



# Castleford Academy Trust

## Financial Regulations Policy

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## 1. Introduction

The purpose of this policy is to ensure that Castleford Academy Trust maintains and develops systems of financial control, which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Secretary of State for Education, through the Education Funding and Skills Agency (ESFA).

Castleford Academy Trust must comply with the principles of financial control outlined in the Academy Trust Handbook. This manual expands on that and provides detailed information on the trust's accounting procedures and systems. This manual should be read by all staff involved with financial systems.

This manual serves as an adjunct to the scheme of delegation providing information on the day-to-day operations and practicalities forming from this financial regulation manual.

## 2. Financial Planning

The academy trust prepares rolling 3 year budgets.

### 2.1. The Budget Cycle

The budget cycle is as follows:

- Autumn term (Sept – Dec)
  - Implementation of current budget plan
  - Monitoring expenditure (continuous-monthly)
  - Reconciliation and closure of previous financial year
- Spring term (Jan – Mar)
  - Monitoring and Reviewing of year's budget
  - Revised Budget where appropriate
  - Pre-planning new financial year
- Summer term (Apr – Aug)
  - Planning for forthcoming year
  - Preparation and submission of financial budget plan
  - Review of current year's budget

All requirements of the ESFA, in particular relating to carry forward of unspent funds, will be taken into account in preparing and submitting the budget.

## 3. Budget

The School Business Manager (SBM) is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the CFOO, Headteacher and the Board of Trustees and reported to the Local Governing Body.



The annual budget will reflect the best estimate of the resources available to each academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of General Annual Grant.
- latest estimate of other ESFA funding e.g. pupil premium or other specific funds.
- review of other income sources available to the academy to assess likely level of receipts.
- review of past performance against budgets to promote an understanding of the academy cost.
- identification of potential efficiency savings.
- 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.
- any unspent grants from the previous financial year.
- any funds held in Trust.

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts 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 Development Plan.

If there is a significant (over 10%) departure from the anticipated budget, this will be escalated to the CFOO as part of the monthly management accounts procedure.

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

### 3.1. Other Government Funding

In addition to GAG funding from the ESFA, academies may be awarded specific funding for other projects e.g. Character Bid funding, Additional Special Educational Needs funding etc. This funding may be from the Department of Education or 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.

The SBM is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

### 3.2. Other Grants and specific funding

In addition to the GAG funding from the ESFA and other government funding, academies 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 approved and supported by the CFOO and Board of Trustees. 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.



The SBM is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

### 3.3. Funds held in Trust

Where funds are held in trust the SBM is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately as set out in the memorandum and articles.

### 3.4. Virements

Substantial virements should be within the agreed criteria and financial limits. Refer to:

- a. Appendix 1: Secondary Academy Financial Authorities
- b. Appendix 2: Primary Academy Financial Authorities

The SBM is given delegated power to vire from one budget to another and shall seek approval from the CFOO retrospectively where the amount does not exceed £10,000.

All virements exceeding £10,000 shall require prior approval from the CFOO.

### 3.5. Revised Budget

Monitoring and analysis of the agreed budget should be carried out on a monthly basis by the SBM.

Budgets will be formally revised for approval by the Board of Trustees:

- c. QTR 1 end November
- d. QTR 2 end February
- e. QTR 3 end May

The latest revised budget should then form the basis of analysis of all income and expenditure until the financial year end.

### 3.6. Budget Forecast Return

The approved budget must be submitted to ESFA by 31 July each year by the CFOO.

The CFOO is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

### 3.7. Monitoring and review (including management accounts)

Monthly reports are prepared by the SBM. The reports include:

- actual income and expenditure against budget (shown as month to date and cumulatively)
- balance sheet
- cash flow forecast
- one page summary highlighting and explaining variances of at least £10,000

Any potential overspend against the budget must in the first instance be discussed with the CFOO.



The monthly reports are sent to the CFOO for Trust consolidation and issue to Trustees.

