



**OUR LADY
OF LOURDES**

CATHOLIC MULTI-ACADEMY TRUST



Financial Regulations Manual

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Introduction

1. The purpose of this manual is to ensure that the Our Lady of Lourdes Catholic Multi-Academy Trust (CMAT) maintains and develops systems of financial control, which conform with 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 for Education.
2. The academy trust must comply with the principles of financial control outlined in the Academies Financial Handbook. This manual expands on the Handbook and provides detailed information on the CMAT's accounting procedures. All staff with financial responsibilities, including staff involved in ordering and/or procuring goods and services are required to read this manual.
3. This manual serves as an aid to the scheme of delegation, providing information on the day-to-day operations and practicalities of the CMAT.
4. In addition to the information contained in this manual, the CMAT has the following finance policies, which are accessible via the CMAT's Finance Portal:

Trust-wide policies

- Anti-Fraud and Bribery Policy
- Directors and Governors Expenses Policy
- Fixed Assets and Depreciation Policy
- Gifts and Hospitality Policy
- Investment Policy
- Multi-pay Card Policy
- Post 16 Bursary Policy
- Procurement and Tendering Policy
- Reserves Policy
- Staff Expenses and Overseas Travel Policy
- Staff Interests Policy
- Whistleblowing Policy
- Write-off and Bad Debts Policy

School policies (available on the school website)

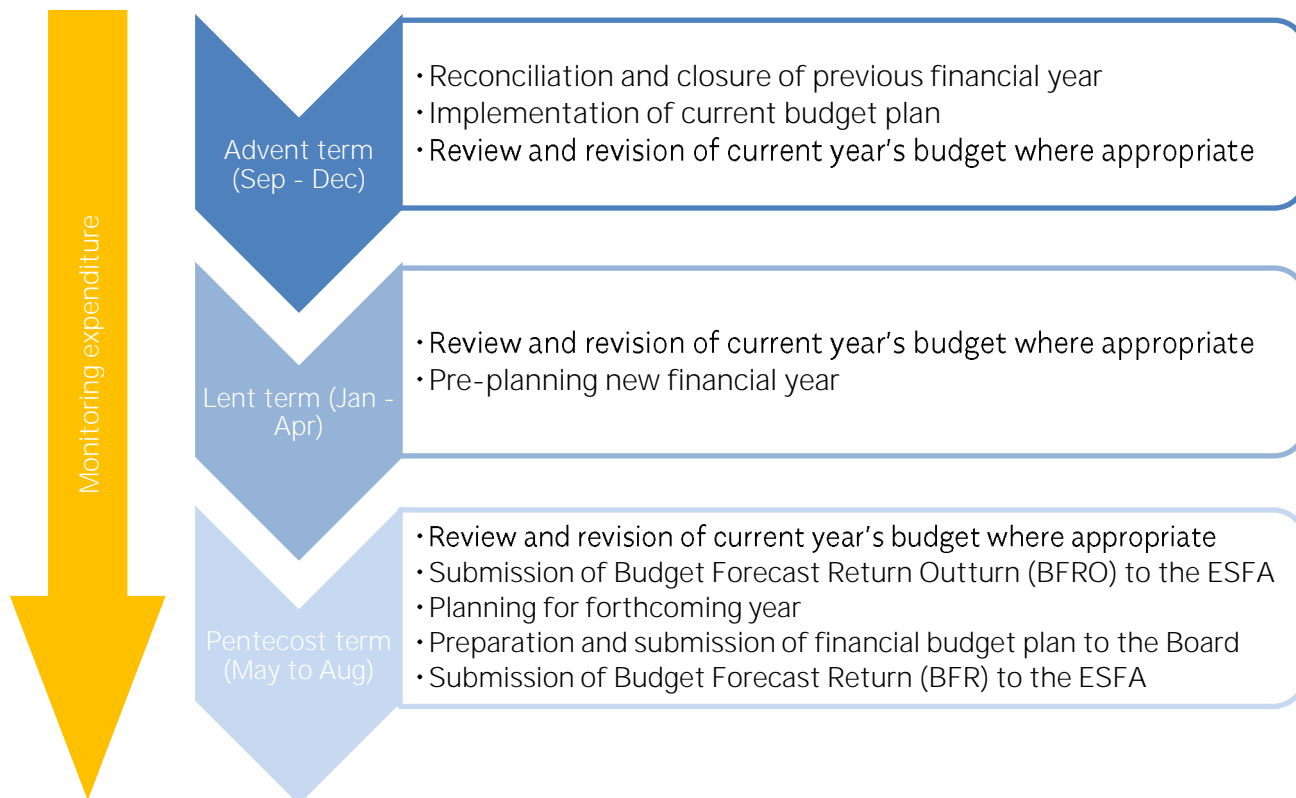
- Charging and Remissions Policy
 - Lettings Policy
5. To protect against an interruption to the day to day operations of the CMAT, the following plans are in place:
 - Business Continuity Plan
 - Disaster Recovery Plan

