



**SUTTON COLDFIELD GRAMMAR SCHOOL
FOR GIRLS ACADEMY TRUST**

FINANCE POLICY

2025-26

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1. Statement of intent

Sutton Coldfield Grammar School for Girls Academy Trust (“the Trust”) recognises that well-managed finances can maximise outcomes for pupils’ education. We are dedicated to undertaking fair and reasonable financial planning for the benefit of the Trust as a whole. Under no circumstances will an individual benefit personally from the Trust’s budget. To ensure that no individual benefits personally from decisions made by spending public money, members of staff will always adhere to the stipulations of this policy.

This document refers to the Department for Education (“DFE”).

2. Roles and responsibilities

In connection with this policy roles and responsibilities are set out below. Parties may have other responsibilities.

Trustees are responsible for:

- Ensuring clarity of vision, ethos and strategic direction.
- Overseeing and ensuring effective financial performance.
- Ensuring regularity and propriety in use of the Trust's funds.
- Ensuring the Trust's funds are used economically, efficiently and effectively.
- Ensuring that budget forecasts are compiled accurately and are based on realistic assumptions.
- Ensuring the Trust operates as a going concern.
- Selecting key financial performance indicators and measuring performance against them regularly.
- Controlling the Trust's property and assets.
- Approving the annual budget of the Trust.
- Ensuring appropriate action is taken to maintain financial viability.
- Approving the writing off of debts that have been approved by the Department of Education (DfE).
- Investigating issues of fraud, theft and assets, and reporting instances of fraud, theft and irregularity in line with delegated limits set per the Academy Trust Handbook (ATH).
- Applying the highest standards of governance and conduct and complying with the charitable objectives of the funding agreement, company and charity law.
- Ensuring the effective functioning of the board and setting professional standards of governance.
- Reporting related party transactions to the DfE and seeking prior approval for relevant transactions.
- After taking advice from the Audit and Risk Committee, ensuring that there is an appropriate, reasonable and timely response by the Trust's management team to the findings of auditors.
- Keeping the Trust's approach to internal scrutiny under review, considering any changes to the Trust's size, complexity or risk profile.
- Ensuring that the Trust has sound internal control, risk management and assurance processes.
- Approving a schedule of delegation of financial powers.
- Appointing an Audit and Risk Committee, either as a standalone committee or as part of another committee.
- Appointing the Headteacher as the Accounting Officer.

- Ensuring that the Accounting Officer and Finance and Operations Director are employees of the Trust but should not be occupied by the same individual.
- Oversight of the Risk Register and reviewing it annually.
- Setting a policy for holding reserves, and explaining it in the Trust's annual report, including a clear plan for managing reserves.

The Headteacher is responsible for:

- Reviewing this policy on an annual basis with the Finance and Operations Director (FOD) and the Chair of the Finance Committee.
- Reviewing monthly management accounts prepared by FOD.
- Creating a fair and balanced budget with the FOD.
- Assessing and approving purchases/contracts in line with the Procurement and Tendering Policy.
- Ensuring budgetary control within approved budgets.
- Approving new staff appointments, except for Deputy Headteachers and the FOD, in which circumstances Trustees are to be involved in the appointment process.
- Making recommendations to the Pay Committee, on behalf of the Board of Trustees, regarding staff pay and contractual conditions.
- Authorising the disposal of assets in line with the Headteacher's Scheme of Delegation.
- Approving and periodically reviewing the policy for security arrangements at the Trust.
- Acting as the Trust's Accounting Officer.

The Accounting Officer is responsible for:

- Assuring the DfE's accounting officer, Parliament and the public, of high standards of probity in the management of public funds, particularly regularity, propriety, feasibility and value for money, including economy, efficiency and effectiveness – the 3 elements of value for money.
- Providing oversight of financial transactions by:
 - Ensuring that the Trust's property and assets are under the control of the Trustees and measures exist to prevent losses or misuse.
 - Ensuring bank accounts, accounting systems and financial records are operated by more than one person.
 - Keeping full and accurate accounting records to support their annual accounts.
- Signing a statement on regularity, propriety and compliance annually and submitting it to the DfE.
- Assuring compliance with the articles of association, funding agreement and the 'Academy Trust Handbook' and advising the board in writing if it fails to act in accordance with the funding agreement or handbook.

- Advising the board in writing on matters of non-compliance with the Articles of Association, funding agreement or Academy Trust Handbook.
- Sharing the 'Dear Accounting Officer' letter with Members, Trustees, the FOD and the senior leadership team ("SLT"), and arranging for the Board of Trustees to discuss it and take action where necessary to strengthen financial controls.
- Adhering to '[The 7 principles of public life](#)'.
- Notifying the DfE's Accounting Officer if the Trust is in breach of its articles of association, funding agreement or the 'Academy Trust Handbook' and the Board of Trustees fails to follow DfE advice.

