



Westcountry Schools Trust

FINANCIAL REGULATIONS MANUAL

2022/23

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1. Introduction

- 1.1 The purpose of this manual is to ensure that the Trust 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 the Trust's funding agreements with the Department for Education (DfE).
- 1.2 The Trust must also comply with the principles of financial control outlined in the Academies Trust Handbook (ATH) published annually by the Education & Skills Agency (ESFA). This manual expands on this Handbook and provides detailed information on the Trust's accounting procedures and systems. The manual should be read by all staff involved with financial systems.

2. Organisation

- 2.1 The Trust has defined the responsibilities of each person involved in the administration of the Trust's finances to avoid the duplication or omission of functions and to provide a framework of accountability for trustees, Trustees and staff. The financial reporting structure is illustrated below:

The Trust Board

- 2.2 The Trust Board has overall responsibility for overseeing and ensuring the effective financial performance of the Trust and of all its academy and other members. The main responsibilities of the Trust Board are prescribed in the Funding Agreements between the Trust and the DfE and in the Trust's scheme of government. The main financial responsibilities include:
 - ensuring that any grant from the DfE or ESFA is used solely for the purposes intended;
 - ensuring that any funds from sponsors are received according to the Trust's Funding Agreements, and are used only for the purposes intended;
 - the approval of the annual budget for the Trust and its individual academies;
 - ensuring regularity and propriety in the use of the Trust's funds and achieving economy, efficiency and effectiveness in their use;
 - ensuring a financial Scheme of Delegation is in place;
 - ensuring Trust assets are managed;
 - ensuring true and fair accounting records are maintained;
 - authorising the award of contracts over £150,000;
 - the appointment of the Chief Executive Officer (CEO) who will act as the Trust's Accounting Officer; and
 - the appointment of an appropriately qualified Chief Financial Officer (CFO), in conjunction with the CEO.

The Finance Committee

- 2.2 The Finance Committee is a committee of the Trust Board. The Finance Committee meets at least once a term but more frequent meetings can be arranged if necessary.
- 2.3 The main responsibilities of the Finance Committee are detailed in written terms of reference which have been authorised by the Trust Board. The main responsibilities include:
 - the initial review and recommendation of the annual budget;
 - the regular monitoring of the Trust's actual expenditure and income against budget;
 - evaluating financial benchmarking and KPIs undertaken by the Trust;
 - ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE/ESFA guidance issued to Academies including the ATH;
 - authorising the award of contracts over £50,000; and

- authorising changes to the Trust personnel establishment in excess of the approved budgeted head-count.

The Audit Committee

- 2.4 The Audit Committee is also a committee of the Trust Board. The Audit Committee meets at least once a term but more frequent meetings can be arranged if necessary.
- 2.5 The main responsibilities of the Audit Committee are detailed in written terms of reference which have been authorised by the Trust Board. The main responsibilities include:
- establishing a financial control framework that recognises public expectations about governance, standards and openness;
 - ensuring there are adequate controls in place to provide accurate information that affects funding to the DfE and the ESFA;
 - appointing and liaising with the external auditors, responding to the external audit report recommendations, and approving the external auditor's annual plan;
 - appointing and liaising with the internal auditors, responding to internal audit report recommendations, and agreeing an annual programme of work to address the risks identified on the internal control functions at the Trust, including all academies.
 - ensuring that risks are being adequately identified and managed including maintaining the Trust's risk register which includes a detailed annual review and a review of all key risks and 'never' events at each meeting;
 - reviewing the Trust's insurance requirement on an annual basis to ensure the Trust is adequately covered; and
 - considering if there are any novel or contentious transactions arising from any Trust agenda items or from the report from the Accounting Officer;

