



WOODBIDGE TRUST

Financial Management Policy

Updated October 2022

CONTENTS

Related Documents and Policies	3
1. Introduction	4
2. Responsibilities	4
Trust Board	4
Finance & Resource Committee	5
Audit Committee	6
Accounting Officer	6
Chief Finance Officer	7
Delegation of responsibilities	7
School Business Manager	8
3. Financial Planning, Monitoring and Reporting	8
4. Internal Control and Internal Scrutiny	9
5. Audit Requirements	10
6. Insurance	11
7. Taxation	12
8. Reporting Financial Results	12
9. Cashflow	13
10. Accounting Systems	13
11. Authorised Signatories list	14
12. Payroll	14
13. Purchasing	16
14. Staff Expenses	17
15. Credit Cards	18
16. Lettings	18
17. Other chargeable services provided	18
18. Income	19
19. Fixed Assets	19
20. Internet Banking and BACS	21

21. Value for Money	24
22. Write-offs and liabilities	24
Appendix 1 - Responsible Officer	25
Appendix 2 - Chief Finance Office Responsibilities	26
Appendix 3 - Scheme of Financial Delegation	27
Appendix 4 - RPA Cover	28
Appendix 5 – Bank Signatories	29

Related Documents and Policies

The following policies and documents are not part of this Financial Management Policy, but should be referred and adhered to where applicable:

- Academies Financial Handbook
- Funding Agreement
- Articles of Association
- Financial Scheme of Delegation
- Scheme of Delegation
- Anti-Fraud and Corruption Policy
- Whistleblowing Policy
- CC3 Essential Trustee guidance
- 7 Principles of Public Life
- Procurement & Tendering Policy
- DFE RPA guidance
- Terms of reference:
 - Finance & Resources Committee
 - Audit Committee
 - Local Advisory Committees

1. Introduction

The purpose of this manual is to ensure that the academy maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Secretary of State.

The academy must comply with the principles of financial control outlined in the guidance published by the ESFA in the Academies Financial Handbook. This manual expands on that and provides detailed information on the academy's accounting procedures. The manual should be read by all staff involved with financial systems.

2. Responsibilities

Woodbridge Trust has defined the responsibilities of each role involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for trustees and staff.

2.1 Trust Board

The Board of Trustees has overall responsibility for the administration of the academy's finances. The main responsibilities of the Trust Board are prescribed in the Funding Agreement between the academy and the Secretary of State.

The Trust Board must:

- 2.1.1 ensure trustees and managers have the skills, knowledge and experience to run the academy trust.
- 2.1.2 fully understand duties as company directors and charity trustees, must be aware of Charity Commission guidance "CC3: The Essential Trustee: What you need to know, what you need to do".
- 2.1.3 adhere to the seven principles of public life
 - Selflessness
 - Integrity
 - Objectivity
 - Accountability
 - Openness
 - Honesty
 - Leadership
- 2.1.4 designate, in writing, a named individual as the academy trust's accounting officer who is a fit and suitable person for the role (Executive Headteacher) - section 2.4
- 2.1.5 ensure the board of trustees meets at least three times a year and conducts business only when quorate.
- 2.1.6 have a chief financial officer, who is the finance director or equivalent, to lead the finance department. The chief financial officer must hold an appropriate qualification and/or experience to enable them to carry out the duties delegated to them
- 2.1.7 comply with all terms of any Financial Notice to Improve.
- 2.1.8 waive the right to delegated authorities and seek prior ESFA approval on those transactions set out in the Handbook if the academy trust is subject to a Financial Notice to Improve.

- 2.1.9 ensure value for money, regularity and propriety in relation to the management of its funds, using its discretion reasonably to command broad public support.
- 2.1.10 provide details of the board of trustee's review of their governance structure and composition of the board, in the academy trust's governance statement when producing audited accounts for the first time.
- 2.1.11 provide details of the academy trust's governance arrangements in the governance statement published with its audited accounts.
- 2.1.12 publish up-to-date details of their governance arrangements in a readily accessible form on their websites in line with the Handbook.
- 2.1.13 ensure there are measure in place to manage conflicts of interest.
- 2.1.14 ensure that all members, trustees, local committee members of academies within a multi-academy trust and senior employees of the academy trust have completed the register of interests and there are measure in place to manage any conflicts of interest.
- 2.1.15 ensure the chair of the board of trustees and the accounting officer manage their relationships with connected parties to avoid both real and perceived conflicts of interest.
- 2.1.16 recognise that certain transactions with connected parties may attract greater public scrutiny and require sufficient disclosure in annual accounts to support the high standards of accountability and transparency of the public sector, including:
 - Transactions with individuals in a position of control and influence including the chair of the board of trustees and accounting officer;
 - Payments to commercial organisations which have a profit motive, as opposed to those in the voluntary sector; and
 - Relationships with external auditors that go beyond their duty to deliver a statutory audit.
- 2.1.17 complete, and return to ESFA, a financial management and governance self-assessment for new academy trusts, or constituent academies joining a multi-academy trust.
- 2.1.18 notify ESFA of any instances of fraud or theft where the value exceeds £5,000, individually or cumulatively, or of any value where the fraud is unusual or systematic.
- 2.1.19 notify DfE via the DfE's Get Information About Schools Service (formerly Edubase) within 14 days of the appointment or vacating of the positions of member, trustee, chair of trustees, accounting officer and chief financial officer, and ensure that its record on the Get Service for all individuals holding these positions remains up to date.

2.2 Finance & Resources Committee

Woodbridge Trust has established a Finance & Resource Committee, which meets once a term, or more frequently if necessary. This committee is responsible for monitoring and making recommendations to the Board of Trustees on matters related to Finance.

The Board of Trustees has:

- Defined its terms of reference;
- Prescribed the extent of its delegated authority;
- Ensured it receives feedback and minutes of the committee's meetings.

2.3 Audit Committee

Woodbridge Trust has established an Audit Committee, which meets once a term, or more frequently if necessary. The committee is responsible for managing risk and checking the controls within the school are appropriate and do not open the trust up to an unnecessary risk.