The Finance Committee is responsible for:

- Meeting in line with Finance Committee Terms of Reference.
- Having written terms of reference in place describing its remit.
- Reviewing the budget and three-year financial plan, as well as making recommendations to the Board of Trustees regarding these key documents.
- Monitoring expenditure and income against the budget and making any necessary recommendations to the Board of Trustees.
- Reviewing the mandates for the operation of the Trust's bank account(s) and credit card(s).
- Implementing appropriate accounting policies.
- Ensuring an appropriate framework of internal financial controls is in place.
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and related DfE guidance.
- Authorising changes to the personnel structure of the Trust, which would cause the budget to be exceeded.
- Authorising any write off of any single bad debt over £500, or cumulative £1,000 to the same party, or total overall total debt of £2,500 within any single financial year.
- Authorising the disposal of assets over £5,000 Net Book Value.
- Approving purchases in line with the Procurement and Tendering Policy
- Ensure all Financial statutory reports are submitted to the DfE within specified deadlines

The Operations Committee is responsible for:

- Ensuring appropriate insurance arrangements are in place for the Trust.
- Overseeing the Capital plan
- Having written terms of reference in place describing its remit.

The Audit and Risk Committee is responsible for:

- Meeting a minimum of three times a year.
- Having written terms of reference in place describing its remit.
- Directing the Trust's programme of internal scrutiny.
- Ensuring that risks are being addressed appropriately through internal scrutiny.
- Reporting to the Board of Trustees on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks.
- Agreeing a programme of work annually to deliver internal scrutiny throughout the year.
- Reviewing the risk register to inform the programme of work, ensuring checks are modified as appropriate each year.
- Agreeing who will perform the work.
- Considering reports at each meeting from those carrying out the work.
- Considering progress towards recommendations.
- Considering outputs from other assurance activities by third parties including DfE financial management and governance reviews, funding audits and investigations.
- Having access to the external auditor, as well as those responsible for internal scrutiny, and considering their quality.
- Ensuring that information submitted to the DfE that affects funding, including pupil number returns and funding claims (for both revenue and capital grants) completed by the Trust, is accurate and in compliance with funding criteria.
- Ensuring the submission of the annual summary report concerning internal scrutiny to the DfE by 31 December each year when it submits the audited annual accounts.
- Ensuring the provision of any other internal scrutiny reports where requested by the DfE.
- Reviewing the external auditor's plan each year.
- Reviewing the annual report and accounts.
- Reviewing the auditor's findings and actions taken by the Trust's managers 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. 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.
- Producing 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.

The FOD's is responsibilities include:

- Managing day-to-day financial issues, including the establishment and operation of the accounting system.
- Reviewing this policy on an annual basis with the Headteacher and the Chair of the Finance Committee.
- Issuing payment reminders for overdue accounts.
- Ensuring the Trust's income is stored safely.
- Contacting individuals who have not paid an overdue account to inform them of the Trust's formal procedure.
- Approving terms of credit and communicating these terms to all debtors.
- Preparing management accounts to be reviewed with the Headteacher each month, to be shared with the Chair of Board of Trustees and Chair of the Finance Committee every month and other Trustees six times a year.
- for all aspects of The Trust's accounting system.
- Preparing the accounting annual report, ensuring it is in line with the Charity Commission's Statement of Recommended Practice (SORP) and the DfE's Accounts Direction.
- Maintaining effective internal controls.
- Managing the Trust's financial position at a strategic and operational level within the framework for financial control determined by the Board of Trustees.
- Drafting original and revised finance plans in liaison with the Headteacher.
- Maintaining the accounting records.
- Ensuring that purchase orders are raised prior to ordering goods/services in line with the Procurement and Tendering Policy.
- Ensuring that payments are made to suppliers within 30 days after the date of the invoice.
- Monitoring the budget on a monthly basis.

- Ensuring the monthly completion of bank, petty cash and other reconciliations is adhered to.
- Monitoring cash flow during the month.
- Ensuring the Trust does not use a bank overdraft.
- Acting as an authorised signatory for the purposes of signing cheques, certifying employee claims, etc.
- Managing and processing online payments and payroll, subject to approval by the appropriate authority.
- Ensuring that proper checks and controls are in place to cover day-to-day processes
- Ensuring value-added tax (VAT) is correctly accounted for.
- Liaising with relevant accountants in respect of any queries, and ensuring data is supplied for preparation of annual accounts within agreed timescales.
- Acting as an authorised Credit card Holder.
- Acting as the Trust's Chief Financial Officer.
- Ensuring the physical security of the Trust's assets, and maintaining and periodically inspecting an up-to-date inventory.
- A physical inspection of the inventory on an annual basis or through an on-going programme of (random) sample checks.
- Writing off assets in line with the Headteacher's Delegation Statement.
- Writing off assets and bad debt up to £500.
- Determining a value above which assets should be recorded on the Trust's inventory currently set at £5,000 and maintaining a Fixed Asset register for assets over that amount.
- Publishing on the Trust's website employee benefits over £100,000 in £10,000 bandings, which includes salary, employers pension contributions, other taxable benefits and termination payments.
- Ensuring all statutory financial returns are submitted to the DfE, Companies House etc in advance of prescribed deadlines.

3. Accounting

Adequate accounting records will be maintained by the FOD at all times.

The FOD will be responsible for ensuring that the Financial Statements are created in line with the SORP and the DfE's Accounts Direction.

The accounts will be audited by the 30th November every year, in line with section 15 of this policy.

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.
- Provided to anyone who requests a copy which can be accessed via the Trust's website.

Accountancy within the Trust will be carried out on Xero. All financial transactions will be recorded on this system.