The Chief Executive Officer

- 2.6 Within the framework of the Trust's Scheme of Delegation as approved by the Trust Board, the CEO has overall executive responsibility for the Trust's activities including its financial activities in his/her capacity as Accounting Officer. Much of the financial responsibility has been delegated to the CFO but the CEO still retains responsibility for:
- assuring the Trust Board that there is compliance with the individual funding agreements and the ATH;
 - completing and signing a statement on regularity, propriety and compliance each year and submit this to the ESFA with the audited accounts;
 - demonstrating how the Trust has secured value for money via the governance statement in the audited accounts;
 - approving any new Executive Leadership Team (ELT) staff appointments to the Core Trust function within the authorised establishment; or any Senior Leadership Team (SLT) staff appointments within the authorised establishment at all of the Trust's academies, except for any senior staff posts which the Trust Board have agreed should be approved by them;
 - authorising contracts above £25,000 in conjunction with the CFO and the Finance Committee or Trust Board in accordance with the Financial Scheme of Delegation;
 - authorising payments and signing cheques in conjunction with the CFO or other authorised signatory in accordance with the financial Scheme of Delegation.

The CFO

- 2.7 The CFO works in close collaboration with the CEO through whom he or she is responsible to the Trustees. The CFO also has direct access to the Trustees via the Finance and Audit Committees. The main responsibilities of the CFO are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the Trust financial position at a strategic and operational level within the framework for financial control determined by the Trust Board;
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust;
- ensuring the preparation of the consolidated Trust's monthly management accounts;
- authorising orders above £10,000;
- authorising payments and signing cheques in conjunction with the CEO or other authorised signatory in accordance with the financial Scheme of Delegation;
- ensuring all financial forms and returns are sent to the ESFA and/or DfE in line with their reporting deadlines; and
- monitoring cash flow, ensuring sufficient funds are available to meet the Trust's financial obligations as they fall due whilst any investment risk is properly managed.

The External Auditor

- 2.8 The External Auditor is appointed by the Trust's members at the recommendation of the Audit Committee and fulfils the statutory requirement under the Companies Act 2006 whereby the External Auditor certifies whether the Trust's annual accounts present a true and fair view of the Trust's financial performance and position. The External Auditor must also undertake a review of the Accounting Officer's statement on regularity, propriety and compliance, and address its conclusions on such regularity jointly to the Trust and ESFA.

The Internal Auditor

- 2.9 The Internal Auditor is appointed by the Trust Board at the recommendation of the Audit Committee and provides Trustees with an independent oversight of the Trust's financial affairs. The main duties of the External Auditor are to provide the Trust Board with independent assurance that:

- the financial responsibilities of the Trust Board are being properly discharged;
- Trust resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained;
- financial considerations are fully taken into account in reaching decisions; and
- the Trust complies fully with the requirements of Annex C of the ATH.

- 2.10 The Internal Auditor will undertake a programme of works agreed by the Audit Committee to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Trust Board. A report of the findings from each visit/review will be presented to the Audit Committee.

Other Staff

- 2.11 Other members of staff, including the School Business Accountants, the Core and individual academy Finance teams, and individual budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's financial procedures.

Register of Interests

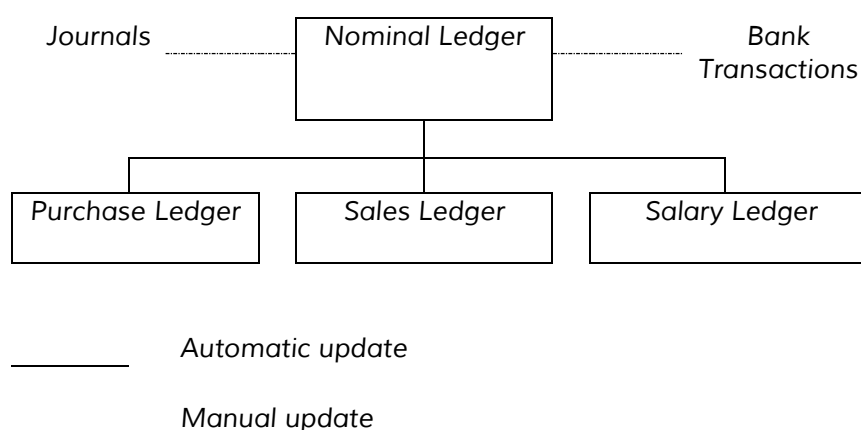
- 2.12 It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might

arise all members, trustees, governors, key management personnel and other Trust staff with significant financial or spending powers are required to comply with the Trust's Conflicts of Interest and Related Party Transactions Policy. This includes ensuring he/she declares any financial interests he/she has in companies or individuals from which the Trust may purchase goods or services. The Trust and each of its academies should maintain such a register, and such registers are open to public inspection.