To manage the programme of risk review and checking of financial controls, the Audit Committee is to appoint annually a Responsible Officer to review and report on financial systems on a termly basis.

The Board of Trustees has;

- Defined the term of the committee
- Prescribed the extent of its delegated authority
- Ensured it receives feedback and minutes of the committee meeting

To manage the programme of risk review and checking of financial controls, the Audit Committee is to appoint annually a Responsible Officer to review and report on financial systems on a termly basis.

The Responsible Officer can be:

- an internal audit service (either in-house, bought-in or provided by a sponsor);
- a supplementary programme of work by the trust's external auditor;
- a suitably qualified or experienced external peer review (i.e. the work being performed by a suitably qualified or experienced member of the finance team, from another academy trust, as an independent reviewer).

Details of the checks to be carried out by the Responsible Officer can be found in Appendix 1

2.4 Accounting Officer

Woodbridge Trust has designated in writing that the Trusts Accounting Officer will be the Chief Executive Officer (CEO), The Accounting officer is personally responsible to Parliament, and to the accounting officer of the ESFA, for the resources under their control, and must be able to assure Parliament and the public of high standards of probity in the management of public funds.

The Accounting officer must be personally responsible to the Trustees for:

- 2.4.1 **Regularity** – dealing with all items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement and this Handbook, and compliance with internal trust procedures. This includes spending public money for the purpose intended by parliament;
- 2.4.2 **Propriety** – the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary control. This covers standards of conduct, behaviour and corporate governance
- 2.4.3 **Value for money** – this is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all resources in the trust's charge, the avoidance of waste and extravagance, and

prudent and economical administration. A key objective is to achieve value for money not only for the academy trust but for taxpayers more generally.

- 2.4.4 Keeping proper financial records and accounts and for the management of opportunities and risks.
- 2.4.5 Reviewing and signing the published Value for Money statement which relates to the current financial year
- 2.4.6 assure the board of trustees that there is compliance with the Academies Financial Handbook, the Funding Agreement and all relevant aspects of company and charitable law;
- 2.4.7 advise the board of trustees, in writing, of any action or policy incompatible with the terms of the academy trust's articles, funding agreement or handbook;
- 2.4.8 adhere to the "seven principles of public life".

Whilst the Accounting Officer is accountable for the Trusts financial affairs, delivery of the trust's detailed accounting processes will be delegated to a chief financial officer, who will perform the role of Finance Director.

2.5 Chief Financial Officer

Woodbridge Trust has appointed in writing that the Trusts Chief Financial Officer will be the Finance Director. The delivery of the trust's detailed financial processes is the responsibility of the chief financial officer and as such they must:

- 2.5.1 have appropriately qualified and/or experienced finance staff.
- 2.5.2 ensure a written scheme of delegation of financial powers that maintains robust internal control arrangements is maintained and followed
- 2.5.3 take full control of the academy trust's financial affairs, apply the letter and the spirit of the Handbook and ensure there is appropriate oversight of financial transactions by:
 - Having all the academy trust's property is under the control of the trustees, and measures in place to prevent losses or misuse;
 - having bank accounts, financial systems and financial records operated by more than one person;
 - keeping and maintaining full and accurate accounting records; and
 - preparing accruals accounts, giving a true and fair view of the academy trust's use of resources, in accordance with existing accounting standards.

Further details included in Appendix 2

2.6 Delegation of responsibilities

The Board of Trustees has a defined written scheme of delegation, of its financial powers and duties to its Finance, Resource & HR Committee and to the CEO, CFO, Executive Head and the Head Teacher at each Academy. The scheme must satisfy the Trust Boards ultimate responsibility for ensuring that there are adequate operational controls in place for all financial processes within the school. This scheme complements the narrative contained within the main Financial Procedures handbook. In the event of Urgency Powers being invoked by the Chair of Trustees, this will be recorded in writing, advised to the next meeting of the Board of Trustees and the Academy Board. This is also a standing agenda item for all full Trust meetings.

Further details can be found in the Scheme of Financial Delegation

2.6 School Business Manager

The School Business Manager at each Academy is responsible, with guidance from the CFO, for;

- 2.6.1 providing financial advice to the Head Teacher and Local Advisory Committee
- 2.6.2 setting and monitoring the academy budget
- 2.6.3 making purchases in accordance with “best value” principles
- 2.6.4 developing provision to promote “best value”
- 2.6.5 developing and updating policies as required
- 2.6.6 liaising with budget holders and providing regular update reports
- 2.6.7 ensuring financial procedures are adhered to at all times
- 2.6.8 reviewing monthly payroll information
- 2.6.9 management of staff expenses
- 2.6.10 ensuring pecuniary interests register is up to date

3. Financial Planning, Monitoring and Reporting

The Trust board has delegated the financial planning, monitoring and reporting to a specific group of specialised Trustees who form the Finance Committee.

The Trust Board and the Finance committee must ensure that the Trust:

- 3.1 prepare and monitor financial plans to ensure the academy trust’s ongoing financial health.
- 3.2 have the full board of trustees approve a balanced budget for the financial year (to 31 August) and must minute their approval.
- 3.3 submit the budget forecast information to the ESFA.
- 3.4 ensure the board of trustees and the finance committee are responsible for:
 - Ensuring good financial management and effective internal controls;
 - Compliance with the funding agreement and the Handbook;
 - Ensuring sufficient rigour and scrutiny in the budget management process to understand and address variances between the budget forecast and actual income and expenditure;
 - Receiving and considering information on the financial performance of the trust at least three times a year, taking action to ensure ongoing viability.
- 3.5 notify ESFA if the board of trustees formally propose to set a deficit revenue budget for the current financial year which it is unable to address after unspent funds from previous years are taken into account.
- 3.6 have a cautious approach to investments in line with the principles in the Handbook:
 - act within their powers to invest as set out in the articles of association;
 - have an investment policy to manage, control and track their financial exposure, and ensure value for money particularly if using unfamiliar investment techniques;
 - exercise care and skill in all investment decisions, taking advice as appropriate from a professional adviser;
 - ensure that security takes precedence over revenue maximisation;