To protect the data stored within the Trust's Finance System, only the Finance Staff, accountancy advisers, External Audit team and Headteacher will have access to it. The system will be password protected and changed in line with Trust's Data Protection Policy.

The Trust will retain financial records for the six preceding academic years, in addition to the current year.

The Trust is entitled to reclaim VAT on qualifying purchases 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 by the FOD, in order to provide the data necessary for the completion of the VAT reclaim form.

VAT is reclaimed on a monthly basis.

The Trust only reclaims VAT where it is eligible to do so.

4. Budgeting

The Accounting Officer and the FOD are responsible for creating a fair and balanced budget as defined by the Academy Trust Handbook which requires approval by the Board of Trustees.

The budget will be approved in writing – approval will be minuted and distributed to all relevant parties.

Budget forecasts will be accurately compiled and based on realistic assumptions in light of lessons learnt from previous years.

The budgetary planning process will incorporate:

- Forecasts of the likely number of pupils.
- A review of other income sources available to the Trust.
- A review of past performance against budgets to understand the Trust's cost base.
- An identification of potential efficiency savings.
- A review of the main expenditure headings in light of the development plan objectives.

The Trust will submit to the DfE budget forecast return and three-year budget forecast in line with the timelines set out in the Academy Trust Handbook.

These documents require approval by the Board of Trustees.

Management Accounts will be shared with the chair of trustees/finance committee and Chair of Audit Committee every month and will consist of:

- An income and expenditure account.
- A budget variance report.
- Cash flow information.
- A balance sheet.

Current practice is to also share this 6 times a year with Finance Committee when it meets.

The Board of Trustees will ensure appropriate action is taken to maintain financial viability.

Where the Board has concerns about financial performance, it will act quickly to ensure the Trust has adequate financial skills in place.

The Trust will monitor its budget in compliance with the accounts direction.

The DfE will be informed within 14 calendar days if a deficit revenue budget for the current financial year is being set.

The cash position of the Trust will be managed in such a way as to prevent the Trust becoming overdrawn. If the Trust has any concerns regarding financial management, the DfE will be informed.

5. Income

The Trust's main source of income is through grants received from the DfE.

The FOD will monitor the receipt of grants, ensuring that all grants due are appropriately collected.

The Trust will set fees for its chargeable services at full cost. When operating in a commercial environment the Trust will look to make a profit.

The Headteacher will be responsible for the management of income, subject to the provisions of the Trust's scheme of delegation.

Records of income will be detailed and maintained to include all income transactions that occur within the financial year.

Receipts will be logged for all purchases and receipts will be issued for all services provided by the Trust.

Terms of credit will be approved by the FOD and communicated to all debtors, and procedures will be adopted to deal with breaches of terms.

Invoices will be raised with respect to credit income.

All income will be counted by the end of the school day and will be stored in the office safe. As per School Risk Protection Arrangement (RPA) insurance, no more than £5,000 can be held on the premises at any time. Cash will be collected by the Trust's cash collection provider and transferred to the Trust's bank account.

The Trust will maintain a petty cash balance of up to £500.

Finance staff will arrange for cash to be collected on a regular basis to ensure that no more than the agreed insurance amounts are left on the Trust premises at any one time. The total sum to be banked will be written on a paying-in slip.

Finance staff will always ask for a receipt upon banking income and this receipt will be logged on the Trust's accounting system.

6. Debt

The Trust will prepare and monitor financial plans to ensure ongoing financial health.

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.

Finance staff will contact individuals concerning any outstanding debts owed after 30 days of the notification of payment, e.g. an invoice being sent.

Finance staff will issue payment reminders to those who have not made 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 has been sent, payment is not received in full, the Trust will send a letter informing them that, if they do not receive payment within 14 days, the matter will be referred to a small claims court.

When writing off debts, the Academy Trust Handbook will be consulted to see if the DfE must be informed. Approval must be sought from the Finance Committee as outlined in the under Section 2 Roles and Responsibilities.

The FOD 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.

7. Payroll

Payroll forms the largest element of the Trust budget and it is, therefore, essential that financial procedures and internal controls in relation to payroll are properly implemented.

The Trust's payroll encompasses staff appointments, processing administration and pension payments.

The Trust will act in accordance with the Trust's teacher's pay and condition document and the Trust's pay policy when setting pay.

The HR and Payroll and Cover Officer will be notified of any staff absence.

The Trust will ensure that its senior employees are exclusively on the payroll so staff fully meet their tax obligations and comply with HMRC regarding employment and tax.

The Trust will ensure its decisions about levels of executive pay (including both salary and benefits) follow a robust evidence-based process. Executive pay will be reasonable and defensible and reflective of the individual's role and responsibilities.

The Board of Trustees will discharge its responsibilities effectively, ensuring its approach to pay is transparent, proportionate and justifiable, and adheres to the following principles:

- **Process** – that the procedure for determining executive pay is agreed by the board in advance and documented.
- **Independence** – decisions about executive pay reflect independent and objective scrutiny by the board and conflicts of interest are avoided.
- **Decision-making** – factors in determining pay are clear, including whether performance considerations, including educational and financial performance, and the degree of challenge in the role have been considered.
- **Proportionality** – pay is defensible relative to the public-sector market and benefits represent good value for money.
- **Documentation** – the rationale behind the decision-making process, including whether the level of pay reflects value for money, is recorded and retained.
- **Equality** – 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.
- **Challenge** – an understanding that inappropriate pay can be challenged by the DfE, particularly in any instance of poor financial management of the Trust.