Financial Planning

- The CMAT prepares a rolling 3-year budget for each of its schools.

The Budget Cycle

- The budget cycle is as follows:



CMAT Budget

- The CMAT will deduct 5% of the schools mainstream grant income (General Annual Grant (GAG), 16-19 Funding Allocation, Early Years Foundation Stage Funding) to fund the Trust's central operations.
- The Finance Director is responsible for preparing and obtaining approval for the central operations budget. The Chief Executive Officer (CEO), Finance and Estates Committee and the Board must approve the budget.
- The annual budget will reflect the best estimate of the resources available to the CMAT for the forthcoming year and will detail how those resources are to be utilised.
- The budgetary planning process will incorporate the following elements:
 - Forecast of the likely top slice, calculated using estimated pupil numbers and the national funding formula methodology for schools and early years.
 - Review of other income streams available to the CMAT
 - Review of past performance against budget to promote an understanding of the CMATs

expenditure

- Identification of potential efficiency savings
- Detailed review of the CMATs central staffing
- Review of the CMATs main expenditure headings, taking into account any expected variations in cost e.g. pay increases, inflation and other anticipated changes
- Any funds held in reserve by the CMAT

School Budget

12. The Senior Finance Team (Finance Director, Senior Finance Manager and Finance Manager) are responsible for preparing and obtaining approval for each school's annual budget. The CEO, Finance & Estates Committee and the Board must approve the budget.
13. The annual budget will reflect the best estimate of the resources available to the school for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the schools curriculum and the budgeted utilisation of resources.
14. The budgetary planning process will incorporate the following elements:
 - Forecast of the likely number of pupils to estimate the amount of General Annual Grant (updated to reflect the actual allocation when funding statements are issued in March).
 - Latest estimate of other Education and Skills Funding Agency (ESFA) funding e.g. Pupil Premium, Sports Premium, Yr7 Catch-Up or other specific funds
 - Latest estimate of Local Authority funding e.g. Early Years Foundation Stage Funding, Universal Free School Meals or other specific funds
 - Review of other income sources available to the school to assess likely level of receipts
 - Review of past performance against budgets to promote an understanding of the schools expenditure
 - Identification of potential efficiency savings
 - Detailed review of the schools staff, using a curriculum led financial planning approach
 - Review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
 - All carry forward balances (not to be used to fund the day to day operational activity of the school)
 - Any unspent grants from the previous financial year
 - Any funds held in reserve
15. Comparison of estimated income and expenditure will identify any potential surplus or deficit in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where savings can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need in accordance with the School's Development Plan.
16. If there is a significant departure from the anticipated budget this will be escalated to the Finance and Estates Committee as part of the monthly management accounts procedure.

17. The approved budget is then entered onto the finance system at the start of the new financial year.

Other Government Funding

18. In addition to GAG funding from ESFA the trust may be awarded specific funding for other projects e.g. Condition Improvement Funds. This funding may be from the Department for Education (DfE) or a Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.
19. The Senior Finance Team is responsible for ensuring that income and expenditure for each grant is recorded accurately, providing a reconciliation within the monthly management accounts.

Other Grants and specific funding

20. In addition to the GAG funding from the ESFA and other government funding, the school/CMAT may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding, Football Foundation Funding, Charitable Grants etc. All applications for additional external funding must be reported to the Board via the Finance and Estates Committee. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.
21. The Senior Finance Team is responsible for ensuring that income and expenditure for each grant is recorded accurately, providing a reconciliation within the monthly management accounts.

Virements

22. Substantial virements shall be approved and minuted by the Finance and Estates Committee and should be within the agreed criteria and financial limits.
23. The Finance Director is given delegated power to vire from one budget to another and shall seek approval from the Finance and Estates Committee retrospectively where the amount exceeds £25,000.
24. All virements exceeding £50,000 shall require prior approval from the Finance and Estates Committee.