- ensure that all investment decisions are in the best interests of the trust and command broad public support; and
 - Review the trust's investments and investment policy regularly.
- 3.7 refer any novel and/or contentious transaction to ESFA for explicit prior authorisation.
- 3.8 obtain ESFA's prior approval before borrowing, including finance leases and overdraft facilities, of any duration.
- 3.9 obtain ESFA's prior approval for writing off debts and losses, and entering into guarantees, letters of comfort and indemnities beyond limits specified in the Handbook.
- 3.10 in respect of staff severance payments, consider the following:
- whether the proposed payment to be in the interests of the trust;
 - whether a payment is justified and value for money, based on a legal assessment of the case; and
 - review the level of settlement, which must be less than the legal assessment of what the relevant body (e.g. an employment tribunal) is likely to award in the circumstances.
- 3.11 obtain ESFA's prior approval for the non-contractual / non-statutory element of a staff severance payment, or compensation payment of £50,000 or more before making a binding settlement offer.
- 3.12 not accept a settlement for a staff severance payment unless it satisfies the conditions in the Handbook.
- 3.13 consider, when making a compensation payment, whether the proposed payment is based on a careful appraisal of the facts, including legal advice, and that value for money will be achieved.
- 3.14 obtain ESFA's prior approval for ex gratia payments of any value.
- 3.15 obtain ESFA's prior approval before entering into the acquisition and disposal of fixed assets beyond limits specified by the Handbook.
- 3.16 ensure a lease arrangement, or disposal, achieves the best price that can reasonably be obtained, and maintains the principles of regularity, propriety and value for money.
- 3.17 obtain ESFA's prior approval before entering into lease arrangements beyond limits specified by the Handbook.

4. Internal Control and Internal Scrutiny

The Trust board has delegated the Internal Control and Internal Scrutiny to a specific group of specialised Trustees who form the Audit Committee.

The Trust Board and the Audit committee must ensure that the Trust:

- 4.1 have in place sound internal control and risk management and assurance processes.
- 4.2 establish a control framework that recognises public expectations about governance, standards and openness.
- 4.3 include, in the trust's internal control framework:
- co-ordinating the planning and budgeting processes;

- applying discipline in financial management, including managing banking, debt and cash flow, with appropriate segregation of duties;
 - preparation of monthly budget monitoring reports, including income and expenditure reports on an accruals basis, cash flow forecasts and balance sheets as appropriate;
 - ensuring that delegated financial authorities are respected;
 - selection, planning and oversight of any capital projects;
 - the propriety and regularity of financial transactions;
 - the management and oversight of assets;
 - ensuring efficiency and value for money in the organisation's activities; and
 - a process for independent checking of financial controls, systems, transactions and risks.
- 4.4 ensure that decisions about levels of executive pay follow a robust evidence-based process and are reflective of the individual's role and responsibilities.
- 4.5 have appropriate procedures in place for whistleblowing.
- 4.6 recognise and manage present and future risks, including contingency and business continuity planning, to ensure the academy trust's continued and effective operation.
- 4.7 have adequate insurance cover in compliance with its legal obligations and funding agreement, or has opted into DfE's risk protection arrangements.
- 4.8 implement reasonable risk management audit recommendations made to the trust by risk auditors.
- 4.9 establish an audit committee which provides assurances to the board of trustees by reviewing the risks to internal financial control at the academy trust and agreeing a programme of work to address those risks.
- 4.10 oversee the controls and risks at constituent academies.
- 4.11 ensure that information submitted to DfE and ESFA that affects funding is accurate and compliant.
- 4.12 be aware of the risk of fraud, theft and irregularity and address it through their internal control and assurance arrangements by putting in place proportionate controls.

5. Audit Requirements

Woodbridge Trust adheres to the external audit regime as outlined in the Academies Financial Handbook and as required by Companies House.

As such the Trustees must:

- 5.1 be able to assure Parliament and the public that public funds have been used for the purposed intended.
- 5.2 produce audited accounts in line with the 'Statement of Recommended Practice' (SORP) for charities.
- 5.3 submit audited accounts to the ESFA by 31 December.
- 5.4 publish audited accounts of the trust's website by the end of January following the financial year to which the accounts relate, file their accounts with Companies House and provide a copy to anyone who requests them.

- 5.5 approve a set of accounting policies.
- 5.6 appoint a statutory (external) auditor, registered under the requirements of the Companies Act 2006 to certify whether the accounts are true and fair.
- 5.7 put the external audit contract in writing as a letter of engagement.
- 5.8 put additional purchased financial services from the external auditor in a separate letter of engagement.
- 5.9 provide in the audit contract for the removal of the external auditors before the expiry of the term as set out in the Handbook.
- 5.10 notify the ESFA immediately of the removal or resignation of auditors, and the reasons.
- 5.11 prepare information, at the request of ESFA, to facilitate financial consolidation.
- 5.12 make financial disclosures in their audited financial statements in line with the Handbook.
- 5.13 demonstrate how the trust has secured value for money via the governance statement in the annual accounts.
- 5.14 include a statement on regularity, propriety and compliance, signed by the academy trust's accounting officer, in the audited accounts.
- 5.15 include a review of the accounting officer's statement on regularity, propriety and compliance within the external auditor's remit.
- 5.16 address, jointly to the trust and the Secretary of State through ESFA, the auditor's conclusions on regularity.
- 5.17 cooperate with the National Audit Office's officials and their contractors and provide such help, information and explanation as is reasonable and necessary.
- 5.18 provide the ESFA with access to all books, records, information, explanations, assets and premises to assist the ESFA with its audits.
- 5.19 retain all records necessary for at least six years after the end of the period to which funding relates.
- 5.20 provide the ESFA or its agents with information of sufficient quality, necessary to meet the purposes for which it has been requested.

6. Insurance

Woodbridge Trust considered the Insurance requirements of the Trust and has opted to become members of the Risk Protection Arrangement (RPA) for insurance purposes. On an annual basis the Finance Committee reviews the insurance arrangements to ensure that the sums insured are commensurate with risks and include cover for academy property when off the premises.