To keep staff members' data secure, access to the payroll system will be restricted to:

- Headteacher.
- FOD.

- HR Manager.
- HR Administrator.
- Assistant HR Manager

All paper records will be filed and stored in a locked cabinet in the Business Office.

All online records will be secured through restricted access to the relevant network drive in line with the Trust's Data Protection Policy.

The FOD will be responsible for ensuring that:

- Payments are made only to bona-fide employees.
- Payments are in accordance with individuals' 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 Trust.
- Amendments to the payroll are properly processed.

The Headteacher approves Payroll each month.

The HR Manager, in collaboration with the HR Administrator, will be 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.

During the spring term each year, the SLT and FOD will review staffing requirements for the following academic year and propose any changes, which will be reviewed and approved as appropriate by the Curriculum Committee. The resultant budget requirements will be reviewed and approved by the Finance Committee.

The Pay Committee is responsible for authorising the following salary changes:

- Staff Pay Awards.

The FOD will ensure the payroll system is operating correctly each month and investigate discrepancies.

The Board of Trustees will ensure that they are aware of all broader business interests held by SLT and Trustees, and is satisfied that any payments made by the Trust in relation to such interests do not undermine the transparency requirements for disclosing pay in accordance with the Academies Accounts Direction.

8. Purchasing and expenses

The Trust will record all purchases made by staff members within the Trust.

All purchases will be approved in accordance with the Procurement and Tendering Policy with budget holders ensuring each purchase obtains value for money.

All purchases will be logged on the Trust's accounting system, including details of the following:

- The purchase order number.
- Invoice reference numbers.
- Total amount spent.
- Whether the purchase has been paid for in full.
- The amount left in the budget after the purchase.

Any purchase must benefit the Trust as a whole and must not be made for personal gain.

The budget holder will assess each purchase to ensure that it is good value for money and is in line with the Procurement and Tendering Policy.

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

- Acquiring a freehold of land or buildings.
- Disposing of a freehold of land or buildings.
- Disposing of heritage assets beyond any limits in the funding agreement for the disposal of assets generally.

The Trust will seek the prior approval of the DfE for borrowing from any source where repayment will come from grant monies or secured on assets funded by grant monies.

The Trust's credit card will only be used for business expenditure; there will be no personal expenditure on the Trust's credit card.

When purchasing gifts, the Trust will ensure the gift's value does not exceed £100, is within the scheme of delegation of financial powers and has due regard to propriety and regularity in the use of public funds in line with the Staff Code of Conduct. No alcohol can be purchased using public funds.

Any Member, Trustee or staff member of the Trust must not accept any gift with a value over £50 (or a cumulative value over £50 if multiple gifts from one party) without obtaining prior approval from the FOD. Advice should be sought from the FOD. All staff will declare any interest in proposed transactions or arrangements where there could be a conflict of interest. Advice should be sought from the FOD if there could be a potential conflict of interest. The staff member/trustee will absent themselves from any discussions pertaining to the matter. For clarity if there is any doubt, an interest should be declared.

Staff members must seek authorisation from the Business Office in advance of any expense claims.

For a reimbursement to be considered, staff members will complete a reimbursement form and will produce a receipt of evidence of their expense with the exception of claims for mileage where no receipt is required.

Mileage for travel will be paid through payroll following submission of a mileage form.

If these conditions are not met, the Trust has the right to refuse reimbursement.

9. Staff expenses

Members of staff can reclaim expenditure for:

- Rail – whichever class is most economical;
- Travel by bus – the fare actually paid;
- Travel by the staff member's own private motor vehicle where its use results in a substantial saving of that staff member's time or is in the interest of the School or is otherwise reasonable. Payment will be at the current mileage rate recommended by HMRC;
- Eye Tests – the Trust will reimburse staff members who are Display Screen Equipment users, for eye tests every two years on the production of a valid receipt up to the value of £25. Staff should if possible see if a free test is available. The Trust in some cases will also reimburse for the cost of glasses up to the value of £50 where the eye test results indicate that an employee needs special glasses prescribed for the distance the screen is viewed at.

Other types of expenditure:

- Members of staff should not pay for other items than the ones listed above themselves unless:
 - There is an urgent business matter that necessitates the expenditure; and
 - Permission is granted by the Business Office/Headteacher/Deputy Headteacher (Staff and Student Development).

Method of Payment

- Car and Motor Cycle Mileage (including parking fees with receipt): payment is made via payroll.
- Reimbursement of actual costs for bus, rail fares, subsistence and other expenses etc: payment will be made via BACS on production and approval of a valid receipt/ticket.

Claim Forms

Forms can be obtained from the Business Office and must be authorised by the appropriate Budget Holder, FOD or Headteacher. No member of staff should certify their own claim for expenses.

Other Information

Staff members are reminded that if they use their cars for business use i.e. travel to or from venues, they are responsible for checking that their insurance cover is sufficient and appropriate. The Trust bears no responsibility for traffic offences or parking fines incurred whilst on Trust business.

