FINANCIAL & ASSET MANAGEMENT POLICY

Reviewing Member of Staff:	**Mr Matthew Brunt**
Date Created:	**31st May 2024**
Date Approved by Trustees:	**June 2024**
Last Updated:	**7th February 2025**
Next Review Date:	**April 2025**
Committee:	**Audit, Risk and Compliance**

Contents

This policy sets out the responsibilities of relevant stakeholders with regard to financial and asset management and to define the essential procedures involved in the financial administration of the Trust's income and expenditure. Each Trust member school has their own financial management policy which supplements this policy, laying out in more detail policies which are specific to that school. A copy of these policies is available on request. If there are any contradictions between this policy and the individual policies of the schools, the Trust's policy takes precedence. This Policy, and the supplementary policies of each Trust member school, are reviewed annually. The Teaching School Hub and SCITT are also bound by this policy.

This policy is supplemented by the Scheme of Financial Delegation which lays out in fuller detail the levels of authority delegated by the Board of Trustees to the various stakeholders (see appendix 2).

STAKEHOLDERS

Board of Trustees

- Will determine a budget based on prior identification of Trust's priorities, carried out by the Chief Executive Officer (CEO), Chief Operating Officer (COO), the Executive Leadership Team (ELT) and Chief Financial Officer (CFO). Drawing up and agreeing a final budget is delegated to members of the A&R Committee, which will meet as soon as possible after the ESFA have released the indicative budget figures; it is then ratified at the next meeting of the Governing Body (GB).

- Will monitor through the Audit, Risk & Compliance Committee (ARC) the Trust's financial management and make decisions about expenditure and/or deployment of resources.

- Will monitor through the Audit, Risk & Compliance Committee (ARC) statutory compliance of the Trust member school's site and make decisions on future developments.

- Will give consideration or initiate any suggestions made as a result of an audit.

- Terms of Reference for the ARC determine the extent of their remit and powers delegated to the CEO, LGB or HT. These and the Committee membership are reviewed annually in September.

- This Committee meets at least once a term and a report is given at next Trust meeting, where any decisions are ratified.

- Monthly management reports are issued to members of ARC.

- Various returns are issued to ESFA as required.

Local Governing Body (LGB) & Head Teachers (HT)

- Will monitor their school's financial management and make decisions about expenditure and/or deployment of resources as allowed by the Scheme of Financial Delegation policy.

Chief Executive Officer (CEO)

- The CEO assisted by the Chief Operating Officer (COO) & Chief Financial Officer (CFO) is responsible for monitoring the day to day financial management of the Trust.

Chief Operating Officer (COO)

- The COO is responsible in conjunction with the Chief Financial Officer (CFO) for maintaining high standards of financial management and probity and for ensuring the income received by the Trust's is as efficiently used as possible for the benefit of students. The COO is also responsible for providing the CEO, HTs and Governors with accurate information to assist them in their monitoring and decision making.

Chief Financial Officer (CFO)

- The CFO is responsible for the day to day financial administration of the Trust and its member schools including its Teaching School Hub, and SCITT activities.

- The CFO is supported by each schools Finance Leads (FL) and their Finance Teams.

Budget Holders

- Budget holders are responsible for correct administration of their budgets and must not overspend unless with prior agreement from the HT. The Budget Holder (BH) is expected to use the finance web system (IRIS Financials) to raise requisitions and regularly review their budget. The CFO or FL advises the HT of any potential or actual discrepancies with these budgets.

Register of interests

- A register of business interests is maintained for any individual who influences financial decisions. This is reviewed annually in September. Declarations of interests are required at all Governor and Trustee meetings.

FINANCIAL ADMINISTRATION

The essential points from those set out below are summarised in a section of the Staff Handbook for easy reference.

1. Separation of Duties

- Key tasks where possible, are assigned to separate members of staff with a minimum of two people involved in any one procedure.

2. Records & Data Security

- All financial records are kept securely in locked cabinets or rooms.

- Records are kept for at least six years including the current year.

- Any records discarded are shredded.

- Copies of Bank mandates and direct debits are held on file.

- Access to computer systems are password protected and only made available to appropriate staff. Passwords are changed on a regular basis.