The first £500 of replacement has to be funded by the Academy/ Department concerned and no central budget is held for such losses. Items under £500 will receive no insurance pay out and it will be up to the Academy/department concerned as to whether it is replaced or not.

All losses have to be reported to the Police before a claim can be made against insurance. It will be necessary to give details of purchase and serial numbers etc.

Claims under an insurance policy are authorised by the Business/ Finance Manager prior to submission to the RPA scheme. The academy needs to ensure it immediately informs its insurers of all accidents, losses and other incidents, which may give rise to an insurance claim.

Details on the level of cover provided under RPA can be found in Appendix 3

Consideration should be given to the adequacy of the current insurance cover when purchasing assets of significant value or covered under the Risk Protection Arrangement. The RPA scheme does not cover the Academy minibuses, this will be purchased under a separate policy.

7. Taxation

7.1 The Trust ensures that their senior employees' payroll arrangements fully meet their tax obligations and comply with HM Treasury guidance regarding the employment and contract arrangements of individuals on the avoidance of tax. To ensure full compliance all employee payroll and subsequent tax is managed via PAYE, no other remuneration facility is in place.

7.2 The Trust abides by the procedures issued by HMRC (Her Majesty's Revenue & Customs) in connection with VAT

7.3 The Trust abides by the procedures issued by HMRC

7.4 VAT

The Business / Finance Manager at each academy is responsible for the identifying and correct accounting of VAT in respect of all expenditure including staff expenses and credit card transactions.

Only VAT on educational supplies and services can be reclaimed; any VAT on non-educational supplies and services will be adjusted to "out of scope" on the relevant invoices prior to inputting on the finance system.

On a monthly basis the VAT 126 reports are extracted from the system and reconciled. The VAT 126 return is completed by the Trust on behalf of all academies, approved by the CFO and submitted to HMRC for reimbursement. Once the reimbursement is received, each academy is reimbursed the VAT via an inter-account transfer.

8. Reporting Financial Results

The academy prepares accounts in the various formats required as specified in the Academies Financial Handbook.

Budget Monitoring Reports

The academy's budget monitoring reports display the following information in columnar format:

- the annual budget (approved by governors);
- revised forecast if appropriate
- the actual spend to date;
- commitments;
- remaining balance/ end-of-year projections.

The finance office carries out monthly reviews of actual performance against budget and produces a schedule explaining any variances. They also produce a monthly balance sheet. The Finance Committee reviews these reports. Any budget virements are made in line with the scheme of delegation, any virements requiring trustee approval are minuted.

Budget holders receive termly reports showing budgeted expenditure, actual expenditure on an accruals basis and commitments.

9. Cash Flow

The Finance Director is responsible for preparing cash flow forecasts to ensure that the trust and each academy has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps are taken to invest the extra funds. Similarly plans are made to transfer funds from another bank account or to re-profile General Annual Grant to cover potential cash shortages. Any plans to transfer funds are approved by the Finance Committee.

10. Accounting System

The financial records held by the school must be secure and confidential as well as providing a true picture of the school's financial position. The school is registered under the Data Protection Act, so this section of the Financial Management Policy should be used in conjunction with the General Data Protection Regulations, effective from 25 May 2018.

10.1 Daily accounting records

In order to maintain daily accounting records, the school has been operating PS Financials since November 2018. The School Business Manager/ Finance Manager has overall responsibility for its management on a day to day basis. The CFO is responsible for the system maintenance and access levels.

10.2 Backup

PS Financials is a secure cloud based application and therefore backups are all stored off site at 2 separate remote locations managed by PS Financials. As such a restoration and backup policy is not required

10.3 Accessibility

Each member of the finance staff has a password for access to the computer software used for school financial management. Passwords are not disclosed to anyone else and are changed regularly. Budget holders do not have access to PS Financials and budget information will be downloaded from the system and sent to the Budget managers by the Business Manage/ Finance Manager. The Heads of School / Service also have portal access for approving orders on the system. Access to the portal is granted via a secure password

10.4 Salary information

Details of staff salary are maintained on encrypted Excel files and are used to establish budgetary information, for checking against information supplied by payroll and

providing data to Teachers Pensions. These files are only accessible to the CFO and Business Manager / HR Manager, who have passwords to access these files.

10.5 Access Rights

Termly reviews are carried out by the Finance Director to ensure that access rights and levels of access are still relevant and appropriate. Access for staff who are no longer employed by the academy are removed as soon as the staff member leaves.

10.6 Reconciliations

The Business Manager/ Finance Manager is responsible for ensuring that the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- Sales ledger control account
- Purchase ledger control account
- Payroll control account
- All suspense accounts
- Bank reconciliations for all accounts held by the Academy
- Petty Cash

The Business Manager will sign all reconciliations as evidence of review and the Head Teacher / CFO / CEO will carry out checks and evidence review with a signature.

11. Authorised Signatories List

An authorised Bank signatory list, including specimen signatures and covering all the key financial systems, is held by the Finance Director for reference purposes. A list of all authorised bank signatories is attached in Appendix 5. Any signatories who leave the Trust will immediately be removed as a signatory and the bank will be contacted immediately.

12. Payroll

12.1 The Trustees formally approve all appointments, terminations and salary levels. They have established procedures to:

- ensure personnel are competent, suitably qualified and trained to a level consistent with their responsibilities;
- provide clear statements of criteria for personnel selection;
- provide formal job descriptions;
- ensure that the cost of all appointments, regrading's and any other changes in conditions of service of staff can be met within the resources available to the academy.

The Business Manager maintains a list of staff employed by the academy and their current salaries (Establishment List).

12.2 The trust uses the services of a payroll agent (Bolton Council) and the contract between the academy and the agent includes:

- responsibility for making returns to HMRC and the dates by which these returns should be made;

- responsible for making all Pension returns to both Teachers Pensions and LGPS
- details of ownership of programs and data files;
- responsibilities for the control and accuracy of data;
- details of authorised signatories for payroll amendments;
- back up provisions;
- a schedule of reports to be sent to the academy for financial and personnel monitoring purposes;
- an agreement as to the response time and costs that will be charged for any additional data or reports required by the academy; and
- provision for access for academy staff and auditors.