## 4. Independent checking procedures

### 4.1. Review of regularity

The CEO (in their role as Accounting Officer) reviews the following documents termly to ensure the academy trust is working within the boundaries of regularity and propriety:

- management accounts
- compliance against the scheme of delegation
- value for money practice

The Accounting Officer has delegated the following responsibilities to the CFOO:

- adherence to tendering policies
- review of transactions confirming in line with delegated authorities as set out by the ESFA Academy Trust Handbook
- transactions for evidence of connected party transactions
- review of trustees/governors' minutes

A checklist is completed for each review undertaken.

## 5. Annual accounts

The academy trust must prepare annual audited financial statements for the accounting period to 31 August.

The accounts are outsourced to external auditors for preparation, with collaboration from the CFOO. The accounts are presented to Trustees and scrutinised at the Finance, Risk & Audit Committee before being submitted to the ESFA.

The accounts are then submitted as follows:

- by 31 December – to ESFA
- by 31 January – published on our own website
- by 31 May – to Companies House

The aim is to achieve the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the trust's charge, the avoidance of waste and extravagance, and prudent and economical administration.

### 5.1. Audit arrangements

External auditors must be appointed in accordance with the ESFA Academy Trust Handbook.

The CFOO 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.

### 5.2. Work undertaken during accounting period





The CFOO is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:

- reviewing the structure of the trial balance
- maintaining a fixed asset register
- 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 Trustees

### 5.3. Work undertaken for the year end

The CFOO is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:

- stock take and including of year end stock value
- supplier prepayments and accruals
- prepayments or accruals for grant income
- control account reconciliations (bank, wages, debtors, creditors)
- close down of the purchase ledgers
- close down of the sales ledgers and aged debtors
- pension valuations
- pension audit

## 6. Accounts Return

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

The accounts return is outsourced to our auditors for preparation.

## 7. Document retention

Documents are retained for the following amount of time:

- Finance records – current year plus preceding 6 years
- Supply cover insurance – current year plus preceding 6 years
- Payroll and travel records – current year plus preceding 6 years
- Personnel records – 5 years after an employee has left
- All pupil files until the student reaches the age of 21

## 8. Accounting system

All the financial transactions of the academy trust must be recorded onto the password restricted computerised financial information accounting system, PS Financials.



## 8.1. Back-up Procedures

PS Financials is cloud based and is automatically backed up regularly throughout the day.

The disaster recovery plan explains what to do in the event of loss of accounting facilities or financial data. Copies of the plan are held in a fireproof container.

## 8.2. Transaction processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.

Bank transactions are input by at least one member of the finance / payroll staff and reviewed by a separate member of the finance / payroll staff.

## 8.3. Transaction reports

The CFOO reviews the following system reports to ensure that only regular transactions are posted to the accounting system:

- audit trail reports;
- masterfile amendment reports for the payroll, purchase ledger and sales ledger;
- management accounts summarising expenditure and income against budget at budget holder level.

## 8.4. Reconciliations

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

- sales ledger control account
- purchase ledger control account
- payroll expenditure ledger codes balance to payroll YTD figures
- VAT control account
- bank balance per the nominal ledger to the bank statement

The SBM signs all reconciliations as evidence of review.

Any unusual or long outstanding reconciling items are brought to the attention of the CFOO and dealt with according to the bad debt limits in this manual.

# 9. Cash Management

## 9.1. Bank Accounts

The following procedures must be followed when opening a bank account and operating it:

- the trust is responsible for selecting the banking institution and negotiating the terms and conditions
- the Board of Trustees must authorise the opening of all bank accounts
- the CFOO will ensure that in the event of changes to key personnel, signatories will be changed immediately and the bank notified. Any online 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 and agreement minuted



- the trust must inform the bank in writing that their accounts must not become overdrawn
- the trust must ensure there are sufficient funds to cover large payments

## 9.2. Deposits

Any surplus funds as identified by SBM / CFOO are invested in deposit accounts in order to maximise accrued interest. Deposit terms range between 32 days and 12 months.