- The Trust finance system (IRIS Financials) is 100% cloud based, with the security, redundancy and backup of the system handled by our supplier. The effectiveness of the supplier's testing and restore procedures are assured through reports from them to the Trust.

- The software and data is protected against viruses.

- Licenses are held for all software applications.

- The Trust complies with the Data Protection Act 2018 and GDPR.

3. Internal Scrutiny

- In addition to External Audit and in accordance with Part 3 of the Academy Trust Handbook (ATH), the ARC Committee uses an independent auditor (ATH 3.17), currently Regulatory Audit Ltd, to carry out an agreed schedule of works, reviewing systems and procedures to ensure all categories of risk are being adequately identified, reported and managed.

- School Improvement Partners are engaged by the Trust to undertake education focused internal scrutiny. For the year 24/25, these will be Paul Topping and Paul Gibbs.

4. Income

- Most ESFA, DfE and LA revenue is received by BACS and is posted on IRIS Financials upon receipt.

- Sales receipts are input onto IRIS and matched to a sales invoice and banked as soon as possible.

- Any other receipt is input onto IRIS, analysed on the appropriate form and banked as soon as possible.

- Any income received without supporting paperwork is checked to ensure the Trust is entitled to the funds and a receipt will be generated upon input into IRIS. Any income that is not recognised is held in the Trust's suspense account and queries are raised with the income provider.

- Instructions for handling money are in the Staff Handbook.

- Any supporting documentation is filed with the relevant records.

- All cheques and cash are held in the Trust member school's Finance safe prior to banking which is done on a weekly basis.

- Debtors are sent statements at the end of every month. A process of three chases are in place to remind debtors of the debt due and what action will be taken including being referred to our legal services for further action if appropriate. The debtors list is reviewed regularly by each Trust member school's finance team.

- Each Trust member school is responsible for policies surrounding the letting of their individual facilities. The Trust will monitor these policies (See section 4: Lettings and Facility Income of individual school policies).

5. Banking

- Cheques and cash are banked every week

- A full set of Bank reconciliations is carried out at the end of the month to ensure the accounting records are accurate. Each Trust member school is responsible for policies surrounding the monitoring and reconciliation of school specific bank accounts. The Trust will monitor these policies (See section 5: Banking of individual school policies).

- Staff must not use their own bank accounts as a vehicle for holding Trust money and related transactions. It is permissible to purchase items for the Trust using personal means as set out below.

- Bank mandated account signatories as at June 2024 are:
  - Steve Butcher (WHT Chair - Trustee)
  - Alan Harris (WHT ARC Chair - Trustee)
  - Tony Evans (WHT CEO, PHHS Headteacher)
  - Ben Freeman (PHHS Senior Deputy Headteacher)
  - Matt Brunt (WHT CFO)

This is the continuation of the prior banking arrangements of PHHS and will be reviewed and updated in future revisions of the policy.

- Cheques and Automated Payment listings up to £40,000 must be signed by two authorised signatories. For payments in excess of £40,000 cheques must be signed by at least one Trustee and one other signatory.

- Trust member school's relevant cheque books are kept in the Trust member school's Finance safe when not in use; the safe keys will be taken off site by the key holders at the end of each day.

Borrowing (5.33-34 Academy Trust Handbook)

Academy trusts **must** obtain ESFA's prior approval for borrowing (including finance leases and overdraft facilities) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, regardless of the interest rate chargeable. Credit cards **must** only be used for business expenditure, and balances cleared before interest accrues.

Permission for borrowing is only allowed in exceptional circumstances, such as schemes introduced by the Secretary of State - for example, the department's Condition Improvement Fund.

6. Tendering & Purchasing

The trust is guided by the Academy Trust Handbook with regard to its tendering and purchasing of goods and services to ensure all spending decisions represent "Value for Money".

Novel, contentious and repercussive transactions (5.6 Academy Trust Handbook)

Novel, contentious and/or repercussive transactions **must** always be referred to ESFA for approval, and the request **must** be made to ESFA before the transaction occurs. ESFA may refer such transactions to HM Treasury for approval, so the trust should allow sufficient time for proposals to be considered.