For all expenses not claimed by 31st August of the relevant academic year, the Trust reserves the right not to reimburse payment.

Staff cannot claim for travel to and from work.

10. Related party transactions

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

- trustees comply with their statutory duties as company directors to avoid conflicts of interest, not accept benefits from third parties, and declare interest in proposed transactions or arrangements.
- all members, trustees and senior employees complete a Declaration of Interests, which is fed into the published Register of Interests.
- no member, trustee, employee or related individual or organisation uses their connection to the trust for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the trust.
- there are no payments to trustees by the trust unless permitted by the articles, or by authority from the Charity Commission, and comply with any relevant agreement with the Secretary of State. Trusts will need to consider these obligations where payments are made to other business entities who employ the trustee, are owned by the trustee, or in which the trustee holds a controlling interest.
- the Charity Commission's approval is obtained where the trust believes a significant advantage exists in paying a trustee for acting as a trustee.
- Any payment provided to the persons outlined in Section 11 of this policy satisfies the 'at cost' requirements.

All related party transactions will be reported to the DfE in advance of transactions taking place using the DfE's online form.

Trusts must obtain DfE's prior approval, using DfE's related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party agreed on or after 1 September 2023 where a contract or other agreement exceeds £40,000 in the same financial year ending 31 August.

The approval requirement does not apply in the following circumstances:

- contracts and other agreements for the supply of goods or services to a trust by the following educational establishments:
 - colleges, universities and schools which are sponsors of the academy trust

- state funded schools and colleges, including academies.
- This concession does not apply to transactions with a subsidiary of such a related party.

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

- Transactions with individuals in a position of control and influence, including the Chair of Board 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 Trust 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 Trust's register of interests of Trustees must include full names, date of appointment, term of office, date the Trustee stepped down (where applicable), who appointed them and relevant business and financial interests 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.
- Any other interests deemed relevant by the Board of Trustees.

The register must identify relevant interests from close family relationships between the academy trust's members, trustees. It must also identify relevant interests arising from close family relationships between those individuals and employees.

The trust should consider whether other interests should be registered, and if in doubt should do so. Boards of trustees must keep their register of interests up-to-date at all times.

Relevant business and pecuniary interests of staff members, Trustees, governors and the Accounting Officer will be published on the Trust's website.

11. At cost requirements

The Trust will not pay more than 'cost' for goods or services ('services' do not include contracts of employment) provided to it by the following persons:

- Any individual or organisation related to a member or Trustee of the Trust. For the purpose of this policy, the following persons are classed as related to a Member or Trustee:
 - Any Member or Trustee of the Trust.

- Any individual or organisation related to a Member or Trustee of the Trust. For the purpose of this policy, the following persons are classed as related to a Member or Trustee:
 - A relative of the Member or Trustee, i.e. a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person.
 - An individual or organisation carrying out 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, and/or a Trustee or the relative of a Trustee, 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 and/or a Trustee or the relative of a Trustee.
- Any individual or organisation given the right under the Trust's Articles of Association to appoint a Member or Trustee of the Trust; or anybody connected to such individual or organisation.
- Any individual or organisation recognised by the Secretary of State as a sponsor of the Trust; or anybody connected to such individual or organisation.

Further information is available in the Academy Trust Handbook.

12. Investment

Where the Trust invests in its charitable aims, investment risk will be properly managed.

When considering an investment, the Board of Trustees will:

- Act within its powers to invest as set out in its articles.
- Be aware of investment strategy to manage and track its financial exposure and ensure value for money if the Trust finds itself in a position to make an investment.
- Exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser.
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation.
- Ensure that investment decisions are in the best interests of the trust.
- Review the Trust's investments and investment policy regularly.

The Trust will adhere to the Charity Commission's guidance and seek prior approval from the DfE for investments of any value that are novel, contentious or repercussive. The Trust will carefully consider the impact of this requirement and its relevance to transactions involving the Chair of Board of Trustees and the Accounting Officer.

13. Novel, contentious or repercussive transactions

Novel, contentious or repercussive transactions must always be referred to DfE for approval, and the request must be made to, and approved by, DfE before the transaction is agreed and before the transaction occurs.

Novel transactions are those of which the academy trust has no experience, or are outside its range of normal business.

Contentious transactions are those that may cause criticism of the trust by Parliament, the public or the media.

Repercussive transactions are those likely to set a precedent and cause pressure on other trusts or the broader public sector to take a similar approach and hence have wider financial implications, including where a trust's proposal could cause additional costs to arise for other parts of government.

14. Special payments

For the purpose of this policy, special payments include:

- .
- Compensation payments.
- Ex gratia payments
- Severance 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.
- Whether the payment is justified, based on legal assessment of the Trust's chances of successfully defending the case at employment tribunal. If there is a significant prospect of losing the case, a settlement may be justified, especially if the costs of a defence are likely to be high. Where a legal assessment suggests the Trust is likely to be successful, a settlement should not be offered.
- If the settlement is justified, the Trust would need to consider the level of settlement. This **must** be less than the legal assessment of what the relevant body (e.g. an employment tribunal) is likely to award.

Under no circumstance will the Trust make severance payments where the money could be interpreted as a reward for insubordination or failure.

