



Woodbrook Vale School Policy Document

Finance Policy

Date approved by Governors: 12 June 2018

Review Date: Annually Summer Term 2019

Headteacher's Signature: Date:

Print name: Gary Peat

Chair of Governor's Signature: Date:

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Objectives

The objectives of this policy are to set guidelines for the establishment of sound and effective financial procedures by complying with the current financial regulations in the Academies Financial Handbook and adopting good working practices such as:

- establishing proper financial management arrangements and accounting procedures, in line with Education Funding Agency (EFA) and DfE recommendations;
- maintaining a reliable system of internal controls;
- ensuring that resources are properly allocated and that the principle of best value is adopted;
- outlining the areas of responsibility within the Academy;
- ensuring that the requirements of accountability are fulfilled.

The Academy aims to operate in transparent, ethical and accountable ways in which to promote effective management. This document has been adopted by the Full Governing Board (FGB) as the basis for the administration and financial management of the Academy.

Woodbrook Vale receives funding from the Government through the EFA based on a census of the students during each year. The Governors of the Academy have resolved a general principle that funding received should be spent on the students currently in the school and that an operating surplus should be minimised except where surplus funding is needed for future capital projects or investment agreed by the Governors, and/or to maintain a prudent reserve to ensure the long term security and stability of the school as a going concern.

Strategies for Implementation

Overall Management Responsibilities

The Board of Governors	<ul style="list-style-type: none">▪ undertake the responsibilities of trustees as outlined in the AFH▪ identify the skills and experience that it needs, and address any gaps through recruitment, and/or induction, training and other development activities▪ publish information about governance structures in accordance with the AFH▪ appointment and removal of external auditors▪ ensures that the Academy's financial systems are managed effectively;▪ approves and monitor the annual budget;▪ establishes the financial limits of delegated authority outlined in this document;▪ establishes the terms of reference for the Staff, Finance and Buildings Committee (SF&B). The SF&B Committee has delegated powers to make decisions and report back to the Full Governing Board.
The Board of Governors Staff, Finance and Buildings Committee	<p>The SF&B Committee has delegated responsibilities approved by the FGB for the following aspects of Financial Management:</p> <ul style="list-style-type: none">▪ undertake the remit of the Trust's audit committee as defined in the AFH▪ strategic planning;▪ providing appropriate policies;▪ assisting/preparing the annual budget for approval and ensuring that this approval of the budget is recorded in the Board of Governors minutes;▪ regular monitoring of the financial position of the Academy;

	<ul style="list-style-type: none"> ▪ authorisation of expenditure. The Headteacher can approve expenditure up to £20,000. Expenditure over £20,000 but less than £50,000 must be approved by the SF&B committee. Expenditure in excess of £50,000 must be approved by the FGB. ▪ Capital Improvement bids/ awards (approval of tendering procedures and proof of “best value” to be approved by External Accountants up to the current EU Threshold) ▪ tenders for contract services; ▪ keeping in-school financial procedures under review via independent Internal Auditor’s and two Audit Governors; ▪ maintenance and review of the Finance Policy; ▪ ensuring links to the School Improvement Plan; ▪ ensuring a full annual audit and the production of the annual accounts is conducted using external auditors.
The Headteacher (Accounting Officer)	<p>The Headteacher (HT) is identified as the accounting officer who is appointed to be personally responsible to the governing board for:</p> <ul style="list-style-type: none"> ▪ Ensuring regularity and propriety; ▪ Ensuring prudent and economical administration; ▪ Avoidance of waste and extravagance; ▪ Efficient and effective use of available resources; ▪ The day to day organisation, staffing and management of the academy. <p>Governors have appointed the School Business Manager (SBM) to manage the finances, who is also a member of the Senior Leadership Team. The SBM undertakes the role of the Chief Finance Officer as outlined in the AFH.</p> <p>The HT should ensure that:</p> <ul style="list-style-type: none"> ▪ The SF&B Committee is provided with financial information through the work of the Business Manager in the form of a monthly Budget Monitoring report (spreadsheet and written) Any variances between budget and actual income and expenditure are highlighted, understood and addressed. ▪ Proper and adequate financial systems and controls are in place; ▪ Accounts are prepared and maintained as required by the SF&B Committee and the EFA. ▪ The HT delegates the day to day financial management to the SBM while retaining ultimate responsibility. ▪ Team leaders (HoFs, HoYs and others as appropriate) are responsible for curriculum budgets assigned to them with details held in SIMS FMS6.
Cheques and BACS	<p>Two signatures are required for the approval of expenditure by cheque. BACS payments are made via the NATWEST online facility via machines installed with Rapport security software and require dual authorisation. The FGB has authorised any two from the four possible signatories, any two of whom may authorise such payments for invoices under £1,000, invoices over £1,000 require the HT’s signature plus one other;</p> <ul style="list-style-type: none"> ▪ the Headteacher ▪ the Deputy Headteachers ▪ the Business Manager