- Novel transactions are those of which the academy trust has no experience, or are outside its range of normal business.
- Contentious transactions are those that might cause criticism of the trust by Parliament, the public or the media.
- Repercussive transactions are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

Capital Projects

The trust is aware of the DFE's Conditional Improvement Fund (CIF) and takes the opportunity to submit an application/bid on an annual basis.

The Trust engages a Project Management Company, to ensure that its bids for Capital Projects comply with the tendering process within the Public Contract Regulations (PCR) 2015.

All applications are referred to the ARC for final approval prior to submission. These processes are recorded within the minutes for the and ratified by the Trust Board.

Upon a successful bid, we continue to engage the services of professional consultants throughout the construction process attending regular meetings with them and the works contractor to ensure that value for money is maintained.

Regular updates are presented to both the ARC committee meetings throughout the construction period.

Devolved Formula Capital

For works that fall under the remit of the annual Devolved Formula Capital (DFC), the Trust refers to the DFC: Government's Buying for Schools portal for assistance as required.

Currently the trust intends for the DFC to be allocated towards the replacement and enhancement of IT equipment and/or the purchase of bulk purchases of furniture and other equipment.

Decisions on the use of DFC funds are agreed by members of Senior Leadership team and the Operations and CFO. Their decision is referred to the ARC as part of the notes that accompany the Monthly management Accounts.

Supplies and Services

For Catering and Cleaning services the Trust engages a third party consultant, currently Litmus Partnership, to ensure the trust complies with the tendering process within the Public Contract Regulations 2015.

The COO, CFO, FLs and IT manager are engaged to re-tender IT, Utilities and other medium sized contracts, working with external consultants as required.

Department budget holders are responsible for the purchasing their own equipment and services. Any orders over £5,000 are subject to further protocols and approval as detailed below.

Where a contractor is already on site carrying out works within a Trust member school, it may be more appropriate/cost efficient to use the same contractor for additional works rather than obtaining quotations from alternative sources. If this decision is taken it will be documented behind the order and the ARC advised accordingly. These additional works cannot be greater than £40,000

The purchasing process is as follows:

The budget holder, assisted by the SAA is responsible for ensuring that any purchases made are necessary, affordable and represent Best Value.

- Invitations to tender are issued for major projects and products or services greater than £40,000, where a formal tendering process is followed involving a minimum of five contractors or suppliers. Recommendations are proposed to the ARC for their final approval. Where less than four prices have been received, the project may be subject to re-tender following further advice from consultants and subsequent instructions from Governors. Any product or service over the PCR threshold will undergo a PCR compliant bidding processes.

- For products or services costing between £20,000 and £40,000, four written quotations are required. Final approval is given by the CEO.

- Three quotations are obtained for products or services costing between £5,001 and £20,000 for which a final decision on the supplier is then made by any, or a combination of, the COO, CFO, HT, and/or Senior Deputy Headteacher (SDH).

- The final decisions are not solely based on cost, but includes other factors such as reputation of the supplier, quality of product and urgency. The reasons for the decision are recorded.

- For high value tenders, the Trust may engage the services of third party consultants to operate a compliant tender process if this is judged necessary, taking a risk based approach to the consequences of non-compliance.

The Teaching School Hub and SCITT will adopt the above purchasing limits for all goods and services that are not associated with approved partner schools and universities.

Interested Parties – Related Party Transactions

- The trust is guided by the Academy Trust Handbook sections 5.35 to 5.59.
- Every member, trustee and employee of the Trust is required to complete a Declaration of Interest form at the beginning of every school year, i.e. early September. This form should be further updated should any subsequent interest become apparent during the school year.
- These forms will be signed and returned to the Governance Professional who will retain these forms for reference.
- Every member on a committee is required to declare any interest which they feel may be significant during any discussions within any committee meeting. Any interest is declared within the committee minutes.
- The Trust **must** report all contracts and other agreements with related parties to ESFA in advance of the contract or agreement commencing, using ESFA's related party on-line form.
- Trusts must report all contracts and other agreements with related parties to ESFA in advance of the contract or agreement commencing or being renewed, using ESFA's related party on-line form.
- Trusts must obtain ESFA's prior approval, using ESFA's related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party agreed on or after 1 September 2023 where a contract or other agreement exceeds £40,000 in the same financial year ending 31 August.