Where the academy trust is considering a staff severance payment including a non-statutory/non-contractual element of £50,000 or more, (gross, before income tax or other deductions), DfE's prior approval **must** be obtained before making any binding offer to staff. DfE will refer such transactions to HM Treasury, so trusts should allow sufficient time

for proposals to be considered. Examples of approval requirements are as follows: The Trust will show value for money for all severance payments.

Additionally, in accordance with HM Treasury's Guidance on Public Sector Exit Payments, academy trusts **must** obtain prior DfE approval before making a special staff severance payment where:

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

and/or

- the employee earns over £150,000.

Ex gratia payments will always be referred to the DfE for prior approval.

More guidance is available at: [Guide to academy trust severance payments - GOV.UK](#)

Compensation Payments

Compensation payments provide redress for loss or injury, for example personal injuries, traffic accidents or damage to property. If an academy trust is considering a compensation payment, it **must** base its decision on a careful appraisal, including legal advice where relevant, and ensure value for money.

Academy trusts have delegated authority to approve individual compensation payments provided any non-statutory or non-contractual element is under £50,000. Where the trust is considering a non-statutory or non-contractual payment of £50,000 or more, DfE's prior approval **must** be obtained.

Other types of special payments including ex gratia

Other types of special payment, which go beyond statutory or contractual cover or administrative rules, include:

- ex gratia payments
- extra-statutory payments
- extra-contractual payments
- extra-regulatory payments

Annex 4.13 of [Managing Public Money](#) provides examples including, in the case of ex gratia, payments to meet hardship caused by official failure or delay, and to avoid legal action due to official inadequacy.

These other types of special payment transactions **must** always be referred to DfE for prior approval. If trusts are in doubt about a proposed transaction, they should seek DfE advice.

15. Risk management

The Trust will manage risks to ensure its effective operation. The management of risks will include contingency and business continuity plans and financial and operational activities of the Trust.

The Trust will maintain a risk register.

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

The Trust will immediately inform its insurers of all accidents, losses and other incidents that may give rise to a claim.

The Trust will co-operate with risk management auditors and risk managers and will implement any reasonable recommendations made.

16. Auditing accounts

In line with the Companies Act 2006, the Trust will appoint an external auditor to certify whether the 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 the details of the removal of external auditors, before the expiry of the term of office, in exceptional circumstances.

The Board of Trustees will notify the DfE immediately of the removal or resignation of auditors. If an auditor is removed, the DfE will be informed of the reasons. If an auditor resigns, the Trust will send the DfE a copy of the auditor's explanation. A change in auditor at the expiry of the agreed term of office does not require notification.

The Trust will carry out an audit to manage risk and to check controls; the results of the audit will inform the Accounting Officer's statement on regularity, propriety and compliance.

The service for External Auditing should be re-tendered at least every 5 years.

The Accounting Officer will produce a statement on regularity, propriety and compliance which will be included in the Trust's annual accounts.

The statement on regularity, propriety and compliance will 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.

The DfE will be informed within calendar 14 days (and supplied with direct contact details for the party in question) if the Trust appoints or terminates the appointment or contract of:

- A Member.
- The Accounting Officer.
- The FOD.
- The Chair of Board of Trustees.
- A Trustee or Governor.

Accounts will be audited in line with the DfE's accounts direction and the SORP.

Audit reports will be submitted to the DfE by the 31 December every year following the end of the financial year.

The results of the Trust's audit will be published on the Trust's website by 31 January and will be made available to anyone who has requested a copy.

All copies of the accounting audit will be stored and filed securely, in line with the GDPR and the Data Protection Act 2018.

The Trust will include an annual skills and experience assessment, including a review of the board's composition in terms of skills, effectiveness, leadership and impact.

17. Internal scrutiny

The Trust will utilise a programme of internal scrutiny to provide independent assurance that financial and other controls, and risk management procedures, are operating effectively.

The internal scrutiny programme of work is directed by the Audit and Risk Committee. Members of the committee must not be employees

As prescribed by the 'Academy Trust Handbook', internal scrutiny will focus on:

- Evaluating the suitability of, and level of compliance with, financial and other 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 other controls and acting as a catalyst for improvement, but without diluting management's responsibility for the day-to-day management of the Trust.
- Ensuring all categories of risk are adequately identified, reported and managed.

The Trust will identify, with reference to its risk register, the areas of risk it will review each year, modifying checks accordingly.

The Chair of Board of Trustees should not be chair of the Audit and Risk Committee. Where the Finance Committee and Audit and Risk Committee are separate, the chair of these committees should not be the same.

Internal scrutiny will:

- Not be performed by the Trust's Accounting Officer, Chief Financial Officer or other members of the SLT or finance team.
- Be conducted by someone suitably qualified and experienced and able to draw upon technical expertise when required.
- Be covered by a scheme of work that is driven and agreed by the Audit and Risk Committee, and informed by risk.
- Be timely, with the programme spread appropriately over the year so higher risk areas are reviewed in a timely manner.
- Include regular updates to the Audit and Risk Committee which include:
 - A report of the work to each audit and risk committee meeting, including recommendations where appropriate to enhance financial and non-financial controls and risk management.
 - An annual summary report to the Audit and Risk Committee for each year ended 31 August outlining the areas reviewed, key findings, recommendations and conclusions, to help the committee consider actions and assess year on year progress.