Budget Planning

- The budget forms part of the School Improvement Plan. By identifying and allocating financial resources, the Academy prioritises its targets and objectives and facilitates the achievement of its educational aims.
- The SBM will prepare the budget ensuring that planned income and expenditure including detailed staffing projections are included in the figures to create the annual revenue budget.
- The SBM will ensure that any bids placed for capital schemes such as the Condition Improvement Fund (CIF) are completed and submitted within prescribed timelines and that any financial contribution made by the Academy is not detrimental to the overall financial stability.
- The SBM will produce a Medium Term Financial Plan (MTFP) (3-5 years) ensuring the budget and cashflow forecasts are as accurate as possible based on the current information available regarding future funding. This will regularly be updated...
- The SBM will also produce management accounts on a monthly basis to the Headteacher and Chair of SF&B and to each meeting of the SF&B Committee showing up to date information and ensuring that transactions reflect an accurate financial position that reconciles to the SIMS FMS6 financial system.
- The SBM will ensure that appropriate returns are made to the EFA such as the Annual Accounts return (ARR) and the annual Budget Forecast Returns.
- Once the Annual budget has been approved the SBM may make budget virements to enable that the budget monitoring process reflects any changes in the financial circumstances of the Academy. Any such changes should be highlighted as part of the monitoring information provided to SF&B.