The SBM is responsible for updating the accounting system for deposits placed.

## 9.3. Payments and withdrawals

All cheques (exceptional use only) and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two of the following authorised signatories:

- Headteacher
- CFOO
- SBM
- Finance Manager
- Payroll Manager
- Finance Officer
- Payroll Officer

This provision applies to all accounts operated by or on behalf of the academies including funds held in trust. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

## 9.4. Administration

The SBM ensures that 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 each academy's cash book.
- reconciliations are subject to an independent monthly review carried out by the CFOO.
- adjustments arising are dealt with promptly, at least 1 months salary should be held in reserve at all times.

## 9.5. Petty Cash

Each academy maintains a maximum cash balance of £500 for the purchase of minor items, which is held in the office safe and is the responsibility of the SBM or Finance Manager.

The petty cash float must not be used for:

- cashing personal cheques
- paying staff loans

## 9.6. Payments



In the interests of security, petty cash payments are limited to £30. Payments are made on production of a valid till receipt or other proof of payment and are subject to the same authorisation procedures as purchases from the main bank account.

### 9.7. Administration

The petty cash float is maintained on the finance system and the float is only reimbursed from the main bank account.

The petty cash float is reconciled monthly by the SBM, Finance Manager or Finance Officer. The reconciliation is then reviewed by the Finance Manager or SBM and initialled as evidence of review.

The CFOO carries out a spot check of the petty cash float once a term.

### 9.8. E-procurement & Payments

The academy credit card (Barclaycard) or Lloyds Commercial Purchasing Cards are used only when it is not practical to use the purchase order/cheque system. It is used mostly for internet purchases and to buy refreshments for meetings etc.

Card holders are detailed in Appendix 3.

When the credit card statement arrives, each card holder will forward to the SBM or Finance Manager the credit card statement along with all the relevant paperwork. The SBM or Finance Manager will check the statement and sign an authorisation sheet. A VAT invoice is required for all purchases and it is sometimes necessary to chase suppliers for this. The SBM or Finance Manager will then check the transactions and prepare the cash book journal initially on excel before uploading onto the finance system. The statements are filed with the corresponding receipts, until the end of the financial year, when they will then be transferred to the finance storage box for that year.

### 9.9. BACS Payments

On receipt of an invoice, the budget holder signs the invoice, to signify:

- the delivery note has been checked
- the delivery is of 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

The invoices are then prepared for BACS payment and are passed on to two of the cheque signatories who check to ensure that the expenditure has been coded correctly and that the bank and sort codes have been correctly entered before approving the payment.

Normally, BACS payments are processed within a month of receipt, although every effort is made to ensure the school benefits from early payment discounts.

The SBM ensures that evidence is kept of the employment status test criteria applied, when dealing with payments to individuals. Where an individual has been assessed as self-employed, the SBM should request



that the individual states their self-assessment unique taxpayer reference (UTR) on any invoice issued to the trust.

## 10. Investments

Investments are made in accordance with written procedures approved by the Board of Trustees.

All investments are recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

## 11. Reserves

Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year.

The Accounting Officer must inform the ESFA immediately if a deficit is anticipated.

If the academy trust is anticipating a deficit at the end of any financial year, the CFOO has a responsibility to ensure action is taken at the earliest opportunity to address this issue. The Board of Trustees must ensure that a recovery plan is submitted and approved by the ESFA.

## 12. Capital Reserves

Any overall surpluses at the end of the year are carried over to the following year.

It is the responsibility of the CFOO to keep accurate records of the capital funds, especially where grants have been received for capital projects.

## 13. Payroll

### 13.1. Staff Appointments

The Board of Trustees has approved a personnel establishment for all academies in the trust. Changes can only be made to this establishment with the express approval in the first instance of the CFOO who must ensure that adequate budgetary provision exists for any establishment changes.