The Trust will utilise one or more of the following internal scrutiny methods as deemed appropriate by the Audit and Risk Committee:

- A bought-in internal audit service, this cannot be the same firm as the Trust's external audit firm.
- Employing an in-house internal auditor.
- The appointment of a non-employed Trustee.
- A bought-in internal audit service from a firm, other organisation or individual with professional indemnity insurance.
- A peer review by the chief financial officer from another academy trust. The Trust should satisfy itself that the Trust supplying the reviewer has a good standard of financial management and governance and should minute the basis for its decision. The peer reviewer should be independent of the Trust.

The Trust may combine the above options. The Trust may also use other individuals or organisations where specialist non-financial knowledge is required.

To ensure those carrying out the programme of internal scrutiny work are suitably qualified and/or experienced:

- Auditors should be members of a relevant professional body.
- Trustees and peer reviewers performing the work should have qualifications in finance, accounting or audit, and appropriate internal audit experience. Those carrying out checks report directly to the Audit and Risk Committee.

Findings will be promptly made available to all Trustees.

The Trust will keep its approach to internal scrutiny under review. If the Trust changes in size, complexity or risk profile, the approach will be promptly reviewed.

The Trust will confirm in its governance statement which of the internal scrutiny options has been applied and why.

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 submitting the audited annual accounts. The Trust will also provide the DfE with any other internal scrutiny reports if requested to do so.

18. Leasing

Under UK financial reporting standards applicable to academy trusts, there are 2 types of lease:

- Finance leases – 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 asset not on the [DfE approved list](#) for any duration from another party, which are subject to the borrowing restrictions described in the ATH paragraphs 5.32 and 5.33.
- Taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years.
- 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.

For Electrical Vehicle (EV) Salary Sacrifice Schemes, the Trust must approach the DfE for the following transactions:

- entering into a new electric vehicle salary sacrifice scheme
- accepting any further employees onto an existing electric vehicle salary sacrifice scheme.

19. Notice to improve

If the Trust becomes subject to a Notice to Improve (Ntl), it will publish the Ntl on the Trust website within 14 days of it being issued and retain it on the website until the Ntl is lifted by the DfE.

A Ntl could be issued on financial grounds which include:

- an actual or projected deficit
- cash flow problems
- insolvency risk

- irregular use of public funds
- poor internal scrutiny
- breaches of related party requirements.

Examples of when a Ntl may be issued on governance grounds include:

- the trust board not being properly constituted
- trustees failing to comply with their safeguarding duties:
- trustees and the executive failing to manage their school estate and maintain it in a safe working condition strategically and effectively.

If the Trust is under an Ntl, the following transactions must be approved by the DfE:

- 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.
- Carry forward of unspent GAG from one year to the next beyond any limit in the funding agreement.
- Pooling of GAG.

If the DfE intervenes because of concerns over financial management and/or governance, the Trust may be required to submit additional information such as monthly income and expenditure accounts, cash flow statements and balance sheets.

The Trust will remove a Member or Trustee when directed to do so by the Secretary of State.

20. Headteacher's Scheme of Delegation

The Board of Trustees formally delegates the day-to-day financial management of the Trust's budget to the Headteacher of Sutton Coldfield Grammar School for Girls.

Budget: The Headteacher will retain overall responsibility, but will delegate to the Finance and Operations Director (FOD), the preparation and submission of provisional annual Budget Plan to the Finance Committee for review during the first of the Summer Term and seek approval at the second committee meeting of the term for subsequent submission to the Full Governing Board for approval.

The Headteacher will retain overall responsibility but will delegate to the FOD the preparation and submission of the end of year accounts to the Education Funding Agency/Companies House.

The Headteacher will retain overall responsibility, but will delegate to the FOD, the preparation of monthly management accounts as required by the Academy Trust Handbook.

The Headteacher will retain overall responsibility but will delegate to the FOD the preparation of an annual 3 Year Strategic Financial Plan in line with the Trust Development Plan and reflecting the financial and resource consequences for each year including options, where appropriate, for consideration by the Finance Committee.

Virements: The Headteacher and FOD may undertake virements and budget revisions up to a value of £30,000 which should be retrospectively reported to the Finance Committee.

The Headteacher and FOD will recommend virements and associated budget revisions between £30,001 and £60,000 to the Finance Committee for approval. Should there be emergency requests, the Headteacher may obtain the approval of the Chair of Finance Committee and/or the Chair of Board of Trustees until a Finance Committee meeting can be arranged.

The Headteacher and FOD will recommend virements and budget revisions above a value of £60,000 to the Full Governing Board for approval.

Expenditure: Sign off of Purchase Orders (PO's) as set out below; Note in some circumstances PO's are not required. Please refer to Procurement and Tendering Policy for this.

Value of Spend/Contract	Preferred Process	Sign off
Under £1,000	Best Value	Budget Holder
£1,000 to £12,500	Best Value, preferably three quotes	Finance and Operations Director (FOD)
Over £12,500 to £30,000	Three Written Quotes	Headteacher
Over £30,000 to £60,000	Written specification issued and three written quotes	Chair of Finance Committee
£60,000 to £214,904 for Supply, Services and Design Contracts	Formal Tender Process	Finance Committee

£60,000 to £5,372,609 for Works Contracts		
£214,904 and over to Supply, Services and Design Contracts £5,372,609 and over for Works Contracts Source: Guidance: Thresholds (HTML) - GOV.UK	Formal Tender process using UK Government Find a Tender Service to advertise the procurement	Board of Trustees

Assets: The Headteacher will retain overall responsibility, but will delegate to the FOD, the responsibility to maintain an inventory record.

