

# INVICTUS

Education Trust

## Finance Support

The Trust's Schools are funded predominantly by Central Government grants and this is referred to as public sector funding. On behalf of Central Government, the Trust manages the education at six secondary schools locally, plus from September 2021 a primary school, and we are therefore stewards and custodians of that public funding.

### Finance Team

- See structure diagram in welcome pack|  
Centralised staff based at HQ Kinver High School
  - Chief Finance Officer
  - Senior Finance Officers
  - Finance Officers - peripatetic in schools at least 1 day per week
- Based in each school but with professional links to HQ finance team for support and guidance
  - Finance Assistants

### Financial Cycle

- Budget setting - 3-year plan and cash flow forecasts.
- Budget monitoring - monthly management accounts.
- Year-end accounts to 31 August - Academic Year = Financial Year in Academy sector.

### Financial Support

- Weekly visit to school from dedicated Finance Officer to support Finance Assistant role (title may differ in a Primary school – but staff engaged with placing invoice and orders on the system/arranging school trips/collecting income).
- Fortnightly payment of invoices scheduled at the school. Finance Officer meets with Headteacher to agree items for payment. Headteacher then authorises at bank.
- “Uniform authorisation levels across the Trust” in accordance with Trust’s Financial Policy & Procedures. Ensures segregation of duties and provides professional dedicated and experienced accountancy support.
- Monthly meeting with the Headteacher by the Senior Finance Officer to discuss the proposed current year budget monitoring financial outturn position and 3 year budget forecast.
- Once approved the month budget data flows to CFO->CEO->Heads->Finance and Audit Committee members-> Trust Board each month; for Information.
- 1:1 meeting with Headteacher/CEO/CFO throughout the year dependant on need. The March meeting to discuss draft 1 of three year plan and May meeting to discuss final three year plan before submission to Finance and Audit Committee meeting then Trust Board. For ratification and submission to the ESFA in the form of the 3 Year Budget Forecast Return. This is a requirement for all Academy schools to submit by end of July preceding start of new academic year cycle.
- Termly Governance reports to Local Schools Board with attendance to present the report by the School’s Senior Finance Officer.
- Fortnightly MAT briefings with CEO/Headteachers includes CFO part of Leadership group to represent Trust financial issues.

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## Financial Information Systems

- PS Financials/IRIS.
- School based education/finance system for end to end processes.
- Ordering/paying invoices/raising debtor invoices/monitor cashflow/Bank reconciliations/school fund transactions separated from GAG (General Annual Grant – Delegated Budget), management reporting etc.
- Integrated solution for all Trust schools.
- Schools can only access their own set of accounts
- HQ can help remotely if an issue in school.
- HQ lead as system administrator and system training/support to schools.

## Banking

- Barclays.com.
- Online remote access.
- Smart card and PIN access.
- Administered and support through HQ.
- Schools can only see their bank own accounts
- HQ can support all schools if an issue.

## VAT

- VAT return completed by CFO at HQ monthly to recover VAT paid.
- Expenditure will be paid out of bank gross of VAT thus reclaimed.
- Same process with all Academy schools/education sector privilege.
- Cashflow management key role – supported by Finance Officer.

## Grants

- All DfE grants come into HQ for reconciliation and checking before being paid to Trust schools.
- All DfE/ESFA queries flow through HQ finance team.
- Any grant applications to ESFA are made via HQ finance team.
- All ESFA and DfE returns are made on Trust school's behalf through HQ finance team. eg - Budget Forecast Revenue Outturn/3 Year budget Forecast Return/School resource management self-assessment/Integrated Financial Curriculum Planning.

## External Audit

- The Trust (IET) uses CROWE UK LLP since 2015.
- Provide support and guidance during year.
- Very experienced and knowledgeable of the Academy sector.
- Top 16 /100 UK accountancy rated company.
- Main function being the Year End Audit of Accounts during September.
- To comply with need to produce Annual Governance Report and Financial Statements for Trust Board approval and submission to ESFA by December.
- CFO and SFO lead on this from HQ and liaise with in school finance staff as
  - required.

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## Internal Audit

- DfE requirement that External Auditors are not Internal Auditors also – conflict of interest.
- Trust have just appointed Bishop Fleming for 3 years.
- Very experienced and knowledgeable of the Academy sector.
- Top 30 /100 UK accountancy rated company.
- Finance and Audit Committee to agree an audit programme based on risk assessment for the Trust and Schools in Autumn term.

## Financial Procedure and Policy

- One standard set for the Trust, approved by Trust Board.
- Mirrors ESFA Academies Financial Handbook guidance – to be renamed September to Academy Trust Handbook 2021.
- Local policies and procedures enforced for the safety and security of schools public funding and the staff in school.

## Trust Reserve Statement

- DfE requirement for MAT to demonstrate at Year End Audit (amongst other things):
  - They are a going concern
  - They have a Reserves Strategy

## Benefits of Joining Invictus Education Trust – Finance

- Experienced finance professionals understanding the Academy and education school sector.
- CFO & SFOs, qualified accountants. Have extensive experience of either working for many years directly in school, as an SBM, or though Dudley LA, in the education finance field responsible, at a senior leadership level, for setting education school financial strategy and management of school budgets, through the schools' traded accountancy service.
- Strategic oversight of Trust school finances, delivered by HQ central team supported by Finance Assistants in school, managing the operational and daily issues at school level.
- DfE/ESFA financial returns and communications made through CFO at HQ.
- Defined and approved financial practices and processes in place across the Trust:
  - Compliance with the Academy Trust Handbook.
  - During COVID, all finance staff continued to work remotely and no deadlines were missed.
  - Schools with prior deficit budgets are now in surplus or projected to be.
  - Core compliance internal audit completed in June 2021.
- Trust overall very healthy with forecast £2.5m surplus by 31/8/21.
  - 5% reserve level "contingency" = £1.65m.
  - Three-year budget to 2023/24 will maintain and improve this level.
  - Economies of scale whilst maintaining school identity.

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- Personal service with regular meetings from HQ finance staff – in school, at all levels:
  - Headteacher
  - Chair of Governors/Trustee
  - Link governance
  - Finance Assistant etc
- Share knowledge of finance processes and can offer support school to school, if needed due to vacancies/pressures.
- Supportive but challenging Finance and Audit committee meeting four times per year.
  - Attended by CFO/COO and CEO.
  - Lead by Trustees
- Working in partnership with both our External and Internal Auditors adds value to our operations:
  - 2019/20 external feedback with just 4 low risk recommendations  
“Trustees were informed that that the team from Crowe had worked closely with KC and the finance team at Invictus and confirmed that it was very clear that the team were on top of things and that they were well organised and that there were well organised controls in place.

Crowe assured the Trustees that the information that had been seen had been very good and advised that things had moved on a huge amount over the last 2/3 years.”

2020/21 Core compliance internal audit feedback:

“Finally, to conclude on our first internal audit review, we wanted to highlight that the current operation of internal controls in place at the Trust compares extremely favourably to many larger well-managed multi-academy Trusts that we act for.”