Purchasing

1. Procedures	<ul style="list-style-type: none">▪ Purchasing procedures have been put in place to ensure that the school follows the fundamental principles of probity, accountability and value for money.▪ Segregation of duties is used whenever possible: Purchase Orders are placed by members of staff and authorised by Head of Faculty (HoF), SLT Line Manager for the department and the SBM once he/she is satisfied that sufficient funds are available to place the order.▪ The order is raised via the Finance Office (FO) using SIMS FMS6 financial accounting package. The HT approves orders above £500, orders less than £500 are approved by the SBM.▪ For transactions where an official purchase order is not the most appropriate approach, the Academy uses credit cards to place orders/ purchase goods. These are held by the HT (£5,000), SBM (£3,000), Finance Officer (£2,000), Finance Assistant (£3,000) HUB Manager (£1,000), IT Manager (£2,000), Site Manager (£500). The limits in brackets above are approved by SF&B. All transactions are signed off by the Individual Card Holder and the overall total by the HT on a monthly basis when the Academy's credit cards statements are reconciled. The total credit card statement is paid off in full each month by way of a direct debit payment.▪ It may not, however, always be possible to have complete segregation of duties due to the limitation of staffing arrangements. These are reviewed by the SBM and the Auditors against the risk to the business.▪ The Academy is careful to apply the principles of best value for money by using known suppliers with proven capacity to provide quality, quantity and timely delivery at a competitive price.▪ Non-order invoices are discouraged as much as possible. Purchasing items by telephone orders should always be authorised beforehand and supported by the issue of an official order.▪ HoFs are responsible for the management of their budget within the limits set out by the SBM. Any issues should be picked up by the SBM through routine monitoring and raised with the HoF to minimise overspend.▪ All purchases estimated to be under £10,000 should be made with reference to the best value for money in the market place at the time of purchase. All purchases estimated to be between £10,000 and £20,000 should be supported by three official quotations. All purchases estimated to be over £20,000 should be put out to tender. Any items of expenditure above £20k are reported through a standard agenda item to SF&B.▪ Further EFA guidance on forms of tenders is available in the AFH▪ It may not always be possible to source three quotes for purchases of specialised services/equipment, if this is the case the auditors on inspection should be presented with details clearly stating the reasons why.▪ The Board of Governors must maintain an annually updated register of business interest for each member of the Governing Board and the HT (held by the SBM). Also at each meeting members have the opportunity to declare business interests through a standard agenda item.
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2. Payment of Invoices	<ul style="list-style-type: none"> ▪ Invoices are processed by the FO once approval has been sought to ensure goods have been received. ▪ The person receiving goods should act as the certifying officer and sign the appropriate paperwork to certify that: <ul style="list-style-type: none"> ○ The goods supplied, work done, or services rendered have been satisfactorily carried out and the order complied with; ○ The charges are correct and in accordance with quotations or contracts; ○ All appropriate discounts have been claimed (every effort should be made to ensure that discounts are not lost) i.e. discounts for early payment. ▪ The FO will process the invoice using SIMS FMS6 Financial accounting software. Payments are made via cheques or BACS whenever possible and signed as above. ▪ Items considered to be portable or desirable must be security marked and added to the asset register. ▪ Any VAT recoverable on the payment is identified and recorded against the appropriate expenditure code which forms the monthly VAT126 claim. <p>This authorisation means that:</p> <ul style="list-style-type: none"> ▪ The invoice has been correctly certified and coded; ▪ The invoice has not been previously paid (If copies are received they will be signed off as “goods received, invoice not previously paid”); ▪ The expenditure is covered by an approved budget provision; ▪ There is clear segregation of duties.
3. Mileage Claims	<ul style="list-style-type: none"> ▪ Mileage claims must be claimed using the appropriate claim form and approved by the HT/SBM. ▪ Payment is made via payroll. ▪ The amount agreed for reimbursement should be in line with national rates advised by the accountants annually, the current rate is 45p per mile for all staff.

Income

The following guidelines should be followed when handling cash:

- Do not count cash in public;
- Do not leave cash unsecured in an unattended area or room;
- Use the fire-proof safe to store large amounts of cash;

Petty cash reimbursements must be made promptly.

Claims presented within a different financial year from the date on the receipt may not be authorised.

- Income must be banked regularly. The cash is collected by “Kings Security” from the Finance office weekly during term time. NatWest night safe can be used at any other time to ensure the insured £3000 cash level is not exceeded.
- All income including Catering Income is collected through ParentPay. The cashless catering revaluer machine is emptied using a dual control process and counted and balanced daily by the finance office. All cash received should be counted promptly, by the Finance Assistant (FA) or the FO in the absence of the FA and locked in the safe.
- School Trips are administered through ParentPay and are reconciled on a weekly basis by the FO against the relevant SIMS FMS6 cost centre.
- Students must be given a receipt for any income paid.

Reconciliation of Accounts and Management Reporting

- The Academy needs to monitor its financial progress continually and report on it to various bodies, such as the Board of Governors, EFA and DfE.
- The SBM also needs to complete various returns/claims in relation to income and expenditure such as VAT, GAG and the end of year accounts.
- The lists of reports, claims and returns and their submission deadlines are defined by the EFA or the DfE.
- Internal reconciliations such as the Bank Reconciliation should be completed on a monthly basis (but only if it is deemed that a significant number of transactions have taken place) and signed off by the AO and the SBM.

Depreciation

- The Academy will consistently apply a depreciation policy at the year-end as agreed with the accountants.
- The agreed depreciation percentages for items over £20,000 are
 - 2% over 50 years for buildings;
 - 33.3% over 3 years for IT;
 - 20% over 5 years for furniture and resources.

Lettings

- At Woodbrook Vale School, income generated by lettings represents a small percentage of the total budget and contributes to the financial health of the Academy.
- Segregation of duties regarding the management of lettings is managed by the Finance and site team where records are kept relating to bookings. The lettings are mainly regular hirers who receive an invoice from the Academy on a termly basis.
- Letting income is received and banked by the FO. The SBM reports to SF&B via the budget monitoring process.
- SF&B recommend to the FGB the proposed letting fees on an annual basis as part of approving the overall budget.

