' Accounting Officer and CEO is personally responsible to the Board of Directors for:

- Ensuring regularity and propriety

- Prudent and economic administration including Value For Money
- Avoidance of waste and extravagance
- Efficient and effective use of available resources; and
- The day-to-day organisation, staffing and management of the Trust

The Accounting Officer has the duty to take action if the Board of Directors or Chairman is contemplating a course of action, which he or she considers an infringement of propriety or regularity. Objections should be put in writing to the Board of Directors, details sent to the Permanent Secretary and the Trust's external auditors.

The Accounting Officer may delegate or appoint others to assist in these responsibilities.

Chief Financial Officer

The Chief Financial Officer works in close collaboration with the CEO through whom he or she is responsible to the Board of Directors. The Chief Financial Officer also has direct access to the Finance Committee. The main responsibilities of the Chief Financial Officer are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system
- the management of the Trust's financial position at a strategic and operational level the maintenance of effective systems of internal control
- ensuring that the annual accounts are properly presented and adequately supported by the underlying financial records of the Trust
- the preparation of monthly management accounts, ensuring these are shared with the Chair of the Board each month
- authorising Central orders and the award of contracts within the approval limits shown in Appendix 1 Scheme of Delegation
- authorising Central payments within the approval limits shown in Appendix 1 Scheme of Delegation
- ensuring statutory forms and returns are sent to the DfE/ in line with their reporting deadlines
- submitting grant applications and reports to all relevant bodies as detailed in the timetable laid out in Appendix 2 Financial Reporting Timetable
- Approval of budgetary changes within the schools in line with Appendix 2
- Review of/re-tendering of service contracts including energy annually or as contract terms timescale permits utlising the DfE's "Energy for Schools Service" and other DfE procurement frameworks as appropriate

The Audit Committee

The Audit Committee responsibilities are currently incorporated as a separate Director Committee. This provides Directors with an independent oversight of the Trust's financial affairs. The main duties being to provide the Directors with independent assurance that:

- the financial responsibilities of the Directors are being properly discharged
- resources are being managed in an efficient, economical and effective manner
- sound systems of internal financial control are being maintained
- financial considerations are fully taken into account in reaching decisions

The Audit Committee are also required to:

- decide how internal scrutiny will be undertaken across the trust, e.g. appointment of independent auditors

- recommend areas for review by the internal auditors each year
- report to the Board of Directors on the internal audit findings, recommendations and management comments

Other Staff

Other members of staff, primarily the Finance and Admin Staff at the school offices across the Trust and budget holders such as EHT/Head Teachers/Subject leaders, will have some financial responsibilities and these are detailed in Financial Scheme of Delegation.

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

3. Financial Planning

The improvement plan of each Academy and An Daras Trust provides the framework for the annual budget for each Academy and Central services. The budget is a detailed statement of the expected resources available to the Trust and the planned use of those resources for the following year and the following two years.

The budgetary process is described in more detail below.

4. Budget Plan

The Chief Financial Officer is responsible for working with the Head Teachers and others to prepare a budget plan for consideration by the Finance Committee. The Finance Committee and Board of Directors must approve the budget prior to being submitted to the DFE in line with published deadlines.

The Chief Financial Officer is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

The budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be utilised. There will be a clear link between the Trust Improvement/Strategic Plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- known and projected pupil numbers which will form the basis of actual and estimated GAG and other DfE grants
- determine the budget assumptions on which budgets are based e.g. regarding annual pay and cost increases
- liaising with Executive Headteachers/Headteachers to set staffing budgets ensuring required staffing structures are affordable and budgeted accurately
- review of the current and previous year's performance against budge and service contract renewals to assist with setting other income and expenditure budgets,
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- ensuring budgets reflect objectives included in school and trust improvement plans
- reviewing required spend on premises and IT as per the Trust's Asset Management Plan (AMP)

Balancing the Budget

Each academy must set a balanced budget, with the percentage of staffing versus total income to be at the rate agreed by trustees, currently 70%.. If deficits are identified, staffing and class organisation plans will be reviewed with Headteachers together with non-staffing related expenditure to identify areas where savings can be made. This may require prioritising spending and deferring projects pending affordability.

If it is not possible to balance a school's budget, this may be offset with the trust surplus overall, at the Directors discretion. If a potential surplus is identified, this will be held as part of the Trust's overall surplus as a contingency or alternatively allocated to areas of need, subject to restrictions on carry- forwards imposed by the DFE.

Finalising the Budget

Once the different options and scenarios have been considered, the draft budgets must be submitted to the Finance Resources & Staffing Committee. They then recommend the budget for approval by theBoard of Directors at their July meeting.

The budget should be seen as a working document which may need revising throughout the year as business or educational circumstances change.

Budget Management, Monitoring and Review

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated, and action taken where appropriate.

Budget reports, detailing year to date income and expenditure and variance against the budget will be prepared by the Management Accountant and shared with Headteachers each month. Regular budget meetings will be held throughout the year between Headteachers and the Management Accountant to discuss the budget position, reasons for variances and any actions needed. Other members of the Central Finance teams will attend these meetings where possible.

The Head Teachers may delegate elements of the budget to staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the Trust as a whole. Delegated budget holders will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are accountable to the Heads who are responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored and managed.

Any identified potential overspend against the budget must in the first instance be discussed with the Chief Financial Officer.

The Finance Resources & Staffing Committee will continually monitor the quality of the financial information presented to ensure that what is provided remains appropriate, particularly in terms of a forecasted budget overspend, it may be appropriate to vire i.e. transfer money from another budget or from the contingency. All budget virements must be authorised by the appropriate person detailed in Appendix 1 Scheme of Delegation.