The Headteacher has the authority to appoint staff within the authorised establishment except for Deputy Headteachers, Assistant Headteachers and the SBM whose appointments must follow consultation with the relevant Trust Pay Committee (see Pay Policy).

The SBM / HR Manager maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified in writing to the CFOO for approval prior to the payroll process.

The HR Manager or SBM are responsible for obtaining the relevant DBS checks and ensuring these are retained on file.



## 13.2. Payroll Administration

Payroll is administered through the academy trust's payroll internal department.

All staff are paid monthly using the Sage Payroll System. A master file is created for each employee which records:

- salary
- bank account details
- taxation status
- personal details
- any deductions or allowances payable
- other legal and relevant details

New master files can only be created by the Payroll Department with the express approval of the SBM. Any master file amendments made by the Payroll Department must be printed out each month prior to the payroll run and must be authorised by the SBM. Any master file amendments made by the SBM must also be authorised by the Headteacher.

The SBM must complete a monthly staff return which provides details for all staff of sickness and other absences during the month and any new appointments or terminations. Authorised staff returns should be sent to the CFOO and Payroll Manager who will then file the documents for payroll processing.

Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. In turn this is authorised by their line manager and a member of SLT. The claim forms are then submitted to the SBM for them to authorise and forward to the Payroll Department for payment on the next available payroll run.

In accordance with the published annual timetable the Payroll Manager will prepare and distribute a timetable for payroll processing specifying key dates for the month in question.

## 13.3. Payments

Before payments are dispatched a printout of all data should be obtained, including an exceptions report from Sage payroll system and this should be checked against source documentation by the Payroll Manager and then reviewed and initialled by the SBM. Authority to release payment will be by the SBM.

All salary payments are made by BACS.

The Payroll Manager prepares a reconciliation between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc. This reconciliation is reviewed and signed by the SBM.

The Sage 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 print and BACS payments for these amounts are prepared by the Payroll Manager and authorised for payment by the SBM or another authorised cheque signatory by the due date.



The Payroll Manager selects at least three employees at random each month and checks the calculation of gross to net pay to ensure that the payroll system is operating correctly. The check is recorded and available for review by the CFOO or Accounting Officer.

After the payroll has been processed the Payroll Manager issues a cost to school report detailing all necessary payroll payments for each academy to process. The payroll manager reconciles YTD amounts for all payroll ledger codes against the payroll department calculations to ensure that the correct amounts have been posted onto the finance system from the payroll system.

Annually, the Payroll Manager checks each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file in the HR office.

#### **13.4. Salary advances**

The trust does not award salary advances.

#### **13.5. Overtime**

Overtime is recorded by the individual and submitted by 1st of each month to Payroll, having been authorised and signed by their line manager and relevant member of SLT.

Claim forms must not be submitted prior to work having been undertaken.

No payments for work undertaken will be made other than via the payroll system.

#### **13.6. Severance payments**

Severance payments must be made in line with the Academy Trust Handbook.

The academy trust is able to self-approve the non-contractual element of severance payments up to £50,000. A business case must be presented before agreeing a payment, using the form provided by ESFA on Gov.uk.

Where the non-contractual element is on or over £50,000 prior approval from ESFA must be sought.

The Accounting Officer must sign off and review each business case.

#### **13.7. Ex-gratia payments**

Ex-gratia payments must be made in line with the Academy Trust Handbook.

Any ex-gratia payments must be submitted to ESFA for prior approval.

#### **13.8. ESFA grants**

The main sources of income for the academy are the grants from the ESFA. The receipt of these sums is monitored directly by the SBM who is responsible for ensuring that all grants due to the academy are collected.

#### **13.9. Other grants**



The receipt of these sums is monitored directly by the SBM who is responsible for ensuring that all grants due to the academy are collected.

### 13.10. Trips

A lead member of staff must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare a record for each pupil intending to go on the trip showing the amount due. A copy of the record must be given to the SBM or Finance Department.

Pupils should make payments to the school office or Finance Department. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the pupil making the payment.