12.3 The payroll agent processes any changes to staff payroll only on the written instructions of the Head Teacher, the CFO and the Business Manager. They do not process salary changes authorised by the person whose salary is changing. The Chair of Trustee notifies any changes to the CEO's salary to the CFO who then informs the payroll agent.

If no amendments are made, payroll would run as normal based upon the previous months information. Based upon the timing of reports it is not possible for the Trust to approve the payroll each month prior to payments being made to staff.

12.4 Payments are made as follows:

- net payments to staff, by BACS, to employees of the academy;
- HMRC payments, by the payroll agent, to HMRC;
- teachers' pensions payments, arranged through the payroll agent
- LGPS pensions payments, arranged through the payroll agent
- overtime claims, as part of net payments to staff, through the payroll;
- All expense payments are made via PS Financials

12.5 Access to personnel files is restricted to the Head Teacher, Business Manager and selected members of HR and finance staff.

12.6 No individual is treated as 'self-employed' without the clearance of HMRC.

12.7 Monthly Procedures

- the Business Manager completes standing data amendment forms and summarises overtime worked;
- the Business Manager ensures that expenses and overtime have been validly incurred and authorised by the Head of School. Claims are not returned to claimants after this check has been carried out
- the Business Manager ensures these checks have been carried out and inputs pay claims for additional hours etc. directly onto the HR system (SIMS) for payment at the end of each calendar month
- the Business Manager checks the payroll printout received from the payroll agent to ensure that it is only paying its own staff at the correct rates;
- a monthly print-out of amounts paid to employees is retained by the academy in excel format as evidence of the checking and authorisation procedure;

- the Business Manager carries out a check of gross pay as per the payroll to personnel records for every staff member at least annually.
- 12.8 All payments to employees are made via the agent (Bolton Council), a direct debit is taken for the total cost of the payroll in the month to which they relate.
- 12.9 Prior to conversion to academy status all personnel employed at the time were sent the particulars of their contract including start date, pay grade and title. Any anomalies and disagreements were reviewed and resolved by Bolton Metropolitan Borough Council prior to conversion. A list of the agreed particulars is stored at each academy.

13. Purchasing

The guidance and procedures in relation to procurement and tendering are detailed in the Trusts Procurement and Tendering Policy, So as not to duplicate please consider this policy in addition to the Accounting Policy in relation to the Purchasing provision of Trust and it's Academies. The Procurement Policy covers the area's of Tendering and Quotations. The Accounting Policy covers the next stages.

Purchase orders should be used wherever possible and the use of non-purchase orders should be the exception.

13.1 The Order Process

- 13.1.1 The order process is initially instigated by the budget holder or another member of staff on their behalf who completes a requisition and passes this to the Finance office once approved by the budget holder.
- 13.1.2 The finance office checks that the budget holder has available funds and then creates a Purchase order on PS Financials
- 13.1.3 The purchase order is automatically sent through for authorisation, in line with the financial scheme of delegation
- 13.1.4 The approver, either approves, rejects, or cancels the order
- 13.1.5 Only once the order is approved are the details sent to the Supplier
- 13.1.6 Any orders cancelled are marked as such with a reason against them

13.2 Receipt of goods

- On receipt of goods a prima facie check is carried out to ensure that the delivery is complete and the delivery note is signed
- Delivery notes are forwarded to the finance office and any deliveries that are only part delivered are noted on the delivery note so that these can be followed up
- The finance office receipts the goods onto PS Financials in accordance with the delivery note and instruction from the budget holder
- The finance office would follow up any shortages or defective items with the supplier
- If no delivery note is available the invoice is signed to say that the goods / service have been received

13.3 Invoices

- Prior to the processing invoices on the system the invoices need to be verified and approved
 - Delivery note and corresponding GRN for Purchase order invoices
 - Budget holder approval (invoice signed / email confirming approval) for non-purchase order invoices
- The finance office records invoices on the system once approval has been sought.
- Whilst Purchase Orders are used for the majority of items, not all invoices which relate to goods or services will be supplied on a purchase order. Certain supplies such as the disposal of confidential waste, utility charges and professional services are invoiced without a purchase order. Prior to the processing on the system these invoices need to be verification and approval must be sought from the budget holder.

13.4 Payment of Invoices

The finance office reviews the creditors' ledger twice monthly and selects invoices for payment. It is the policy of the Trust to pay all invoices by the due date and to take advantage of any discounts available for early settlement, where this is to the academy's advantage.

Invoices are paid within 30 days unless disputed

13.5 Cheque / BACS Payments

All supporting documentation is passed to the cheque signatories together with the cheque / BACS slips for signing. The signatories initial the payment proposal list as a record they were signing valid academy expenditure and that the relevant pre-checking process has been carried out. After the payment has occurred the requisition form, received note and invoice are all scanned into the finance system. The hardcopies are kept until the current year Audit has been completed, after which point they are securely disposed of. A list of the Bank signatories can be found in Appendix 5

14. Staff Expenses

The Trust does not hold any Petty cash. The purchase of minor items, which have been budgeted for is via staff expenses.

Staff expenses should only be used for urgently required items and only made on production of a till (VAT) receipt or other proof that payment has been made and must not exceed £40 in value. Staff expenses are subject to the same authorisation procedures as purchases and must be authorised prior to payment being made. Once the payment has been processed and entered onto the system the funds will be refunded via BACS.

Any exceptional items above £40 will need to be approved by the CFO

Under no circumstances are personal cheques cashed through petty cash nor staff loans granted.

15. Credit Cards

Woodbridge Trust has several credit cards in place to allow Academy personnel access to efficient and alternative means of payment for approved expenses, while maintaining necessary controls over the use of academy Trust funds. In addition they allow for improved efficiency and reduce the cost of payables processing.

Each academy will have at least one credit card. Additional credit cards can be requested and approved by the CFO.

Holders of cards must use them only for the purpose for which they have been issued and in line with authorised purchasing limits. Credit cards should never be used for personal use. In addition cash advances on credit cards is not allowed under any circumstances, this includes the use of any form of cash withdrawal or cash back facility.