Revised Budget

25. The CEO in their role as the Accounting Officer and the Finance Director should carry out monitoring and analysis of the agreed budget on a monthly basis and reports forwarded to the Board.
26. Where significant variations to the agreed budget are identified or where a number of substantial virements have been approved by the Finance and Estates Committee and or where significant

staff changes have occurred in-year, then a Revised Budget should be prepared and approved by the Board of Directors.

27. A Revised Budget will be prepared for each school at three occasions during the financial year.
- Advent Forecast (December)
 - Lent Forecast (March)
 - Pentecost Forecast (June)

Budget Forecast Return

28. The approved budget must be submitted to the ESFA by 31 July each year by the Finance Director. The Finance Director is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

Monitoring and review (including management accounts)

29. The Senior Finance Team prepare monthly management reports. The reports include:
- Summary dashboard, providing a one-page review of each schools performance against the agreed budget.
 - Actual income and expenditure against budget (shown as month to date and cumulatively)
 - Balance sheet
 - Cash flow forecast
 - Summary document highlighting and explaining variances greater than 5%
30. Any potential overspend against the budget will be discussed with the relevant Head Teacher and reported to the Finance and Estates Committee.
31. The monthly reports are sent to the Accounting Officer, Finance and Estates Committee and the Chair of Board.

Internal audit

32. Internal auditors are appointed in accordance with the Academies Financial Handbook.
33. The Audit and Risk Committee will work with the Internal auditors to prepare an annual audit schedule that will provide assurance to the CEO (Accounting Officer) and Directors that the CMATs financial management systems and controls are robust.

Review of regularity

34. The CEO (Accounting Officer) reviews the following documents termly to ensure the academy trust is working within the boundaries of regularity and propriety:
- reviews management accounts
 - reviews compliance against the scheme of delegation
 - reviews transactions for evidence of connected party transactions
 - value for money practice

35. The CEO (Accounting Officer) has delegated the following responsibilities to the Finance Director:
- adherence to tendering policies
 - review of transactions, confirming they are all in line with the delegated authorities as set out by the Academies Financial Handbook
36. A checklist is completed for each review undertaken.

Annual accounts

37. The CMAT must prepare annual audited financial statements for the accounting period to 31 August.
38. The accounts are submitted as follows:
- by 31 December – to the ESFA
 - by 31 January – published on the CMAT website
 - by 31 May – to Companies House

Value for money statement

39. As part of the annual accounts the CEO, as Accounting Officer has responsibility for ensuring that the CMAT delivers good value in the use of public resources.
40. Value for money refers to the educational and wider social outcomes achieved in return for the taxpayer resources received.
41. The Finance Director is responsible for collating the examples of how the CMAT has provided value for money during each academic year and where value for money can be improved.

External audit arrangements

42. External auditors are appointed in accordance with the Academies Financial Handbook.
43. The Finance Director is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

Work undertaken during accounting period

44. The Finance Director is responsible for the following tasks, some of which may be delegated to the Senior Finance Manager and Finance Manager, to be undertaken during the year to facilitate a smooth audit process:
- reviewing the structure of the trial balance
 - maintaining a fixed asset register
 - monthly depreciation charges

- maintaining income and expenditure records (including filing of invoices)
- reviewing aged debtors for any provisions required
- maintaining a record of governors/trustees interests, related and connected party transactions
- control account reconciliations (bank, wages, debtors, creditors)
- maintaining a record of meeting attendance
- monitoring & reporting to the Accounting Officer and Board of Directors

Work undertaken for the year end

45. The Finance Director is responsible for the following tasks, some of which may be delegated to the Senior Finance Manager and Finance Manager, to be undertaken at the end of the year to facilitate a smooth audit process:

- schedule of prepayments and accruals
- control account reconciliations (bank, wages, debtors, creditors, VAT)
- stock take and calculating the year end stock value
- close down of the purchase ledgers
- close down of the Sales ledgers and aged debtors
- pension valuations
- Pension Audit

Accounts Return

46. The CMAT must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the ESFA by 31 January.

Document retention

47. Documents are retained for the following amount of time:

- Finance records – current year plus preceding 6 years
- Payroll and travel records – current year plus preceding 6 years

Accounting system

48. All the financial transactions of the academy trust must be recorded into PS Financials the CMATs computerised financial information accounting system. This system is maintained daily by the Finance Team.