IRIS Finance System

- The majority of purchases are made via a computer requisition system which will produce a Trust order with a unique order number. This order must include an exact price for the product or service. Orders show as 'committed expenditure' which ensures the expenditure records are accurate. This procedure should also be adopted for any purchase made via telephone or online.
- Orders are approved via the Finance System dependant on value.
- Orders less than £5,000 Budget Holder
- Orders greater than £5,000 are further approved by:
  - £5,000 to £20,000 CFO or School's Financial Lead
  - £20,000 to £40,000 Headteacher (all schools) or (Deputy HT for High/Middle schools)
  - >£40,000 Board of Trustees

7. Staff Purchases

- The Trust will allow the purchase of goods and equipment for the educational use of an employee or their children. For Non-Educational goods and services the employee will be restricted to a maximum of two purchases a year.
- For the purchase of musical Instruments and photographic equipment the employee must complete the appropriate VAT exemption form. The employee will then be invoiced for the goods exclusive of VAT. For VAT exemption the child of the employee must be a student of a Trust member school.
- The employee will be invoiced for and pay the full amount for the goods prior to the Trust purchasing the goods. The invoice will be posted to the Trust suspense account. For non-exempt purchases the amount inclusive of VAT will be posted to the suspense account.

8. Payments

- Goods are checked against the delivery note and/or order by budget holder

- Invoices are received by the Finance Department teams for recording and then to the budget holder for checking and authorisation.

- The finance system will alert the CFO or FL of all invoices that have been processed without an order to enable further scrutiny prior to final authorisation.

- A valid VAT invoice/receipt must be obtained which will allow the VAT to be reclaimed on eligible purchases. PHHS' Management Accountant will contact HMRC VAT Officer if there is any doubt as to whether or not VAT is reclaimable.

- Individual Invoices greater than £40,000 are further approved by a Trustee in person or via email.

- The preferred method of payment is via Santander Faster Payments, however payments can also be made by online bank transfer, credit card or manual cheque.

Credit Cards

- The Trust follows the ATH rules and regulations on Borrowing (5.33 & 5.34 ATH).

- The Trust credit cards are only used for business expenditure, and balances are cleared in full before interest accrued.

- Trust credit cards are issued to members of staff who otherwise would have to make excessive calls on Petty Cash.

- These cards are to be used for Trust member school transactions ONLY and <u>must not</u> be used to obtain cash from a Bank.

- Appendix 1 of this policy details overall credit amounts available to the Trust, current card holders and limits applied to individuals.

9. Staff Expenses

- All staff must submit a claim for via their Trust member school's Finance Office for Expenses incurred.

- An upper limit of £100 in terms of expenses, excluding travel, has been set before permission from either the CEO, HT or Deputy Headteacher is required for any additional expenditure.

- Staff should set out the reasons why the expense was incurred on the claim form. Expenses will not (except in exceptional circumstances) be paid unless supporting evidence is provided, together with a completed expenses claim form. This should include original receipts or invoices with the date and time of the transaction (unless you are claiming for mileage).

- When claiming for travel expenses on public transport, staff must enclose the tickets showing the departure point and destination of your journey, where possible. Credit and debit card statements will not normally be accepted.
- Conversely, where planned expenses are known in advance, permission must be sought from a line manager.

- Once the staff member's line manager has approved the claim form, this should be sent to the Finance Department.

- Expenses claims must be submitted within 30 days of the expense being incurred. If this is not practical, written approval for any extension will be required from the staff member's line manager. The Trust reserves the right to withhold any payment where written approval has not been sought and until such approval is granted.

- Staff should ordinarily travel "standard class" unless approval is sought from the CEO/ Headteacher. Such approval would be for travel to particular meetings where it is essential that a colleague is required to work prior to attending that meeting, e.g. a visit to a Government Minister/ supporting Ofsted, supporting the National College. These situations arise when a member of staff is requested to attend a meeting, as opposed to a colleague choosing to attend a meeting.