- 2.13 The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the Trust or any of its academies. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a member, trustee, governor or a member of staff by that person.
- 2.14 The existence of a register of business interests does not, of course, detract from the duties of trustees, governors and staff to declare interests whenever they are relevant to matters being discussed by the Trust Board or one of its a Committee or a Local Governing Body. Where an interest has been declared, trustees, governors and staff should not attend that part of any Committee or other meeting.

3. Accounting system

- 3.1 All the financial transactions of the Trust must be recorded on the PS Financials accounting system. The PS Financials system is operated by the Core Finance team and consists of:



System Access

- 3.2 Entry to the PS Financials system is password restricted and the CFO is responsible for implementing an appropriate level of system security. Only appropriate staff should be granted access, and this will normally be setup by the Trust's IT Network Manager in in collaboration with the CFO, the Core Finance Manager and the individual academies' Network teams. Passwords should be changed regularly. When master systems passwords are changed the new password should be placed in a sealed envelope and passed to the CFO to keep in the safe.
- 3.3 Access to the component parts of the PS Financials system can also be restricted and the CFO and Trust's IT Network Manager are responsible for setting access levels for all members of staff using the system.

Back-up Procedures

- 3.4 The Trust's IT Network Manager is responsible for ensuring that there are effective back up

procedures for the system. Data should be copied onto multiple removable media, and the copies stored in a secure place – which if on-site, should preferably be in a fireproof container in a safe. Where data is stored off-site, measures should be taken to ensure the security and integrity of the data. Assurances (for example SLAs) regarding access to the backups and the systems on which they are held should be sought from the external agency. Back-up copies should be taken on a daily basis, alternate days as a minimum.

- 3.5 The back-ups should not be recorded on the same media, or located in the same place as this results in there being a single point of failure. Where data is not routinely remotely backed up off-site, at least one copy of the back-up media should be securely stored off-site.
- 3.6 A hard copy of the nominal ledger and audit trail should be stored on an encrypted memory stick each month which should be stored separately from the accounting system in a fireproof container.
- 3.7 The Trust's IT Network Manager and CFO should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by trustees of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks.

Transaction Processing

- 3.8 All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual. All journal entries must be documented, and the Journal Audit Trail together with supporting documentation should be reviewed and authorised regularly by the CFO. Bank transactions should be input by the Core Finance team or individual academy Finance team and the input should be checked, and signed to evidence this check, by the CFO or School Business Accountant.
- 3.9 Detailed information on the operation of the PS Financials system can be found within the Help section of the application. The Trust will also main a help-line support function from PS Financials for access by key members of the Trust's Finance team.

Transaction Reports

- 3.10 The CFO will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include:
 - the monthly audit trail reports;
 - Masterfile amendment reports for the payroll, purchase ledger and sales ledger; and
 - management accounts summarising expenditure and income against budget.

Reconciliations

- 3.11 The School Business Accountant of each academy 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;
 - wages control account;
 - all suspense accounts; and

- bank balance/s per the nominal ledger to the bank statement/s (unless delegated by the CFO to the Core Finance Manager).
- 3.12 Any unusual or long outstanding reconciling items must be brought to the attention of the CFO by the School Business Accountant and/or the Core Finance Manager. The School Business Accountant will review and sign all reconciliations as evidence of his/her review. The CFO (or his/her delegate) will undertake ad hoc checks to ensure such evidenced reviews are being undertaken on a monthly basis.

4. Financial planning

- 4.1 The Trust will prepare both medium term and short-term financial plans.
- 4.2 The medium term financial plan is prepared as part of the development planning process. The development plan indicates how the Trust's educational and other objectives are going to be achieved within the expected level of resources over the next three years at each of its academies.
- 4.3 The Trust itself will prepare a development plan as will each academy informed by the Trust's development plan. These development plan provide the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Trust and the planned use of those resources for the following year.
- 4.4 The development planning process and the budgetary process are described in more detail below.