49. PS Financials comprises the following modules:

- Accounting
- PS Purchasing
- PS Budgeting
- PS People (HR and Payroll)

System Access

50. Access to the accounting system is password restricted to members of the finance team. School staff and budget holders are granted access to PS Purchasing. The Senior Finance Team have write access to PS Budgeting, with read only access granted to the CEO and Headteachers. Access to PS People is password restricted to members of the HR and Payroll team.

Back-up Procedures

51. The Finance Directors is responsible for ensuring that there are effective back up procedures for the system. Data is stored off site on a cloud server and backed up daily to multiple cloud servers.
52. The CMAT's Business Continuity Plan and Disaster Recovery Plan explains what to do in the event of loss of accounting facilities or financial data.

Transaction processing

53. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.
54. All journal entries are authorised by the Senior Finance Team.
55. Bank transactions are imported from the Lloyds Commercial Banking platform by one of the Finance Officers and reconciled to the cashbook.

Transaction reports

56. The Senior Finance Team reviews the following system reports to ensure that only regular transactions are posted to the accounting system:
- the nominal ledger
 - management accounts summarising expenditure and income against budget
 - reports for the payroll, purchase ledger and sales ledger

Reconciliations

57. The Finance Director is responsible for ensuring the following reconciliations are performed by the Finance Team each month, and that any reconciling or balancing amounts are cleared:
- sales ledger control account
 - purchase ledger control account
 - payroll control account
 - VAT control account
 - all suspense accounts
 - bank balance per the nominal ledger to the bank statement
58. The Finance Manager signs all reconciliations as evidence of review.
59. Any unusual or long outstanding reconciling items are brought to the attention of Finance Director and dealt with according to the bad debt limits in this manual.

Cash Management

Bank Accounts

60. The CMAT will operate a single central bank account for all its schools.
61. The following procedures must be followed when opening a bank account and operating it:
- the Finance Director is responsible for selecting the banking institution and negotiating the terms and conditions
 - the opening of any new bank accounts must be approved by the CEO and retrospectively reported to the Finance and Estates Committee by the Finance Director
 - the CMAT will ensure that in the event of changes to key personnel, signatories will be changed immediately and the bank notified. Any on-line access to banking will also be removed
 - terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded
 - the CMAT must agree with the bank, that their accounts must not become overdrawn
 - the Finance Director must ensure there are sufficient funds to cover the day to day operations of the CMAT and its schools.

Deposits

62. The Finance Officers are responsible for updating the accounting system (within 2 working days) for all deposits placed.

Payments

63. All payments from the CMAT bank account must be approved by of two of the following authorised signatories:
- CEO
 - Finance Director
 - Senior Finance Manager
 - Finance Manager
 - Payroll and Pensions Manager

Reconciliations

64. The Finance Director ensures bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:
- all bank accounts are reconciled to the academy's cash book
 - reconciliations are prepared by the Finance Officers
 - reconciliations are subject to an independent monthly review carried out by Finance Manager or in their absence the Senior Finance Manager or the Finance Director
 - adjustments arising are dealt with promptly

Petty Cash

65. The CMAT does not allow the use of petty cash.

Multi-Pay Cards

66. The school Multi-Pay Cards are used only when it is not practical to use the purchase order system, or if it is not possible to order from another source.
67. The cards are kept in the school safe and are only used by the named card holder.
68. Each school is limited to a maximum of four cards.
69. In order to record the commitment, any department wishing to make a purchase on the Multi-Pay card must complete a confirmation order on the purchase order system which needs to be authorised by the appropriate budget holder.
70. The VAT receipt for all Multi-pay card purchase must be uploaded to the CMAT's Finance Portal and will be matched to the purchase order and recorded against the nominal ledger in PS Financials by the finance team.
71. On a monthly basis the purchase receipts will be reconciled to each entry on the Multi-Pay Card statement.