- The Trust formally approves a limited discretionary fund for the CEO to use in relation to gifts and expenses. No gifts to be purchased greater than £50. A total of £3,000 has been allocated against the CEO's Reserve.

- Each Trust member school is responsible for policies relating to their Headteachers discretionary fund, within the following thresholds. The Trust will monitor these policies (See section 9: Staff Expenses of individual school policies).
    - No gifts are to be purchased greater than £50 for an individual
    - The limited discretionary fund for a Headteacher is based on the banding below:

Number of staff on payroll at school	**Limited discretionary threshold**
Up to 75	£1,000
76 – 150	£2,000
151 +	£3,000

- The purchase of alcohol is prohibited under the ESFA Academy Trust Handbook section 2.32.

10. HR and Payroll

- The HR function in each Trust member school is currently managed by the Headteacher/Designated person.

- All Contracts issued are checked to ensure they comply with current employment legislation and with the CFO to ensure the pay scale is correct.

- Timesheets and Expense claims are checked by the FL of the appropriate Trust member school and authorised by the Headteacher or Deputy Headteacher for teaching staff, and the Headteacher or designated support manager for non-teaching staff.

- All staff travel expenses are paid via payroll to ensure reimbursement at the correct rates and that the appropriate tax and NI can be deducted where necessary.

- The Payroll function is currently outsourced to Liberata UK. However, the monthly spreadsheet must be checked against the monthly adjustments provided to Liberata and entered onto IRIS correctly.

- The Payroll Control account is reconciled monthly

- The payment of net pay, pension contributions and HMRC are the responsibility of the CFO on the designated day. These payments are approved by the CEO and Chair of the Trust and upon approval, are processed via Santander Faster Payments.

Special Payments

- In respect of special payments made to an employee e.g. Severance, Compensation or Ex-gratia, the Trust is guided by the Academy Trust Handbook sections 5.7 to 5.18.
- The CEO will liaise with the Trust solicitors regarding these payments to ensure the Trust complies with the handbook and current employment legislation.
- For any Non-Statutory/Contract payment greater than £50,000 the trust must also seek ESFA approval prior to any binding offer to the employee.

11. Petty Cash

- The CFO ensures that any Cash is secured in safes in various locations in the Trust member schools to meet the special conditions and limits imposed by our insurance policies
- The Petty Cash tin must always be locked away in the Trust member school's Finance safe when not in use and can only be accessed by members of the Trust member school's Finance Department.
- Purchases from Petty Cash must be authorised by the budget holder.
- All expenditure must be supported by receipts; a VAT receipt (showing the amount and rate of VAT) must be obtained where relevant.
- Advances or reimbursements must be signed for by the recipient and authorised by the Budget Holder
- The Petty Cash account is reconciled monthly and the cash in the tin checked. Random checks on Petty Cash are carried out by the CFO or Finance Leads (FL).
- No personal cheques can be cashed. No cash payments to contractors for expenses will be made.
- Each Trust member school is responsible for policies relating to the upper limit held in their Petty Cash. The Trust will monitor these policies (See section 11: Petty Cash of individual school policies).

12. School Activities and Trips

Each Trust member school is responsible for policies relating to their school's activities and trips. The Trust will monitor these policies (See section 12: School Activities and Trips of individual school policies).

13. Assets

Acquisition and disposal of fixed assets

- The trust is guided by the Academy Trust Handbook sections 5.23 & 5.24.

- The trust **must** obtain prior approval from ESFA for the following transactions:

  - acquiring a freehold of land or buildings
  - disposing of a freehold of land or buildings
  - disposing of heritage assets, as defined in financial reporting standards, beyond any limits in the funding agreement for the disposal of assets generally.

- Other than land, buildings and heritage assets, the trust can dispose of other fixed asset without ESFA's approval subject to achieving the best price that can reasonably be obtained, and maintaining the principles of regularity, propriety and value for money.

- Equipment is recorded in a register and a security tagging/numbering system is used to identify the equipment. Assets only to be recorded over the value of £1,000 and above.

