



## Finance Policy Key Bullets – May 2022

### Spending Limits Authority

- <£1,000 – Budget Holders up to the limit of their budget
- ≥£1,000 but <£10,000 – Headteacher (or Deputy) approval required
- ≥ £10,000 but <£100,000 – Trust Centre Exec Team approval required additionally
- ≥£100,000 – Trustee approval required additionally
- Note – for Capital items, ≥£5,000 requires Local Governing Body approval additionally

### Purchasing

- Authorised Paper or Electronic Purchase Orders required BEFORE any commitment of spend ≥£100
- All expenditure to be approved (eg, invoice) BEFORE payment
- All payments require approval of 2 Banking Authorities – including chargecard
- Expenses to be minimised – evidence required of approval before spend
- Obtaining 3 quotes remains best practice for spend >£10,000 unless with Transform Partner Suppliers

### Balancing the Budget

- Consistent focus on balancing the revenue budget (revenue income vs revenue expenditure) through monthly forecasting cycle
- Aim for income received each year to be spent for the benefit of children in school that year
- Reserves can only be used for investment that benefits school for multiple years
- Trust Centre will challenge all School Plans that are not balanced
- Trust Board will review in-year Forecasts for each school monthly

### Risk Management

- Trust and School (separately) should maintain a Risk Register, ranked according to Net Risk
- Risks should reflect Likelihood, Impact and Mitigation in determining rank
- Top 10 risks should be reviewed over the course of each Academic Year by Trustees (Trust) and School (Local Governing Body) – are the actions being taken to manage the risk in each case appropriate?

### Hot Topics 2021 – Academies Trust Handbook

- Academies Financial Handbook has been renamed “Academies Trust Handbook”
- Internal Scrutiny can not be performed by a member of the Trust Leadership Team