BACS Payments

72. On receipt of an invoice, the finance team check to ensure:
 - an official purchase order has been raised and approved for the purchase
 - the school have receipted delivery of the correct quantity, quality and price
 - it has not been previously paid
 - funds are available in the relevant budget
 - VAT chargeability on qualifying expenditure is shown
73. If there is a variance to the purchase order of greater than 5%, the invoice will require further approval and will be emailed to the appropriate person for authorisation.
74. Once authorisation has been received, the finance team will process the invoice for payment and attach evidence of the authorisation to the invoice on PS Financials.
75. The payment run is then prepared by one of the Finance Officers using PS Financials and uploaded to the banks online payment portal. The bank account details are then checked and verified by the second Finance Officer and the payment run is submitted for approval by two account signatories.
76. The CMAT is committed to paying suppliers within 30 days of receipt.

Investments

77. Investments are made in accordance with the CMAT's Investment Policy, which is approved annually by the Finance and Estates Committee.
78. All investments are recorded in PS Financials.

Reserves

79. Any surplus or deficit funds at the end of the year are held in reserve and ring-fenced for each school.
80. If a school is anticipating a deficit at the end of any financial year, the Board and the Finance Director have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The Board must ensure that a recovery plan is submitted and approved by the ESFA.
81. The CMAT undertakes to ensure that each school maintains a contingency reserve equivalent to 60 days operating expenditure.

Capital Reserves

82. Any surplus funds at the end of the year are held in reserve and carried over to the following year.
83. It is the responsibility of the Finance Director to keep accurate records of the capital funds, especially where grants have been received for capital projects.

Payroll

Staff Appointments

84. The HR Team will process new appointments on PS People and an immediate notification will be sent to the Payroll and Pensions team to ensure they are added to the payroll.

Payroll Administration

85. Payroll is administered through the CMATs Payroll and Pensions Team. The Payroll and Pensions Team provide payroll services to the four CMATs across the Roman Catholic Diocese of Nottingham.
86. All staff are paid monthly through PS People. A personnel record is maintained for each employee on PS People which records:
 - personal details
 - contractual information
 - employment history
 - bank account details
 - salary
 - taxation status
 - pension details
 - any deductions or allowances payable
 - other legal and relevant details
87. Any amendments made by the Payroll and Pensions Team must be checked and authorised prior to the payroll run by the Senior Finance Manager. Any amendments made by the Senior Finance Manager must be authorised by the Finance Director.

88. Each school is required to notify the Payroll and Pensions Team of all staff sickness and other absences during the month.
89. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee via the PS People portal. In turn this is authorised by the appropriate budget holder, prepared by the Payroll and Pensions Team and signed off by the Senior Finance Manager.
90. The Payroll and Pensions Team will issue a timetable for payroll processing at the beginning of the financial year, specifying key dates and deadlines.

Payments

91. Before payments are processed, system generated reports should be reviewed and checked against source documentation by the Payroll and Pensions Team and then reviewed and initialled by the Payroll and Pensions Manager. Authority to release payment will be by Senior Finance Manager.
92. All salary payments are made by BACS.
93. The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay reconciliation and payments processed for these amounts by BACS.
94. The Finance Team prepare a reconciliation between the current month's gross salary payments and the monthly payment schedule. This reconciliation is reviewed and signed by the Finance Director.
95. The Payroll and Pensions Officers will select at least three employees per CMAT at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly. The check is recorded and available for checking by the Payroll and Pensions Manager and review by the Finance Director
96. After the payroll has been processed the nominal ledger will be automatically updated. Postings will be made both to the payroll control accounts and to individual cost centres. The Finance Team should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.
97. Monthly, the Payroll and Pensions Team reconcile the gross pay for each member of staff to ensure it agrees to the contractual information held on the personnel file in PS People.

Salary advances

98. The trust does not award salary advances.

Overtime

99. Overtime is recorded by the individual employee and submitted via the PS People portal in line

with the published payroll timetable.

100. Claims for overtime should not be submitted prior to work having been undertaken.
101. No payments for work undertaken will be made other than via the payroll system.

Severance payments

102. The CMAT is able to self-approve the non-contractual element of severance payments up to £50,000.
103. Where the non-contractual element is on or over £50,000 prior approval from ESFA must be sought.
104. The CEO (Accounting Officer) must sign off and review each business case.

Ex-gratia payments

105. Any ex-gratia payments must be submitted to ESFA for prior approval and made in line with the Academies Financial Handbook.

Income

ESFA grants

106. The main sources of income for the CMAT are the grants from the ESFA. The receipt of these sums is monitored directly by the Finance Officers and any variance from the published payment schedule are reported immediately to the Finance Manager who is responsible for ensuring that all grants due to the CMAT are collected.