- Head Teachers, Heads of Department, Teaching Leads and Line Managers are responsible for assets in their own schools and departments, and for completing and signing/dating the annual update.

- Upon receipt of the equipment details are passed to the person in charge of the register and the equipment noted and security marked.

- Criteria for the disposal/write off of assets are laid down in the Terms of Reference of the ARC.

- The ARC review the maintenance and development of the Trust member school sites from a strategic point~~s~~ of view.

- Each Trust member school is responsible for policies relating to the allowance of and signing out of borrowing equipment. Each Trust member school is also responsible for the maintenance of equipment used for the curriculum together with essentials which are funded by the Trust.

- Each Trust member school is responsible for the use and maintenance of any Trust owned vehicle kept on the school's site, and for the checking that appropriately qualified drivers only are using the vehicles.

- The Trust will monitor these policies (See section 13: Assets of individual school policies).

Leasing

- The Trust is guided by the Academy Trust Handbook sections 5.25 & 5.28.

- There are two types of lease:
  - finance leases: these are a form of borrowing
  - operating leases: these are not borrowing

  The Trust is aware that these rules will be changing and will update this policy as appropriate.

- The Trust **must** obtain ESFA's prior approval for the following leasing transactions:
  - taking up a finance lease on any asset for any duration from another party, which are subject to the borrowing restrictions described in paragraphs 5.33 and 5.34 of the ATH.
  - taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years.
  - granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

  Other than the above, the trust does not require ESFA's approval for operating leases.

- The Trust will ensure any lease maintains the principles of value for money, regularity and propriety. Trusts should seek advice from their professional adviser and/or external auditor if they are in doubt over whether a lease involves borrowing.

- Further information is provided in ESFA'S leasing good practice guide, which includes information on distinguishing between the two types of lease.

14. Budget and Monitoring

- Each Trust member school's draft budget is prepared by the HT and FL in conjunction with the CFO and Local Governors as soon as the relevant funding information is available from the ESFA. This includes any priorities or planned expenditure as set out in the School Development Plan. This budget is prepared using IRIS Planning software, which interacts with its Finance Module.

- The proposed budget is presented each year to ARC for review and onward approval to the Trust Board.

- Upon approval from the Board of Trustees the budget is uploaded onto the IRIS finance system. Changes in allocations are updated throughout the year. Any review to the budget is reported to Trustees at the first next ARC meeting.

- Through the CFO, the CEO is responsible for monitoring income and expenditure. Various areas of the Budget are reviewed/discussed at scheduled Executive meetings.

- Monthly Accounts are reviewed at the next Operations & Finance meeting and then circulated to members of the ARC. Any concerns are discussed with the CEO, HT or Governors as appropriate. The CFO reports to the ARC at its meetings once a term and is available to answer any questions that may arise from committee members and the full governing body.

- Effective management ensures that the majority of income is deployed for the benefit of current students.

15. Insurance

- The Trust is part of the DfE Risk Protection Arrangement (RPA) available to Academies as an alternative and/or in addition to a commercial provider. The RPA does not cover motor vehicles and staff absence.

- During the year each Trust member school must inform the Trust of any changes or additions that will affect the cover. The Trust will then update the RPA/Insurer.

- The RPA covers each Trust member school for hirer's liability to cover lettings.

- The RPA also covers the activities of the Trust's subsidiaries, the Teaching School Hub, and SCITT.

- Each Trust member school must inform the Trust COO and RPA/Insurer immediately of any loss, damage or incidents that might give rise to a future claim.

- The RPA is a rolling annual agreement that can be terminated with three months' notice, subject to the approval of the ARC.

- The CFO will obtain quotations for insurances not covered by the RPA.

- The Trust member schools have insurance cover for staff who use their own car for occasional business use on behalf of the Trust.

- The Trust's insurance arrangements are referred to the ARC annually, for review and approval of the Board.

16. Training

- The CFO and Finance Lead for each Trust member school must ensure that at least one other person is trained in the various aspects of the financial administration to provide cover for staff absences.

- Each member of the Trust's Finance Team has been allocated a specific company/activity to manage. All Finance staff have an understanding of each other roles to provide cover for staff absences.

