

FINANCIAL ADMINISTRATION POLICY

1. Principles

1.1. The Financial Administration Policy is reviewed annually by the Strategy & Finance Committee, and defines the basis for the management and control of the College's financial resources.

1.2 The policy is executed through a delegated structure in accordance with the Academies Financial Handbook, to the Accounting Officer (The Principal), and the Principal Finance Officer (The Business Manager).

1.3 Financial management of, and maintenance of financial records for, the College is conducted in compliance with :

The Academies Financial Handbook

The Charity Commission - Accounting and Reporting By Charities : Statement of Recommended Practice (Accounting Standards Board)

1.4 The Governors appoint an external auditor to audit the statutory accounts annually, in compliance with the requirements of The Charity Commission and the YPLA.

2. Financial Management

The Strategy & Finance Committee carry out their responsibilities by :

2.1 Quarterly Strategy & Finance Committee meetings, which includes a detailed report from the Business Manager on the financial condition of the College.

2.2 Review of detailed quarterly Management Accounts which includes:

- Review of actual income and expenditure compared to budget
- Review of annual forecast
- Review of capital projects

2.3 Regular communication with the Principal and the Business Manager to ensure that continuous awareness of matters financial affecting the College.

2.4 Annual completion of the Academies Financial Management & Governance Self-Assessment in accordance with the requirements of the YPLA.

2.5 Annual review and update of the Risk Register, which must include specific assessment of Financial Risk.

2.6 Independent review by the Responsible Officer (a Governor, not serving on the Strategy & Finance Committee).

Review of detailed quarterly management accounts

Annual review of financial processes and procedures

3. Financial Processes & Procedures

3.1 The Business Manager maintains a Financial Processes and Procedures Manual, which is updated annually.

3.2 This Manual forms part of this Financial Administration Policy.

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

4. Authority to spend College Financial Resources

Annual Budget :

- 4.1 An Annual Budget for the College is prepared using a detailed format which is provided to the Governors providing the information to understand and decide on specific allocation of funds.
- 4.2 The Annual Budget is approved by the Full Governing Body 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 College. Items 1-10 related to the expenditure of approved budgets, distinct from items 11 & 12 which related to brought forward reserves and capital funds.

Table of delegated authority

1	Curriculum Budgets	Review & approval of curriculum orders	Nominated Finance Officer
2	Curriculum Budgets	Placement of orders for goods & services	Head of ILS
3	Catering Budgets	Placement of orders for all provisions (except bulk) Placement of bulk orders > £3,000	Catering Manager Business Manager
4	Facilities Budgets	Request & Placement of orders under £500, already budgeted	Facilities Manager
5	All Other Central Budgets, and orders not meeting the boundaries for Curriculum, Catering and Facilities above	Review and approval, already budgeted	Business Manager
6	Virements	Virements within non curriculum department* budgets under £10,000	Business Manager
7	Virements	Virements within non curriculum department* budgets over £10,000	Principal
8	Virements	Virements within curriculum department*	Principal
9	Virements	Virements between department* budgets under £25,000	Principal

10	Virements	Virements between department* budgets over £25,000	Strategy & Finance Committee
11	Un-budgeted revenue expenditure (departmental level) ..if matched with unbudgeted in-year income, brought forward reserves or capital funds.	Up to £20,000 per annum Over £20,000 and up to £50,000 per annum Over £50,000 per annum	Principal Strategy & Finance Committee Full Governing Body
12	Capital Expenditure	To £25,000 per annum if matched by in year devolved capital To £50,000 per annum matched with brought forward reserves, or planned in year surplus Over £50,000	Principal Strategy & Finance Committee Full Governing Body

* Department means group of cost centres as used in the Management Accounts, eg Curriculum, Curriculum Plus, Facilities, Administration, IT, Central

5. Procurement

- 5.1 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.
- 5.2 Continuous review and comparison of supplier's prices for repeat and new orders is undertaken by the Head of ILS, to ensure that best value is achieved for all revenue expenditure falling within previously approved budgets

6. Capital Expenditure

- 6.1 Procurement of fixed assets including building works requires :
- 2 written quotations for single orders > £5,000 and < £15,000
 - 3 written quotations for orders > £15,000
- 6.2 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 Chair of Strategy & Finance, the Chair of Governors, and the Principal.

7. Authorisation of Payments

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

7.2 Payments are authorised by any 2 of the following member of the Leadership team:

Roger Pope	Principal
Stuart White	Business Manager
Paul Brooks	Deputy Principal
Tina Graham	Assistant Principal
Wendy Ohlson	Assistant Principal

8. Payroll

8.1 Management of the payment of payroll and the production of payslips is outsourced to a payroll bureau.

8.2 The addition of a new employee, or the amendment of existing employment contract is authorised by the Principal and the Business Manager.

8.3 Claims made by casual workers are authorised by the appropriate budget holder, and reviewed by the Finance department, before being incorporated into the payroll.

8.4 Claims made by supply teachers are authorised by the Deputy Principal.

8.5 The monthly payroll file is produced by a nominated member of the Finance team and authorised for release by the Business Manager.

8.6 Pay awards are authorised by the Governors' Pay Committee, and for the Principal, the Principal's Pay Committee.

9. Review of Policy

This policy is reviewed annually by the Strategy & Finance Committee of the Governing Body.

**Ratified by the Strategy & Finance Committee
31st January 2012**