Other grants

107. The receipt of these sums is monitored directly by the Finance Officers and any variance from the published payment schedule are reported immediately to the Finance Manager who is responsible for ensuring that all grants due to the academy are collected.

Trips

108. Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents. If the school decides to subsidise the school trip, the amount of subsidy must be approved by the finance team in advance of the booking being made.
109. A lead member of staff must be appointed for each trip to take responsibility for the collection of sums due. The lead member of staff must maintain a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Finance Team.
110. Students should make payments to the school. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.

111. The Finance Team should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record will be available to the lead member of staff on request and the lead member of staff is responsible for chasing the outstanding amounts.

Catering

If cash payments

112. Cash payments must be reconciled on a daily basis to the lunch records by the School Office/Catering Manager and signed as evidence of reconciliation. The school meal numbers and cash totals are then to be entered onto the fortnightly banking sheet.
113. The cash is kept in the school safe prior to fortnightly collection for banking.
114. The Finance Officers must reconcile the fortnightly banking sheet to actual receipts banked.

If electronic cash collection

115. The fortnightly bank credits are reconciled to the reports generated from the cashless catering system.

Lettings

116. The school is responsible for maintaining records of bookings of school facilities and for identifying the sums due from each organisation. Payments for one off bookings must be made in advance for the use of facilities. Regular bookings will be invoiced one month in arrears.
117. Details of organisations using the sports facilities will be held by the Finance Team who will establish a sales ledger account and produce a sales invoice from PS Financials.
118. Copies of the organisations up to date relevant Public Liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept with the letting agreements that are held locally at the relevant school.

Sundry income

119. Income from other sources is priced in consultation with the Finance Manager. The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay.

Gift aid

120. The CMAT is able to claim gift aid on donations from individuals.
121. To ensure the CMAT receives all the monies it is entitled to, the finance team:
- reconciles income against records to confirm expected amounts have been received by the donor
 - ensures the tax reclaimable from HMRC has been obtained and any relevant business use deductions have been made.

Bad debts

122. Bad debts are managed in accordance with the CMAT's Write-off and Bad Debts Policy, which is approved bi-annually by the Finance and Estates Committee.
123. The CMAT chases all monies that have not been paid within 28 days of an invoice being issued, by telephone and or letter.
- Parental debts are chased by the school
 - Non parental debts are chased by the CMAT's Finance Team
124. For non-parental debts that remain outstanding for more than 6 months, the CMAT will commence legal proceedings through the small claims court to recover the debt.
125. If it becomes clear that the debt will not be repaid, the Finance Director submits a report for approval of write-off.
126. The following write-off limits apply:
- Up to £500 – CEO (Accounting Officer)
 - £501 to £1,000 – Finance and Estates Committee
 - Over £1,000 – Board of Directors
 - Where stipulated in the Academies Financial Handbook, approval to write off bad debts will be obtained from the ESFA.

Purchasing

127. The CMAT must achieve value for money on all purchases. A large proportion of our purchases are paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:
- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the CMAT
 - Accountability, the CMAT is publicly accountable for its expenditure and the conduct of its affairs
 - Fairness, that all those dealt with by the CMAT are dealt with on a fair and equitable basis

Routine Purchasing

128. Budget Holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the Budget Holder to manage the budget and to ensure that the funds available are not overspent. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget are available to each Budget Holder via PS Purchasing.
129. Routine purchases up to £1,000 can be ordered by Budget Holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Finance Team. A quote or price must always be obtained before any order is placed. If the Budget Holder

considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the Senior Finance Team.

Orders

130. All orders must be submitted using the CMATs online purchase ordering software, PS Purchasing. Orders are electronically checked to ensure there is adequate budget available and are approved in line with the delegated approval limits.