17. Write-offs and entering into liabilities

- The trust is guided by the Academy Trust Handbook sections 5.19 to 5.22.

- The trust **must** obtain ESFA's prior approval for the following transactions beyond the delegated limits described below:
  - writing-off debts and losses; and
  - entering into guarantees, letters of comfort and
  - entering into indemnities which are not in the normal course of business

18. Fraud, theft, irregularity and cybercrime

The trust is aware of the risk of fraud, theft and irregularity and has put in place the appropriate controls and is guided by the Academy Trust Handbook sections 6.9 to 6.15.

A summary of freedoms and delegations from the Academy Trust Handbook, section 5.65, is included as an appendix to this policy.

Appendix 1 – Trust Credit Cards

- The current credit facility available to the Trust from RBS is £8,000. Individual Cards have been issued to the following, with monthly limits of:

Cardholder	Monthly
Chief Financial Officer	£2,000
Chief Executive Officer	£1,500
Chief Operating Officer	£300
Head Teacher - Blackwell First	£500
Senior Deputy Headteacher – PHHS	£1,500
Finance Officer - PHHS	£300
Finance Manager – Charford First	£300
Deputy Business Manager – Bredon Hill Academy	£300
Head of Food and Textiles Dept.- PHHS	£500
The Lodge Administrator – PHHS	£500
Teaching School / SCITT Administrator	£300

Appendix 2 – Scheme of Financial Delegation

1.Scope

This scheme of financial delegation serves as an appendix to the Worcestershire Hills Trust (WHT/the Trust) Financial & Asset Management Policy. Each Trust member school has an individual scheme of financial delegation (listed at the end of this scheme) which relates to their specific policy for internal budget approval and virement of the school.

The WHT board cannot delegate overall responsibility for the trusts' finances, and so remains responsible for any annual or immediate reviews. Therefore, the scheme of financial delegation of the Trust overrides any individual school scheme, should the two be contradictory (see notes at end of this scheme for individual school policies).

The Worcestershire Hills Trust recognise that good internal controls include:

- The segregation of financial duties
- Co-ordinating the planning and budgeting process
- Applying 'discipline' in the way you manage your finances
- Managing and overseeing assets and maintaining a fixed assets register
- Reducing the risk of fraud or theft

This scheme sets out the powers and duties reserved for each role, and includes:

Tier 1:
- The Board of Trustees

Tier 2:
- Local Governing Body (Loc.Gov)
- The Chief Executive Officer (CEO)

Tier 3:
- The Chief Operating Officer (COO)
- The Chief Financial Officer (CFO)
- The Headteacher (HT)
- The Senior Deputy Headteacher (DHT)
- School Financial Lead; Finance Director, Business Manager, Finance Manager etc. (SFL)
- Budget Holder

The Financial Authorisation levels granted to Local Governors, Headteachers, Deputy Headteachers, and School Financial Leads are only relevant to the school in which they are employed. In the tables below, Trust level authorities are highlighted in blue.

Budget Holder authorisation levels are only relevant to the school in which they are employed.

If payment, tender or lease agreement is in connection to a related party, the authorisation levels allowable are reduced to zero, and authorisation must be obtained from the next tier level.

2. Summary of Financial Authorisation Levels
(Trust level – Blue / School level – White)

						High / Middle school		First school			
	Board of Trustees	Loc. Gov	CEO	COO	CFO	HT	DHT	HT	DHT	SFL	Budget Holder
General & Capital Spending (for goods and services within budget)											
Authorise expenditure over £40,001 with formal tender	✓										
Authorise expenditure £20,001 - £40,000 with four quotations		✓	✓			✓	✓	✓			
Authorise expenditure £5,001 - £20,000 with three quotations				✓	✓	✓	✓	✓			
Authorise expenditure up to £5,000 (no formal quotation required)				✓	✓	✓	✓	✓	✓	✓	✓
Authorise Petty Cash up to £100				✓	✓	✓	✓	✓	✓	✓	✓
Authorise floats for school events (up to £250)						✓	✓	✓	✓	✓	
Capital											
Advertising of tenders over £40,000	✓		✓								
Authorisation of disposal of assets over £5,000			✓		✓						
Authorisation of disposal of assets under £5,000		✓	✓	✓	✓	✓		✓		✓	
Acquiring a freehold on land and buildings	✓										
Granting a lease on land and buildings	✓										
Take up a finance lease	✓										
Take up a leasehold on land and buildings with lease term 7 years or more	✓										
Take up a leasehold on land and buildings with lease term less than 7 years	✓	✓									
Take up an operating lease more than 3 years		✓	✓	✓		✓		✓			
Take up an operating lease 3 years or less (following consultation with the CFO)		✓	✓	✓	✓	✓		✓		✓	
Enter into insurance arrangements for land, buildings employee liability and other major risks	✓		✓	✓							