Asset Register

- The FGB is responsible for the safe custody and physical control of stores and equipment and is required to monitor the inventory of portable, non capital assets.
- The Head Teacher is responsible for ensuring that assets under his/her control are correctly recorded in the Asset Register.
- The Asset Register is checked annually as part of the annual audit. The IT Network Managers maintains the IT register.
- Write-offs and disposals of assets are only authorised by the HT or the SBM (up to £2,000) and by the SF&B Committee (over £2,000).

Insurance

- The Academy is insured for buildings, content, employer and personal liability, through the Leicestershire Academy Insurance Scheme (LAIS).
- HOFs and Classroom Teachers are responsible for safeguarding their asset.
- All valuable items are kept secure wherever practicable.
- Attempts are made to keep valuable items as secure as possible against theft.
- Loans of equipment must be for Academy use only.
- The Academy can loan equipment to another school, however a hire form must be signed by the SBM and the school loaning the equipment.
- The Academy will not maintain more than £3000 cash, in total, on the premises.

Staff Appointments

- The governing board has approved a “staffing establishment” for the academy as part of the overall budget process. Any changes that are required by the school allowing it to function efficiently can be made by the HT who must ensure that adequate budgetary provision exists. Any changes must be reported to SF&B.
- The HT has authority to appoint staff within the authorised “staffing establishment” except for members of Senior Leadership Team whose appointments must follow consultation with the governors. The HT maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the SBM immediately.

Payroll Administration

- The academy payroll is administered by ‘Moorepay’. The Academy is responsible for setting up new starters, leavers and making changes to contracts. Access to the system is limited to the HT, Deputy Heads and SBM.
- The main elements of the payroll processed by the SBM are:
 - staff appointments, amendments and leavers;
 - payroll administration and payments;
 - pension administration.
- A master file is received from ‘Moorepay’ which includes employee records such as :
 - Salary;
 - taxation status;
 - any deductions or allowances payable.

- Moorepay will provide the Academy with a monthly payroll report (PDF format) showing the total cost to the Academy broken down by individual employees and by category of employee. This is reconciled by the SBM and authorised by the HT on a monthly basis. The signed copy is retained and available for inspection by Audit.
- A payroll authorisation slip signed by the head teacher showing the total payroll amount for the period is sent to 'Moorepay' to allow the release of payments to individuals and third parties.
- The Academy will ensure employee records are maintained including documented paperwork relating to contracts.

Pension Administration

- The SBM is responsible for the administration of pensions with Teachers Pension Agency, the Local Government Pension Scheme and any other agency such as Legal and General, relating to AVC's and Ill Health insurance.
- The Academy is responsible for informing the above organisations of new starters, leavers and any changes to contracts.
- 'Moorepay' make payments to third parties as instructed by the Academy.
- Year-end reconciliation and summaries are produced by the SBM and reported SF&B through the Budget monitoring process.

Salary Payments

- All staff are paid on the last working day of each month (except December - last Friday before Christmas) directly into their bank accounts.
- All salary payments are made by BACS except in exceptional circumstances where the HT will approve a cheque to be produced.
- Moorepay have third party authorisation to make payments from the Academy's bank account.
- The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross and net pay print which should be authorised by the SBM after the payroll has been processed the SBM processes the payments through SIMS FMS6 Financial accounting system. Postings will be made both to the payroll control account and to individual cost centres. The SBM should review the payroll control account to ensure the correct amount has been posted from the payroll report, individual cost centres have been correctly updated and to reconcile any amounts posted to the suspense account.

Internal Audit

An independent Internal Auditor is appointed by the governing board. The Auditor provides governors with an independent oversight of the academy's financial affairs. The main duties of the Auditor are directed by the governing board with independent assurance that:

- The financial responsibilities of the governing board are being properly discharged;
- Resources are being managed in an efficient, economical and effective manner;
- Sound systems of internal financial control are being maintained and
- Financial considerations are fully taken into account in reaching decisions.