Secondary Schools

- Up to £1,000 – Budget Holder
- £1,001 to £2,000 – Headteacher
- £2,001 to £10,000 – Senior Finance Manager / Finance Manager
- £10,001 plus – Finance Director (All orders over £50,000 will need the prior approval of the CEO)

Primary Schools

- Up to £1,000 – Headteacher
 - £1,001 to £10,000 – Senior Finance Manager / Finance Manager
 - £10,001 plus – Finance Director (All orders over £50,000 will need the prior approval of the CEO)
131. Approval is recorded in PS Purchasing, which allocates a Purchase Order number and commits expenditure. The Finance Team electronically dispatches orders to the supplier using the email functionality in PS Financials.
132. On receipt the school must undertake a detailed check of the goods received and complete the Goods Received Note (GRN) on PS Purchasing. Discrepancies should be discussed with the supplier of the goods without delay.
133. All invoices should be sent directly to the Finance Team. Invoices received by a school, should be scanned and uploaded to the Finance Portal to enable prompt payment.
134. Invoices will be matched to the purchase order and invoice details recorded by the Finance Team into PS Purchasing.
135. All invoices are paid by BACS (see section above on BACS payments).

Orders over £2,000 but less than £10,000

136. At least three written quotations should be obtained for all orders between £2,000 and £10,000 to identify the best source of the goods/services. Written details of quotations

obtained should be prepared and uploaded to the Purchase Order for audit purposes.

Orders over £10,000

137. All goods/services ordered with a value over £10,000, or for a series of contracts which in total exceed £10,000 must be subject to formal tendering procedures.

Official Journal of the European Union

138. Service contracts over £181,382 and capital works contracts over £4,551,413 are to be dealt with in accordance with OJEU. OJEU (<http://www.ojeu.eu/>) updates the procurement thresholds per annum and the most up to date ones can be found on their website:

<http://www.ojeu.eu/thresholds.aspx>

Trading with related parties

139. All Directors, Governors and Staff must complete an annual declaration of their business and non-pecuniary interest. All related parties are added to a Trust-wide register and published on the CMAT website.

140. The CMAT's register of interests must capture relevant business and non-pecuniary interests including:

- directorships, partnerships and employments with businesses
- trusteeships and governorships at other educational institutions and charities
- for each interest: the name of the business; the nature of the business; the nature of the interest; and the date the interest began

141. No Director, Governor, Staff member or related individual or organisation uses their connection to the CMAT for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the CMAT.

142. The CMAT must report all transactions with related parties to the ESFA in advance of the transaction taking place, using the ESFA's on-line form.

Goods and services for private use

143. No goods ordered or services provided are to include any elements of private use by Directors, Governors and Staff.

Forms of Tenders

144. There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

- Open Tender: This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Finance Director how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

- Restricted Tender: This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - there is a need to maintain a balance between the contract value and administrative costs,
 - a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements,
 - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
- Negotiated Tender: The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - the above methods have resulted in either no or unacceptable tenders,
 - only one or very few suppliers are available,
 - extreme urgency exists,
 - additional deliveries by the existing supplier are justified.

Preparation for Tender

145. Full consideration should be given to:

- objective of project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract.

146. It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

147. A tender brief must always be prepared and is reviewed by the Finance Director.

Invitation to Tender

148. If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

149. An invitation to tender should include the following:

- introduction/background to the project
- scope and objectives of the project
- technical requirements
- implementation of the project
- terms and conditions of tender
- form of response
- dates for decision and work to be delivered
- how the tenders will be assessed

Tender Acceptance Procedures

150. The invitation to tender should state the date and time by which the completed tender document is received by the academy trust. Tenders are submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline are not accepted.

Tender Opening Procedures

151. All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:

- For contracts up to £25,000 - the Budget Holder and a member of the Senior Finance Team.
- For contracts over £25,000 - the Senior Finance Team.

152. A separate record details the names of the firms submitting tenders and the amount tendered. The record is signed by both people present at the tender opening.

Tendering Procedures

153. The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

154. Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

155. Full records should be kept of all criteria used for evaluation and for contracts over £25,000 a report should be prepared for the Finance & Estates Committee highlighting the relevant issues and recommending a decision. For contracts under £25,000 the decision and criteria should be reported to the Finance & Estates Committee.

Insurance

156. The Finance Director reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for academy trust property when off the premises.

Directors/Governors Expenses

157. Directors and Local Governors may claim reasonable expenses incurred as a result of carrying out duties on behalf of the CMAT or one of its schools. This does not include expenses incurred as a result of attending meetings of the Board or one of its sub committees, including meetings of a schools Local Governing Body.

