



Financial Administration

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(This policy supersedes all previous Financial Administration Policies)

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1. Introduction

- 1.1 The Financial Administration Policy is reviewed annually by the Board, and defines the basis for the management and control of the Trust's financial resources.
- 1.2 The policy is executed in accordance with the Academy Trust Handbook, by the "Accounting Officer"* (The CEO), and the "Chief Financial Officer"* (Chief Financial and Operating Officer). * EFA designations
- 1.3 Financial management of, and maintenance of financial records for the Trust is conducted in compliance with:
 - The Academy Trust Handbook, and Academies Accounts Direction,
 - Financial Reporting Standard FRS102
 - The Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2019)
 - The Charities Act 2011 and Companies Act 2006
- 1.4 The Board appoint an external auditor to audit the statutory accounts annually, in compliance with the requirements of The Charity Commission and the ESFA.

2. Financial and Risk Management

- 2.1 The Board exercises its role of financial scrutiny and challenge through the separate Finance and Audit & Risk Committees, in accordance with the terms of reference for each committee..

2.2 School Heads supported by the Chief Financial and Operating Officer, formulate budgets (4.1) for recommendation to the Finance Committee and the Board. The responsibility for managing these budgets lies with Finance Committee, who delegate monitoring to the CEO and the Chief Financial and Operating Officer.

2.3 The Chief Financial and Operating Officer supports each School Head throughout the year with respect to changing demands on financial resources, advising on budget pressures and options with respect to meeting the needs of the school whilst maintaining budgetary discipline.

3. Financial Processes & Procedures

3.1 The Chief Financial and Operating Officer maintains a Financial Processes and Procedures Manual, which is updated annually.

3.2 The financial processes and procedures are premised on the principles of good financial control, ensuring that suitably qualified/trained staff execute financial procedures, appropriate division of duties underpins all procedures

4. Authority to spend Trust Financial Resources

Annual Budget:

4.1 An Annual Budget for each of the schools is prepared by the Chief Financial and Operating Officer and the School Heads.

4.2 The budget is proposed by the CFOO and the Head reviewed by the Finance Committee and approved by the Board before the commencement of the Financial Year to which it relates.

4.3 The table below summarises the delegated authority *to spend* financial resources of the Trust.

5. Table of delegated authority

1	Curriculum Expense Budgets	Review & approval of curriculum orders against approved budget	ESW Finance Director /Financial Controllers
2	Curriculum Expense Budgets	Placement of orders for goods & services	ESW Operations Managers / Finance Director (as defined by the financial processes and procedures)
3	Catering Expense Budgets	Placement of orders for all provisions (<i>but limited to suppliers and menus defined by the ESW Area Catering Managers, except bulk orders.</i>) Contracts	Kitchen Managers Chief Financial and Operating Officer
4	Facilities Expense Budgets	Placement of orders under £1,000, already budgeted Purchase of parts and materials under £500 Placement of orders >£1,000 already budgeted.	Operations Managers Site Supervisors Operations Managers and Finance Director (per procedures manual) Chief Financial and Operating Officer

		Service Contracts	
5	All Other Expense Budgets, and orders not meeting the boundaries for Curriculum, Catering and Facilities above	Review and approval, already budgeted	Finance Controller (Under £500) Finance Manager (£500-£1000) ESW Finance Director (Over £1,000)
6	Managing individual cost centre cost groups	Virements within non curriculum cost centre group	ESW Finance Director
7	Managing curriculum and curriculum plus cost centres	Virements within curriculum and curriculum plus cost centre groups *	School Heads & ESW Finance Director
8	Managing the overall individual school budgets	Virements between cost centre groups budgets	Chief Financial and Operating Officer, Finance Director
9	Unbudgeted revenue/capital expenditure items, matched with unbudgeted in-year income, brought forward reserves, or capital funds.		Chief Financial and Operating Officer & Finance Director

10	Specific Replacement Funds	In accordance with budgeted replacement.	Chief Financial and Operating Officer
11	Capital Expenditure (excluding specific replacement funds and grants)	If matched by capital grants/or other donations	Chief Financial and Operating Officer, and CEO

* Cost centre groups means group of cost centres as used in the Management Accounts, e.g. Curriculum, Curriculum Plus, Facilities, Administration, IT, Wholeschool, Staff Costs, Supply

6. Procurement

- 6.1 In accordance with the Financial Processes and Procedures, a separation exists between individuals placing orders, setting up new suppliers, approving orders, processing invoices and authorising payments.
- 6.2 Continuous review and comparison of supplier's prices for repeat and new orders is undertaken by the Finance/Procurement, Catering and Operations Managers, to ensure that best value is achieved for all revenue expenditure.
- 6.3 Contracts in relation to third party services must be executed by the Chief Financial and Operating Officer.

7. Capital Expenditure

- 7.1 Procurement of fixed assets requires 2 written quotations for single orders > £10,000 and <£25,000, and 3 written quotations for orders >£25,000.
- 7.2 For all purchases or contracts the number of quotations required could vary from the prescription above, depending on the specifics of the project and the available market place of suppliers, by the joint decision of the a Chief Financial and Operating Officer and the Finance Director.
- 7.3 Building contracts for values over £100,000 will be procured in a way suitable to the project, and the method will be agreed approved by 2 Directors who are members of the Finance Committee.

8. Authorisation of Payments

- 8.1 Payments to third parties are made by BACS transfer, by cheque or by Charge Card. Detailed procedures for processing payments are included in the Financial Processes & Procedures Manual.

9. Payroll

9.1 The Trust payroll is managed by the ESW Finance Director.

The addition of a new employees, or the amendment of existing employment contracts is authorised in accordance with Scheme of Delegation

9.2 Claims made by casual workers are authorised by the appropriate budget holder, and reviewed by the ESW Payroll Manager, before being incorporated into the payroll.

9.3 The monthly payroll file is produced by the ESW Payroll Manager and authorised for release by the Finance Director.