Development Plan

- 4.5 The development plan is concerned with the future aims and objectives of the Trust and its academies and how they are to be achieved; that includes matching the Trust's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.
- 4.6 The Trust's development plan gives due regard to the matters included within the guidance to Academies and any annual guidance issued by the DfE/ESFA.
- 4.7 Each year the CEO will propose a planning cycle and timetable to the Trust Board which allows for:
- a review of past activities, aims and objectives - "did we get it right?"
 - definition or redefinition of aims and objectives - "are the aims still relevant?"
 - development of the plan and associated budgets - "how do we go forward?"
 - implementation, monitoring and review of the plan - "who needs to do what by when to make the plan work and keep it on course" and
 - feedback into the next planning cycle - "what worked successfully and how can we improve?"
- 4.8 The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the CEO, and will be rolled out by the Local Governing Boards at an individual academy level..
- 4.9 The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

- 4.10 For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to a Trust manager. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the ELT/SLT on a quarterly basis. The ELT/SLT will report to the Trust Board/Local Governing Board if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

- 4.11 Working closely with the CFO and their Principal/Head teacher, each School Business Accountant is responsible for preparing and obtaining the recommendation for approval by the Finance Committee of their academy's annual budget by their Local Governing Board. The CFO is responsible for preparing and obtaining approval for the Trust's consolidated annual budget. The consolidated Trust budget must be approved by the CEO, Finance & Committee and the Trust Board.
- 4.12 The approved consolidated Trust budget must be submitted to the ESFA by the prescribed reporting deadline each year and the CFO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.
- 4.13 The annual budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be utilised. Key budgetary assumptions will be determined in advance by the Finance Committee and must be used by all School Business Accountants in their budget setting process. The budgetary planning process will incorporate the following elements at each academy:
- forecasts of the likely number of pupils to estimate the amount of ESFA grant receivable;
 - 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's cost base;
 - an integrated approach to curriculum and financial planning;
 - identification of potential efficiency savings; and
 - review of the main expenditure headings in light of the development plan objectives and the expected key budgetary assumption variations in cost e.g. pay increases, and general inflation, as well as other anticipated changes.

Balancing the Budget

- 4.14 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.

Finalising the Budget

- 4.15 Once the different options and scenarios have been considered, a draft budget should be prepared by the School Business Accountant for approval by the CFO and Local Governing Board. The CFO is responsible for preparing the draft annual budget for the Core Trust function and for coordinating the preparation of the draft annual consolidated Trust budget for approval by the CEO, the Finance Committee and the Trust Board. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.
- 4.16 The budget should be seen as a working document which may need revising throughout the

year as circumstances change.

Monitoring and Review

- 4.17 Monthly reports for each academy will be prepared by the School Business Account on an accruals basis in accordance with a timetable set by the CFO each academic year. The reports will detail actual income and expenditure against budget for presentation to the Principal/Head teacher, Local Governing Board and CFO with a written explanation of key variances. The CFO will produce a similar report for the Trust at a summary level (including a balance sheet and cash-flow) for the CEO, Chair of Trust and the Finance Committee.
- 4.18 The monitoring process should be effective and timely in highlighting variances in the individual budget lines so that differences can be investigated and action taken where appropriate. If a budget-line overspend is forecast it may be appropriate to vire money from another budget or from the contingency. All budget virements must be authorised in accordance with the Scheme of Delegation.
- 4.19 The accounting system will not allow payments to be made against an overspent budget without the approval of the School Business Accountant. Any potential overspend against the budget in excess of £10,000 must in the first instance be discussed with the CFO.
- 4.20 At individual academies, the Principal/Head teacher may delegate elements of the budget to other staff where this is appropriate. These other staff budget holders must operate within the same objectives and controls as those agreed for the Trust as a whole. Such budget holders are responsible to their Principal/Head teacher and to their School Business Accountant who is in turn responsible for ensuring appropriate controls exist to enable such delegated budgets to be monitored and managed.

5 Payroll

- 5.1 The main elements of the payroll system are:

- staff appointments;
- payroll administration; and
- payments.