158. For the avoidance of doubt, reasonable expenses are defined as:

- the cost of travel relating to meetings and training courses, not including meetings of the Board or one of its sub committees
- travel and subsistence costs associated with attending national meetings or training events, unless these costs can be claimed from the any other source
- costs associated with First Class travel will not be reimbursed

159. Travel using the Directors or Governors own vehicle will be reimbursed as 45p per mile. Other reasonable transport costs (train, taxi, bus) will be reimbursed in full

160. Directors and Governors acknowledge that:

- Directors and Governors are not paid an attendance allowance
- Directors and Governors are not reimbursed for loss of earnings

161. Directors and Governors wishing to make claims under these arrangements, must complete a claims form together with the relevant receipts. The form must be submitted to the Finance Team within four weeks of the date when the costs were incurred.

162. All claims will be submitted to the Chair of the Board or Chair of the Finance and Estates Committee for final approval.

163. Claims will be subject to independent audit and may be investigated by the Audit Committee if they appear excessive or inconsistent.

Gifts

164. Ordinarily gifts should be rejected, unless they are of negligible value. However, any gifts or hospitality in excess of £25 are reported to the Headteacher (or in the event of the Headteacher receiving a gift, the CEO) for approval, in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift has the ability to influence purchasing decisions.

165. Gifts that have been reported are entered onto the gifts and hospitality register.

Energy Management

166. The Site Manager at each school is responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be checked before authorising any invoices from the utilities providers. Any discrepancies or unusual reading should be raised with the Finance Manager immediately.

167. The Site Manager ensures that the school's heating system is operated and run as efficiently as possible.

168. The Finance Director ensures that the school is purchasing energy at the most competitive prices available.

169. All staff have the responsibility to work in an energy efficient manner at all times (e.g. turning off

computers, lights and heating when not required).

Fraud

170. The trust does not tolerate fraud. Where instances of fraud are found the Finance Director, CEO or Chair of the Board will notify the ESFA.

VAT

171. The CMAT is VAT registered and completes a quarterly VAT return to HMRC

172. The CMAT maintains VAT records on PS Financials. All members of the finance team are responsible for accurately recording the VAT on each financial transaction.

Reporting to HMRC

173. The Senior Finance Manager is responsible for submitting the quarterly VAT return to HMRC in line with the following schedule:

- August, September, October – 6th November
- November, December, January – 6th February
- February, March, April – 6th May
- May, June, July – 6th August

Fixed assets

Asset register

174. All items purchased with a value over the academy's capitalisation limit of £2,000 must be entered on the fixed asset register with the following details:

- asset description
- asset number
- serial number (where applicable)
- date of acquisition
- purchase cost
- source of funding (% of original cost funded from grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

175. The asset register helps:

- ensure that staff take responsibility for the safe custody of assets
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- to manage the effective utilisation of assets and to plan for their replacement
- help the external auditors to draw conclusions on the annual accounts
- support insurance claims in the event of fire, theft, vandalism or other disasters

176. Examples of items to include on the asset register include:

- ICT hardware and software (including licences)
- Reprographic equipment – photocopiers, comb binders, laminators
- Office equipment – telephones, switchboard, shredders
- Furniture
- AV equipment – TVs, video/DVD players, projectors, cameras, speakers
- Cleaning equipment – vacuum cleaners, polishers
- Catering equipment – ovens, fridges, dishwashers, food processors
- Technology equipment – sewing machines, craft machinery
- Premises equipment – lawn mowers, power tools, generators
- Other equipment – musical instruments, PE equipment
- Mini buses
- Buildings

Security of assets

177. All the items in the register are permanently and visibly marked as the CMAT's property.

178. Equipment is, where possible, stored securely when not in use.

179. An annual asset check is undertaken by the Finance Director, and either the Senior Finance Manager or Finance Manager. Where discrepancies between the physical check and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the Audit and Risk Committee.

Disposals

180. Items which are to be disposed of by sale or destruction must be authorised for disposal by the Finance Director.

181. The CMAT must seek the approval of the ESFA in writing if it proposes to dispose the freehold of land or buildings or heritage assets.

182. The CMAT must ensure that the disposal achieves the best price than can be reasonably obtained and maintains the principles of regularity, propriety and value for money.

183. All disposals must be retrospectively reported to the Finance and Estates Committee.

Loan of Assets

184. Items of school property must not be removed from school premises without the authority of the Headteacher. A record of the loan must be logged and booked back into the school when it is returned.

185. If assets are on loan for extended periods, or to a single member of staff on a regular basis, the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the CMAT's auditors.