Monthly credit card statements are to be printed and receipts provided by the card user. Vat receipts must be obtained and attached to the monthly statements. The Head of School is to approve and sign the monthly credit card statement. In the absence of the required post-holder, approval must be obtained from either the CEO or the CFO.

All Academy credit cards are to be paid in full monthly by the academy so as not to incur charges.

All credit card transactions are to be recorded on the finance system in a timely manner

16. Lettings

All lettings are managed and subcontracted to North West School Hire (NWSH) which covers the conditions of letting, including the duration and agreed charge. Letting rates are agreed by NWSH, with the exception of agreed social and community use where free use benefits the whole of the local school community.

On a monthly basis NWSH inform the Academy of the lettings that month and an invoice is raised in a timely manner.

17. Other chargeable Services provided

All other chargeable services provided by the Academies including but not limited to Training, Outreach support, Assessments are to be chargeable in agreement with the annual Training and Services booklet.

All prices are to be reviewed on an annual basis to ensure that they are viable and that the costings are appropriate. Any changes to the pricing structure are to be approved by the CFO.

At certain times it is appropriate to charge lower than the booklet price due to group bookings or entry into a new school or local authority. In this case the price needs to be reviewed and approved by the CFO prior to any commencement of the service

Prior to any confirmation of bookings onto a course it is the responsibility of the individual Academy to ensure that the course is viable from a financial perspective. Any courses that are not fully booked are taken to the Academy Leadership team who would review the course and approve or reject the course going ahead.

Sales invoices are to be raised in the Finance system for all training and support provided in a timely manner.

18. Income

Income received by the school must be properly controlled and accounted.

Requirements

- All income collections must be promptly paid, in their entirety, into the school account.
- Sales invoices must be issued from PS Financials to charge for services and training provided.
- The debtors ledger should be reviewed on a monthly basis to ensure that income is received promptly. Any overdue balances are to be chased and escalated to the CFO.
- When cash or cheques are collected, the income is to be retained in the safe overnight, until it is banked.
- All cash or cheque income is to be recorded on PS Financials to an income nominal account and against a relevant Cost Centre:
- Sales Receipt for income received against a Sales Invoice should be processed on receipt of a remittance advice.
- Money from income must not be used to 'cash personal cheques'.

19. Fixed Assets

19.1 Tangible Fixed Assets

Tangible Fixed Assets are those assets intended to be held for use on a continuing basis in connection with the activities of the academy. All fixed assets acquired since the academy was established should be included in the balance sheet, disclosing the net book value of fixed assets after deductions for depreciation and impairment. The notes to the accounts should analyse the funding source, cost, depreciation, (impairment if any) and net book value of assets, including leased assets, in the following categories:

- land and buildings, freehold and leasehold;
- plant and machinery;
- furniture and equipment;
- computer equipment and software;
- assets under construction.

19.2 Land and buildings

Land and buildings inherited from the local education authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost, as the open market value for existing use is not readily obtainable. Freehold land is not

depreciated. Equipment inherited from the local education authority is included in the balance sheet at valuation. Inherited equipment has been depreciated on a straight-line basis over its remaining useful economic life. Tangible fixed assets acquired since the Academy was established are included in the accounts at cost.

19.3 Grants

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

19.4 Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

19.5 Individual assets costing less than £3,000

Each item will be written off in the year of acquisition. Other assets may be capitalised, with consideration given at the time of purchase to any lower valued assets purchased as part of a project or large order. Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

19.6 ICT equipment and related devices

ICT equipment should be capitalised when purchased as a project above £3,000. Computer software that is separable should be capitalised as “intangible fixed assets”. Separable items include word processing or finance packages but excludes software required for the computer hardware to operate, such as a Windows operating system.

19.7 Depreciation Policy

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, with the aim of writing them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Long leasehold property	2%	50 years (Lease 125)
Plant and machinery	15%	10-15 years
Furniture and equipment	15%	5-10 years
Computer equipment and software	25%	3-5 years

Depreciation on intangible fixed assets will be amortised but the useful economic life of the asset remains unaffected.

19.8 Restricted Fixed Asset Funds

- Department for Education/Education Skills & Funding Agency capital grant
- Other government capital grants and
- Sponsorship monies received for capital projects

- Restricted income received for the acquisition of fixed assets should be shown in Restricted Fixed Asset Fund
- DfE/ESFA General Annual Grant funding is intended to cover Academy Trust running costs but can be used in part for purchases which can be accounted for as fixed assets, e.g. computer equipment.

19.9 Unrestricted fixed asset funds

Unrestricted income received which is used for the acquisition of fixed assets should be shown in Unrestricted Fixed Asset Fund.

19.10 Endowment Fund

An endowment fund is a restricted fund which is held on trust to be retained for the benefit of the Academy Trust as a capital fund, but the income can be expended either for the specific purposes (restricted income) for which it was received, or at the discretion of the governors (unrestricted income) as appropriate. Income should not be included in the endowment column unless there is new endowment capital received in the period.

19.11 Impairment

Impairment Reviews for items on the Asset Register will be undertaken as required. Where following an impairment review the asset has a recoverable amount that is significantly below the carrying value, then an impairment loss should be recognised and the asset's carrying value reduced to the recoverable amount.

19.12 Revaluation of Fixed Assets

In accordance with FRS 15, fixed assets do not need to be re-valued unless the charity adopts a policy of revaluation. Any such policy should be disclosed. However, if an individual fixed asset is re-valued, all other fixed assets in that class (e.g. all buildings) would need to be re-valued at the same time. If a policy of revaluation is adopted then assets should be re-valued (using any reasonable basis) at least every 5 years.

The Academy Trust policy is that there will be no revaluation of tangible fixed assets.

19.13 Physical verification of assets

On an annual basis a physical verification of assets and the quality of them will be carried out locally at each Academy and the fixed asset register will be updated accordingly reflecting any impairment or loss required.

20. Internet Banking & BACS Payments

20.1 The dual authorisation Internet Banking facility with the school bankers must be used to improve the efficiency of cash flow, minimise bank charges and maximise the potential for income to the school from bank interest.