The SBM or Finance Department should maintain an up to date record for each pupil showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a regular basis in line with payment deadlines and the lead teacher is responsible for chasing the outstanding amounts.

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 academy decides to subsidise the school trip the amount of subsidy must be approved by the Headteacher in advance of the booking being made.

### 13.11. Catering

#### **If cash payments:**

Cash payments must be reconciled on a daily basis by the Finance Manager or SBM to the lunch records and signed as evidence of reconciliation. The school meal numbers and cash totals are then to be entered onto the excel weekly banking sheet. The cash is kept in the safe prior to weekly collection for banking and logged on PSF as cash in hand. The SBM must reconcile the weekly banking sheet to actual receipts banked.

#### **If online payments**

The weekly bank credits are reconciled to the Live Register / Parent Pay lunch reports in the first instance. Monthly checks are undertaken by the Finance Manager or SBM and cross referenced to a sample of individual pupils.

### 13.12. Lettings

The SBM is responsible for maintaining records of bookings for sports facilities and for identifying the sums due from each organisation.

Details of organisations using the sports facilities will be held by the SBM or Finance Department via the School Hire Lettings portal. All invoices for lettings are raised by School Hire.

Lettings payments are made in advance either direct to School Hire or the academy. School Hire provide a summary of payments for the SBM or Finance Manager to reconcile against confirmed bookings on a monthly basis.





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 and are reviewed at least annually.

### 13.13. Sundry income

Income from other sources (for example educational consultancy) is priced in consultation with the Headteacher. The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay in accordance with the agreed Consultants Policy.

### 13.14. Gift aid

To ensure the academy trust, in its position as an exempt charity, receives all the monies it is entitled to, the CFOO:

- 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.

### 13.15. Bad debts

The academy trust chases all monies due, and those that have not been paid within 30 days of an invoice being issued, by telephone or letter.

If the debt remains unrecoverable after 6 months, or it becomes clear that the debt will not be repaid, the CFOO submits a report to the Board of Trustees for approval of write off.

Write off limits are specified in Appendices 1 and 2.

## 14. Purchasing

The academy trust 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 academy.
- Accountability, the academy is publicly accountable for its expenditure and the conduct of its affairs.
- Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis.

### 14.1. Related Party Transactions

There are also requirements for related party transactions. Trusts must report all transactions with related parties to ESFA in advance of the transaction taking place, using the ESFA's on-line form. This requirement applies to transactions made on or after 1 April 2019.

Trusts must obtain ESFA's prior approval, using the ESFA's on-line form for transactions exceeding £20,000.

The academy trust's register of interests must capture relevant business and pecuniary interests of members, trustees, local governors of academies within a MAT and senior employees.



## 14.2. Routine Purchasing

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 will be supplied to each budget holder each half term.

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 set up on PS Financials. 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 SBM. Copies of all quotes must be attached to the order form.

## 14.3. E-procurement

Any department wishing to make a purchase on the credit or Lloyds Commercial Purchasing Cards must ensure adequate budgetary provision exists before placing the order. All relevant paperwork should be forwarded to the Finance Department or SBM.

## 14.4. Orders

All orders must be made, or confirmed, in writing using the preferred purchase order template. Orders must bear the signature of the budget holder and must be forwarded to the Finance Department or SBM where they will check to ensure adequate budgetary provision exists before placing the order.

Approved orders will be recorded in the purchase order module of PSF which allocates a reference number and commits expenditure. Orders will be dispatched to the supplier by the SBM or Finance Department.

The budget holder must make appropriate arrangements for the delivery of goods to the academy. On receipt the budget holder must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the SBM or Finance Department should be notified. The SBM or Finance Department will keep a central record of all goods returned to suppliers.