The independent consultant will undertake at least one review exercise during the Spring/Summer term to ensure that financial transactions have been properly processed and that controls are operating in line with the AFH. A report of the findings from each visit will sent to each Audit Governor via email and be presented to the SF&B Committee.

Cash flow/Investments/Reserve Policy

- The day to day monitoring of the Academy's cash flow is administered by the SBM. Where appropriate the SBM will recommend to the AO the opportunity to maximise income by way of investments. The Chair of SF&B will be consulted before any short term investments (no more than one year) are undertaken. SF&B will be presented with a position statement on all investments as part of the Budget monitoring process.
- The SBM regularly reviews income and expenditure streams and identifies the need to match income with existing commitments and seeks to establish a reserves balance at any one time equivalent to a month's payroll expenditure. SF&B will authorise any expenditure that takes the balance below this reserves balance.
- The SBM meets with the NATWEST relationship manager to review levels of interest and changes on a regular basis.

System Access

- The Network Manager is responsible for ensuring that all systems can only be accessed by approved personnel and adequate password protection exists. The SBM is responsible for setting access levels for all members of staff using the system.

Backup Procedures

The Network Manager is responsible for ensuring that there are effective back up procedures for the system. We employ a 3 stage backup process.

Stage 1 – "Volume Shadow Copy Service" on both mission critical file servers.

Stage 2 – Veeam Backup of all Virtual Servers to Disk using daily and full snapshots. Mission critical servers backup in Full twice a week (Wednesday/Thursday and Friday/Sat) overnight.

Stage 3 – Veeam Backup of all Virtual Servers to LTO6 Tape using daily and full snapshots. Previous weeks tape stored offsite and unused tapes stored in a fireproof safe. Tapes are rotated on a 4 week process.

Fraud or Theft

- The SBM will ensure that the Whistleblowing Policy is approved by SF&B and made available through the school website. All instances of fraud or theft committed against the trust, whether by employees or trustees or third parties, above £5,000 must be reported by the trust to the EFA. Any unusual or systematic fraud, regardless of value, must also be reported.

Novel and contentious transactions

- Novel payments are those in which the academy trust has no experience, or outside the normal business activity of the trust. Contentious transactions are those which might give rise to criticism of the trust by the public or the media. These type of transaction must be referred to the EFA for explicit prior authorisation. These should be discussed with SBM as the AO has to ensure that public money is spent prudently and in ways that command broad public support.

Write-offs and liabilities

- The School may write off debts and losses, including any uncollected fines in line with the delegated limits set out in the AFH. These will be presented to SF&B for approval.

Leasing

- The trust must not enter into any Finance leases (which are classed as a form of borrowing). The trust can take out Operating leases (which do not involve borrowing). The SBM will gain approval from the External Auditors should clarity be required.

Disclosure

Disclosure is made within the audited accounts for the following transactions: -

- gifts made by the trust,
- writing off debts and losses
- guarantees, letters of comfort and indemnities
- special payments – staff severance/compensation and ex gratia
- acquisition/disposal of a freehold of land and buildings
- disposal of heritage assets
- taking up/granting a leasehold on land and buildings

Risk Management

- The trust maintains a risk register which is reviewed regularly by SF&B and business continuity plan. These are updated by the SBM.

Register of interests/Connected Parties/ Special Payments

The academy trust's register of interests captures relevant business and pecuniary interests of members, trustees, local governors of the academy trust and senior employees, 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 register identifies any relevant material interests arising from close family relationships between the academy trust's members, trustees or local governors. It also identifies relevant material interests arising from close family relationships between those individuals and employees. If any trading with connected parties are identified or any Special payments are planned (including staff severance payments, compensation payments or ex gratia payments) advice and further information is available in the AFH or by contacting the SBM.

Gifts

The academy trust has a policy and register on the acceptance of gifts, hospitality, awards, prizes or any other benefit which might be seen to compromise their personal judgment or integrity; and makes all members of staff aware of this. When giving gifts, the trust ensures that the value of the gift is reasonable, is within the trust's scheme of delegation of financial powers and has due regard to propriety and regularity in the use of public funds. Any decision will be fully documented by the SBM.