The Headteacher has authority to write off and dispose of assets up to the value of £5,000. Items over £5,000 to £12,500 can be authorised by the Chair of the Finance Committee. Disposal of items with a residual value of over £12,500 require approval from the Finance Committee before disposal.

Other: The Headteacher will retain overall responsibility, but will delegate to the FOD, the responsibility to manage and maintain adequate records for unofficial funds and the responsibility for annual audited accounts to be submitted to the Finance Committee for their approval.

The Headteacher, in conjunction with the FOD, will maintain and develop adequate financial systems and records to protect the Trust assets and in accordance with Financial Regulations and Standing Orders as outlined in the Trust's Financial Policy. The Headteacher will make recommendations to the Finance Committee for the improvement of financial systems and records where appropriate.

The Headteacher will report and make recommendations to the Finance Committee on any proposed changes which the DfE may request to be made to the Financial Regulations and Standing Orders procedures.

The Scheme of Delegation should be reviewed annually, and immediately when there has been a change in Trust management or organisational structure.

21. Fraud

The Trust is aware of the risk of fraud theft and irregularity and will put into practice proportionate controls, e.g. regular inspections, to address the risk.

Where instances of fraud, theft or irregularity are suspected or identified, the Trust will investigate them promptly and, should any evidence of fraud be found, take appropriate action.

In any instance of fraud, theft or irregularity exceeds £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 Trust 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 reasoning.
- Whether the insurance or the risk protection agreement has 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 the SLT.

The Trust will treat any reports of fraud in a fair and unbiased manner, adopting an innocent until proven guilty approach.

If the report of fraud is against a member of the SLT, the member of staff can raise the issue directly to the Chair of Board of Trustees.

The SLT/Chair of Board of Trustees 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 investigation.

Upon receiving the SLT's/Chair of Board of Trustee'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 Trust staff.
- Determine who will carry out the investigation.
- Determine which outside agencies should be involved.
- Assess the risk of the fraud and the perpetrator to the Trust.
- 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.
- Reporting any excessive fraud (over £5,000) to the DfE.

The Trust has a Whistleblowing Policy in place which 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. This will be agreed by Trustees and published on the Trust website.

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

The Department for Education may recover funds where there is evidence of irregularity or fraud

22. Cybercrime

Academy trusts **must** also be aware of the risk of cybercrime, put in place proportionate controls and take appropriate action where a cyber security incident has occurred. Trusts should take appropriate action to meet [DfE's cyber security standards](#), which were developed to help them improve their resilience against cyber-attacks.

Trusts **must not** pay any cyber ransom demands. DfE supports the [National Crime Agency's](#) recommendation not to encourage, endorse, or condone the payment of ransom demands. Payment of ransoms has no guarantee of restoring access or services and is likely to result in repeat incidents.

23. Joining a Multi Academy Trust

If the Trust decides to join/form a MAT, the Trust will complete a financial management and governance self-assessment and submit it to the DfE in accordance with financial management and governance self-assessment (FMGS) guidance.

24. Monitoring and review

This policy will be reviewed annually by the FOD, Headteacher and Chair of the Finance Committee.

This policy will be approved by the Finance Committee on an annual basis.

Any changes to the policy will be made, and communicated to all members of staff, by the FOD.

The scheduled review date for this policy is September 2026.

INITIAL EQUALITY IMPACT ASSESSMENT FORM

Name of policy/activity/project:

Finance Policy

Is this a new or an existing policy/activity/project?

Existing policy updated

Scope/timescales for project or activity (including review date):

Approval in September 2025, next in 2026.

Policy/project lead and Author of Equality Impact Assessment:

Finance and Operations Director

Outline of main aims of this activity/policy/project:

To provide guidelines for the finance regulations of the Trust and ensure compliance with the Academy Trust Handbook.

Who will benefit/be affected by this policy/activity?

Students, staff, Trustees and parents of Sutton Coldfield Grammar School for Girls and also visitors to the Trust.

If an existing policy/activity, do you have any data of use by or impact on different groups which may raise concerns over an equality impact?

No concerns

Does the activity have the potential to impact differently on groups due to a protected characteristic (e.g. race/ethnicity, gender, transgender, disability, religion & belief, age, sexual orientation, maternity/paternity) for:

No.

(a) Students and members of the community? (e.g. The Governing Board, students, contractors, visitors, hirers of the premises, agency staff, suppliers etc). Which groups are likely to be affected?

No

(b) Employees?

No

Does this activity make a positive contribution to the Trust's general or specific duties under the Equality Act 2010? If yes, please detail.

Yes – the Policy applies to all equally

Having reviewed the potential impact of the policy/activity listed above, **I believe a full impact assessment is required / NOT required** (delete as applicable with justification below)

Full impact assessment is not required

Justification: The policy is of equal benefit to all students, regardless of gender, race, religion, sexual orientation etc.

Name : Doug Thorp

Date : September 2025