All invoices should be sent to the Finance Department. Invoice receipt will be recorded by the SBM or Finance Department and input into PSF purchase ledger module. The SBM or Finance Department will attach an invoice stamp which the following can be evidenced by the budget holder authorising payment:

- invoice arithmetically correct
- invoice posted to purchase ledger
- goods/services received
- goods/services as ordered
- prices correct



- invoice authorised for payment
- payment authorised
- VAT treated correctly
- payment made

The budget holder must make a detailed check against the order and the GRN and these documents must be attached to the invoice before it is sent back to the SBM or Finance Department. Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt.

If a budget holder is pursuing a query with a supplier the SBM or Finance Department must be informed of the query and periodically kept up to date with progress.

At the end of each week, a list of outstanding invoices from the purchase ledger together with supporting documentation will be reviewed by the SBM.

The SBM or Finance Department will then input details of payments to be made to the purchase ledger and generate the cheques required. The cheques and associated paperwork must be authorised by two of the nominated cheque signatories. Payment via cheque should only be made in exceptional circumstances. The preferred method of payment is BACS.

BACS payments are input by the SBM or Finance Team and authorised on-line by two signatories in accordance with the banking policy and procedures (see E-procurement and Payments above).

#### **14.5. Orders over £1,000 but less than £10,000**

At least three written quotations should be obtained for all orders between £1,000 and £10,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by the Finance Department for audit purposes. All purchasing decisions are made in accordance with value for money principles.

#### **14.6. Orders over £10,000 but less than £50,000**

At least three written quotations should be obtained for all orders between £10,000 and £50,000 to identify the best source of the goods/services. Written details of quotations obtained from the Trust approved list of suppliers should be prepared and retained by the SBM or Finance Department for audit purposes.

#### **14.7. Orders over £50,000 but less than £100,000**

At least four written quotations should be obtained for all orders between £50,000 and £100,000 to identify the best source of the goods/services. Written details of quotations obtained from the Trust approved list of suppliers should be prepared and retained by the SBM or Finance Department for audit purposes.

#### **14.8. Orders over £100,000**

All goods/services ordered with a value over £100,000, or for a series of contracts which in total exceed £100,000 must be subject to formal tendering procedures.



#### 14.9. Official Journal of the European Union

Purchases over £177,898 excluding VAT (£213,477 including VAT) are to be dealt with in accordance with the e-tendering platform called 'Find a Tender' (FTS), as a supplement to the OJEU.

#### 14.10. Trading with related parties

Trading with related parties is managed in order to ensure no conflicts of interest exist. Trustees review the approved trust supplier list regularly, along with key management personnel to ensure that related parties are identified early and the register of pecuniary interests is cross-referenced.

#### 14.11. Trading with connected parties

The SBM should record any transactions with connected parties and evidence that those transactions have been conducted in accordance with the high standards of accountability and transparency required within the public sector.

The CFOO should seek ESFA's prior approval for transactions with connected parties that are novel and/or contentious.

Any connected party transactions will be disclosed in the annual accounts.

#### 14.12. Goods and services for private use

No goods are ordered or services provided to include any elements of private use by Members, Trustees, Governors or staff.

#### 14.13. Forms of Tenders

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 CFOO 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.



#### 14.14. Preparation for Tender

Full consideration should be given to:

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

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.

A tender brief must always be prepared and is reviewed by the CFOO.

#### 14.15. Invitation to Tender

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.

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

#### 14.16. Tender Acceptance Procedures

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.

#### 14.17. Tender Opening Procedures

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 with persons to be specifically named within the tender brief.

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.



### 14.18. Tendering Procedures

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.

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.

Full records should be kept of all criteria used for evaluation and a report should be prepared for the CFOO highlighting the relevant issues and recommending a decision.

The accepted tender should be the one that is economically most advantageous to the academy. All parties are then informed of the decision.

## 15. Insurance

The CFOO 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.

Castleford Academy Trust have opted in to the Department for Education's Risk Protection Arrangements.

Budget holders must ensure all valuables are kept under lock and key when not being used in a supervised manner.

The first £500 of replacement has to be funded by the department concerned as no budget is held centrally. Items under £500 will receive no insurance pay out and it is up to the department concerned as to whether the item is replaced or not.