20.2 Strict, effective, financial controls must be maintained by all those individuals accessing the Internet Banking facility to safeguard its use, with procedures in place to enable the Headteacher, other signatories, School Business Manager and Finance Officer to access the school bank accounts via secure internet link with appropriate restrictions in place to ensure separation of duties.

- 20.3 The following activities will be undertaken according to role:
- transfer funds between bank accounts
 - improve cash flow management and gain higher bank interest income
 - view and download bank statements
 - set up and authorise BACS and international payments to suppliers
- 20.4 Changes to the usage of the Internet Banking facility must be agreed by the Finance Committee.
- 20.5 If there is a change of personnel with access to the Internet Banking Facility, the Internet Banking Facility may be suspended for the individual's post until such time as the Trustees are satisfied that this should resume.
- 20.6 Banking Requirements
- 20.6.1 The Internet Banking facility shall be issued by the school's bankers, currently Lloyds Bank.
- 20.6.2 The Internet Banking facility will be used as a Dual System Administrator Authority requiring any changes to the Internet Banking facility permissions to be set up by one Administrator and verified by the other Administrator.
- 20.6.3 Accounting Officer, Chief Financial Officer and Exec Head are currently authorised as dual bank.
- 20.6.4 System Administrator and User details must be fully documented using the bank application forms and signed by duly authorised signatories with copies kept in school for Audit purposes.
- 20.6.5 All authorised System Administrators and/or Users must take the necessary precautions for the security of transactions on the school's bank accounts which must be conducted with the approval of the school in accordance with this policy.
- 20.6.6 Administrators and Users must not use the banking facility for personal transactions under any circumstances.
- 20.6.7 Access & Security:
- All Users can use the Internet Banking Facility, according to the level of access given by the System Administrator, via a password and PIN protected internet access.
 - Users have a Smartcard security device to use with a PIN number for payment authorisation and Inter Account Transfers.
 - The PIN number for each Smartcard shall be known only by the device holder and not disclosed to anyone else or written down.
 - All Smartcards will be kept safely and securely by the device holder.
 - System Administrators and/or Users shall be aware that, should a Smartcard be lost, stolen or any misuse of the Internet Banking Facility occur, this shall be reported by the device holder and/or User to the issuing bank, CFO immediately.

20.6.7 System Administrators:

System Administrators under dual control can set up Users, give Users access to the Internet Banking facility, suspend or delete users, order and issue Smartcards, give access rights and entitlements according to the role of individual users, including account viewing and payment authorisation limits.

20.6.8 Non Signatory Users.

The Finance Officer can view the accounts, view and download bank statements and submit/cancel BACS or international transactions which have been duly authorised according to the Financial Management Policy & Procedures.

20.6.10 Signatory Users:

- Signatory Users can view the accounts.
- Signatory Users can authorise payments via the PIN protected Smartcard.
- A signatory user must authorise payment in accordance with the Bank Mandate, i.e. dual signatories at all times.

20.6.11 Movement of Funds:

- The Internet Banking Facility shall not be used for personal expenditure nor shall funds be transferred to personal accounts under any circumstances.
- All movement of funds will be evidenced and recorded on the School's Accounting System.

20.6.12 Segregation of duties is fulfilled by the following:

- In accordance with the Financial Management Policy, the Budget Holder passes the invoice for payment for goods/services received
- Finance Officer enters the invoice on the accounting system
- Headteacher authorises the invoice for payment
- Finance Officer sets up the BACS payment on the Internet Banking Facility, annotates the invoice and prints out the BACS report
- Headteacher receives the BACS report with relevant invoices, authorises the BACS payment on line and signs the BACS report.
- The same agreed limits and procedures as per cheque payments will be followed, eg a Second Bank Signatory will co-authorise BACS payments and sign the BACS report for all amounts. the Headteacher cannot authorise payments to himself or a family member, etc
- Finance Officer reconciles BACS payments against the monthly bank statement
- The Business Manager will view and sign the bank statements with the monthly accounting reports
- The CFO will regularly monitor the online bank accounts and charge card accounts

20. Value for Money

20.1 The CEO, as accounting officer, is responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources.

- 20.2 The CEO must be aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.
- 20.3 The CEO must ensure that the academy trust's use of its resources has provided good value for money during the academic year and review annually within the Annual Report and Financial Statements.

21. Write-offs and Liabilities

- 21.1 The Trust must obtain ESFA's prior approval for the following transactions beyond the delegated limits of the two categories set out below:
- writing off debts and losses;
 - entering into guarantees, indemnities or letters of comfort.
- 21.2 The delegated limits, subject to a maximum of £250,000, are as detailed in the Academies Financial Handbook, which should be referenced in relation to these limits, and depend upon the Academy Trust submitting timely, unqualified financial returns:
- 1% of total annual income or £45,000 per single transaction;
 - Cumulatively 2.5% of total annual income in any one financial year per category of transaction if timely, unqualified audited accounts have not been submitted for the previous two years;
 - Cumulatively 5% of total annual income in any one financial year per category of transaction if timely, unqualified audited accounts have been submitted for the previous two years.

Appendix 1 – Responsible Officer

The Responsible Officer is to be appointed annually by the Audit Committee. The Responsible Officer will cover the following checks:

- Review that bank reconciliations have been carried out each month, including a review of validity of reconciling items;
- Review of the monthly payroll to ensure that any changes have been appropriately authorised;
- Check of a sample of orders to delivery notes and invoices to ensure that the documentation is complete and has been appropriately checked and authorised;
- Check of a sample of payments back to invoices, orders and delivery notes to confirm they are bona fide purchases;
- Review of a sample of expense claims to ensure there is appropriate documentation to support the claim and that the claim is appropriately authorised;
- Review the returns to the ESFA to ensure the information supplied is consistent with the underlying accounting records and internal management reports;
- Carry out spot checks of petty cash balances and supporting vouchers and
- Review all major contracts and ensure formal tendering procedures exist and are being adhered to.
- Carry out spot checks as required by the Audit Committee

The Responsible Officer will issue the report to the Audit Committee and the CFO. The CFO will action any recommendations or issues and report back before the next meeting to the Audit Committee.