						High / Middle school		First school			
	Board of Trustees	Loc. Gov	CEO	COO	CFO	HT	DHT	HT	DHT	SFL	Budget Holder
Capital (continued)											
Disposing of a freehold on land and buildings	✓										
Disposing of assets (not land, buildings or heritage) above fair value of £5,000		✓	✓	✓		✓		✓			
Disposing of assets (not land, buildings or heritage) below fair value of £5,000		✓	✓	✓	✓	✓	✓	✓	✓	✓	
Budget Approval and Variation											
Approval of Annual Revenue and Capital Budget/3 year plan	✓										
Variations to budget (virements) over £40,000	✓										
Variations to budget (virements) £5,001 to £40,000		✓	✓		✓	✓		✓			
Variations to budget heads (virements) up to £5,000		✓	✓		✓	✓		✓		✓	
Bad Debts											
Writing off debts and losses which exceed 1% of the Trust annual income individually, or 5% of annual income cumulatively	✓										
Write off unrecoverable bad debts of individual debtor in a twelve-month period above £5,000		✓	✓								
Write off unrecoverable bad debts of individual debtor in a twelve-month period less than or equal to £5,000 as part of year end processes		✓	✓		✓	✓		✓			

	Board of Trustees	Loc. Gov	CEO	COO	CFO	High / Middle school HT	High / Middle school DHT	First school HT	First school DHT	SFL	Budget Holder
Staffing appointments & remuneration											
Authorise appointment/salary of permanent and temporary staff (other than Leadership Group)			✓			✓		✓			
Authorise appointment/salary of permanent and temporary staff (Leadership Group)			✓								
Authorise appointment/salary of CEO	✓										
Authorise appointment/salary of HT	✓	✓									
Staff Severance/Compensation where non-statutory/non-contractual payment is less than £5,000	✓		✓								
Staff Severance/Compensation where non-statutory/non-contractual payment is £5,000 or more before tax	✓										
Other ex-gratia payments	✓										
Other											
Any policy and arrangements for pooling (excluding PFI) of funds	✓										
Taking actions necessary to support the achievement of the Reserves Policy			✓								
Open/close bank accounts			✓								
Bank/sponsor loan, overdraft	✓										
Setting up of new Credit cards (for business use, not personal use and paid in full each month)			✓		✓						
To re-appoint, dismiss or retender services of the External Auditor	✓										
To re-appoint, dismiss or retender services of the Internal Auditor	✓										

3.All of the above are subject to the current ATH

- The Insurance Programme requires annual approval by ARC, including any variances.

- Any proposal to carry out a land transaction involving school land may need to obtain prior consent from the Secretary of State or give notice to the Secretary of State. In other cases, a General Consent Order (GCO) may apply to the proposed land transaction.

- Prior written consent of the Secretary of State for Education is required to dispose of land (which includes any transfer/sale of freehold or leasehold land and the grant/surrender of a lease). Applications and notifications must be made to the Education Funding Agency.

3.Monitoring and review

This policy will be reviewed on an annual cycle by the board of trustees and any changes made to the scheme of financial delegation will be communicated to all stakeholders.

Notes
The following list contains the names of the financial and asset management policies of the current schools within the Trust:

- WHT Financial & Asset Management Policy
- Financial & Asset Management Policy (Prince Henry's High School)
- Bredon Hill Academy Finance Policy
- Blackwell First School Finance Policy
- Charford First School Finance Policy & Procedures