## 16. Governors/Trustees Expenses

All Members, Trustees and Governors of the academy trust are entitled to claim the actual costs, which they incur as follows:

- the cost of travel relating only to travel to meetings/training courses at a rate of 45 pence per mile which does not exceed the specified rates for academy personnel.
- travel and subsistence costs, payable at the current rates specified by the Secretary of State for the Environment, Transport and the Regions, associated with attending national meetings or training events, unless these costs can be claimed from the any other source.
- telephone charges, photocopying, stationery, postage etc.
- any other justifiable allowances.

The Board of Trustees acknowledges that:

- Members / Trustees / Governors are not to be paid attendance allowance.
- Members / Trustees / Governors are not reimbursed for loss of earnings.



Members / Trustees / Governors wishing to make claims under these arrangements, must complete a claims form from the SBM or Finance Department together with the relevant receipts. The form must be submitted to the SBM within two weeks of the date when the costs were incurred, when they will be submitted for approval by the Chair of Trustees or Chair of Governors.

Claims will be subject to independent audit and may be investigated by the Chair of Trustees (or CEO in respect of the Chair of Trustees) if they appear excessive or inconsistent.

## 17. Gifts

Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £25 are reported to the CFOO in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses (see Donations Policy for further details).

Gifts that have been reported are entered onto the gifts and hospitality register (see Gifts & Hospitality Policy for further details).

## 18. Energy Management

The SBM 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.

The Premises Manager ensures that the academy's heating system is operated and run as efficiently as possible.

The CFOO ensures that the academies within the trust are purchasing energy at the most competitive prices available.

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).

## 19. Fraud

The trust does not tolerate fraud. Where instances of fraud are found the CFOO will notify the ESFA.

Please refer to Castleford Academy Trust Anti-Fraud, Bribery and Corruption Policy.

## 20. Whistleblowing

Please refer to Castleford Academy Trust Whistleblowing Policy.

## 21. Leasing

The SBM should seek approval from the CFOO for any leasing transactions.



The CFOO must obtain ESFA's prior approval for the following leasing transactions:

- Taking up a finance lease on any class of asset for any duration from another party (borrowing)
- Taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years.

## 22. Pooling of GAG

Castleford Academy Trust does not currently pool GAG resources.

## 23. VAT

The CFOO is responsible for submitting the VAT forms to HM Revenue and Customs per quarter and ensures compliance with HM Revenue and Customs for claiming the correct levels of VAT.

## 24. Fixed assets

### 24.1. Asset register

All items purchased with a value over the academy's capitalisation limit of £1,000 must be entered on the fixed asset register with the following details:

- asset description
- asset number
- serial number
- date of acquisition
- asset 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

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

Examples of items to include on the asset register include:

- ICT hardware and software (this list can be combined and used to identify software licences to ensure the school is complying with legislation)
- Reprographic equipment – photocopiers, comb binders, laminators
- Office equipment – fax machines, shredders, switchboard





- Furniture
- AVA equipment – TVs, video/DVD players, OHPs, 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

#### **24.2. Security of assets**

All the items in the register are permanently and visibly marked as the academy trust's property.

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

An annual count is undertaken by the SBM, who is different from the preparer of the asset register. Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the governing body.

#### **24.2. Disposals**

Disposals, where applicable, are in line with the Academy Trust Handbook.

Items which are to be disposed of by sale or destruction must be authorised for disposal by the CFOO and, where significant, should be sold following competitive tender. The academy must seek the approval of the ESFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

#### **24.3. Loan of Assets**

Items of academy property must not be removed from academy premises without the authority of the Headteacher. A record of the loan must be recorded in a loan book and booked back in academy when it is returned.

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 academy's auditors.



**Appendix 1: Castleford Academy Trust Secondary Academy Financial Authorities**

**Appendix 2: Castleford Academy Trust Primary Academy Financial Authorities**

**Appendix 3: Castleford Academy Trust Lloyds Procurement Cards**