The Responsible Officer report will be minuted at the next available Audit Committee meeting and any recommendations or findings will be disclosed at the Full Trust meeting.

Appendix 2 – Chief Finance Officer Responsibilities

To fulfil the duties of the Chief Finance Officer according to the guidance in the Academies Financial Handbook. These are:

- the day to day management of financial issues;
- the management of the academy's financial position;
- the maintenance of effective systems of internal control;
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy.
- providing financial advice to the Executive Head Teacher and committees;
- setting and monitoring the Trust budget;
- ensuring the maintenance of the academy's accounting records;
- income generation and recording;
- making purchases in accordance with 'best value' principles;
- developing relationships with partners and exploring opportunities for obtaining support to the academy;
- promoting relationships with the local community and potential donors;
- obtaining appropriate legal advice;
- management and monitoring of specific projects, e.g. capital projects;
- developing provision to promote 'best value';
- developing and updating policies as required;
- ensuring regular communication with the Responsible Officer and auditors;
- Lead officer for the Finance Committee.
- maintaining the academy's accounting records;

Appendix 3 – Financial Scheme of Delegation

	Members	Trustees	CEO	CFO	Academy Committee	Head teacher / Head of School	Business Manager / Finance Manager
Budget virements	Delegated to the Trustees and Academies	Over £10,000 and reporting to Members	Up to £10,000	Up to £5,000	Notified of virements over £2,000	Up to £2,000	None
Ordering Goods and Services	Approval of procurement policy and procedures Overview of compliance Ordering delegated to the Academy	Approval of procurement over £20,000	Up to £20,000	Up to £20,000	Notified of all Purchases over £5,000	Up to £9,999 per item or related group of items and within approved budget	Up to £3,500 per item or related group of items and within approved budget
Tenders - Authority to accept other than lowest quotation or tender	Delegated to the Trustees and Academies	Approval for quotations or tenders over £50,000	Approval of tenders under £20,000	Approval of tenders under £20,000	Review and recommended to the trustees for quotations or tenders over £20,000 up to £50,000	Approval for quotations or tenders up to £10k	
Signatories - cheques, BACS payment authorisation and other bank transfers							
Expense Claims - including Petty cash and Staff expenses				Up to £500		£40	None
Signatories for ESFA - grant claims and returns	Delegated to Chief Executive Officer		Signatory for EFA grant claims and EFA returns				
Fixed Assets - Acquisition/ disposal, write-off of a fixed asset- other than land, buildings, heritage assets	Delegated to the Academy Board notified annually Trustees approves over £10k	Items with a written down value of over £10,000	Annual report to the Trustees with approval of CEO/Board over £10,000	Items with a written down value of over £1,000 up to £5,000	Review all disposals over £1,000	Items with a written down value of up to £1k	None
Bad Debt - write-off	Receive annual report Delegated to Trustees	Items with a written down value of over £10,000	Annual report to the Trustees with approval of CEO/Board over £10,000	Approve write-offs up to £5,000	Review all write-offs over £5,000		
Special payments - staff severance payments, compensation payments, ex-gratia payments	Board approves policy Delegate approval for payments over £10,000 up to £50,000 to Trustees ESFA approval over £50,000		Develop policy for Board approval and implement Over £10k up to £50k report to Board	Approval up to £10,000			
Operating leases - not related to land or buildings	Delegated to the Trustees	Trustee Approval	Proposal to CEO/Board	Proposal to CEO			
Land / Property - Purchase/sale of any freehold property or land or disposal of heritage assets	Board approval and ESFA approval	Report / proposal to Board	Prepare Proposal	Prepare Proposal			
Leases - Granting or take up of any leasehold or tenancy agreement or finance lease	Board approval and ESFA approval	Report / proposal to Board	Prepare Proposal	Prepare Proposal			
Financial statement approval	Board approval	Consideration by the Trustees	Consideration and input by the Chief Executive	Preparation of the Trust's overall financial statement for auditing and consideration by the Accounting Officer	Detailed review by the Finance Committee with a recommendation that the Academy's financial statement should be accepted by the Board		

FINANCIAL SCHEME OF DELEGATION

Appendix 4 – RPA Cover

Type of risk	Limit
Material damage	Reinstatement value of the property
Business interruption	£10 million any one loss
Employers' liability	Unlimited
Third party liability	Unlimited
Governors' liability	£10 million any one loss and any one membership year
Professional indemnity	Unlimited
Employee and third party dishonesty	£500,000
Money	Various, including cash on premises or in transit £5,000
Personal accident	Death and capital benefits £100,000
United Kingdom travel	Baggage and money £2,000 per person. Cancellation £1,000 per person
Overseas travel including winter sports	Includes: baggage £2,000 in total per person (inner limits apply), money £750 per person, medical expenses £10,000,000, cancellation £4,000 per person. Check the membership rules for more.
Legal expenses	£100,000 any one loss and any one membership year
Cultural assets	£10,000 on any one cultural asset or £250,000 any one multiple loss

Appendix 5 – Bank Signatories

Woodbridge Trust (MAT Account)

Sort Code: 30-91-01 Account: 19514268

Jennifer Moore
Sally McFarlane
Debbie Coburn
Cate Marsden
Janet Phillips
Rachel Fitzpatrick
Hazel Sherrett

Woodbridge Trust trading as Firwood High School

Sort Code: 30-91-01 Account: 19515360

Jennifer Moore
Sally McFarlane
Debbie Coburn
Cate Marsden
Janet Phillips
Rachel Fitzpatrick
Hazel Sherrett

Woodbridge Trust trading as Ladywood School

Sort Code: 30-91-01 Account: 19514960

Jennifer Moore
Sally McFarlane
Debbie Coburn
Cate Marsden
Janet Phillips
Rachel Fitzpatrick
Hazel Sherrett

Woodbridge College

Sort Code: 30-91-01 Account: 19419860

Jennifer Moore
Sally McFarlane
Debbie Coburn
Marie Cullen
Janet Phillips
Rachel Fitzpatrick
Hazel Sherrett

Any 2 signatories – from the above are needed to approve payments