Staff Appointments

- 5.2 The Trust Board will approve a personnel establishment for each academy each academic year as part of the budget setting process referred to above. Any in-year changes to this approved personnel establishment must be made in accordance with the Right to Recruit procedures issued by the Director of Human Resources. All staff vacancies shall be advertised either internally or externally. Before any vacancy is advertised an Right to Recruit Form (RTR Form) must be signed as follows:

- 5.2.1 if the academy is financially RAG-rated a red school, then:

- if the vacancy is within the approved budgeted personnel establishment, the RTR Form must be signed by the Principal/Head teacher, School Business Accountant and HR Business Partner supported by a business case justifying the need for the post; and must be approved by the CEO, CFO and Director of HR;
- if the vacancy is outside the approved budgeted personnel establishment, the RTR Form must be signed and approved as above before being authorised by the Finance Committee.

- 5.2.2 if the academy is financially RAG-rated a amber or green school, then:

- if the vacancy is within the approved budgeted personnel establishment, the RTR Form must be signed by the Principal/Head teacher, School Business Accountant and HR Business Partner confirming it is within budget and is supportable by a business case justifying the need for the post;
- if the vacancy is outside the approved budgeted personnel establishment, the RTR Form must be signed as above, approved by the CEO, CFO and Director of HR before being authorised by the Finance Committee.

5.3 The Principal/Head teacher of each academy must refer any proposed SLT appointments at his/her academy to the CEO for approval; and the CEO must refer any proposed ELT appointments to the Trust Board for approval.

Payroll Administration

5.4 The Trust payroll is currently administered externally by three external providers – Delt Shared Services Limited (Delt) for Oreston and Dunstone. Cornwall County Council (CCC) for Callington and TLI, and Devon County Council (DCC) for the remaining academies. The detailed terms are outlined in separate service level agreements.

5.5 The HR Business Partner for each academy is responsible for checking that all payroll information is correctly entered onto the personnel system and any changes or amendments are supported by appropriately authorised documentation, and details maintained in the individual employee's personnel file.

5.6 The Core Finance Manager or the School Business Accountant will ensure that the appropriate payroll provider has complete details of any absences or unpaid leave during the month, in addition to any new appointments, contract amendments or terminations in the period, duly authorised overtime or other payments (including expenses for CCC) on a timely basis. He/she is responsible for ensuring that all such information is complete and appropriately authorised prior to despatch to the payroll provider within the deadlines agreed with the provider.

5.7 The payroll provider will prepare on a timely basis a monthly Gross Pay Comparison Report prior to submitting the payroll for payment. It is the responsibility of the School Business Accountant to review this comparison report and investigate any significant variances, notifying the payroll provider of any errors or omissions within the agreed timescale. The School Business Accountant must evidence his/her review of the monthly Gross Pay Comparison Report, retaining details of any corrections sent to the payroll provider.

Payments

5.8 All salary payments (both teacher and non-teacher payrolls) are made by the payroll provider in accordance with the terms outlined in the service level agreement and should be made by BACS.

5.9 The payroll providers 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 produced by the payroll provider. A BACS payment for the net amounts should be made by the payroll provider to staff by the agreed monthly deadline.

5.10 The payroll provider should select one employee at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly.

5.11 The payroll providers will also prepare and remit on the Trust's behalf a payments batch for both pension funds, HMRC income tax and NIC, and other sums due, and a Gross to Net Total

Pay reconciliation for review and approval by the School Business Accountant in CCC and Delt's case, and by the CFO in DCC's case.

- 5.12 After the payroll has been processed, the payroll providers will send the payroll reports for the month to the Core Finance Manager who will distribute the individual academy lists to the School Business Accountant who (where delegated) will prepare the appropriate the General Ledger posting journal. Postings will be made both to the payroll control account and to individual cost centres.
- 5.13 The School Business Accountants will undertake a detailed reconciliation of all salary codes as part of the standard month end procedures, ensuring significant variances are investigated and explained satisfactorily. The School Business Accountants will also review the wages 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.
- 5.14 Salary advances will only be made to employees in exceptional circumstances where the employee is owed money through no fault of the employee, for example where his/her employment has commenced in a month after the payroll cut-off deadline. In such cases, an estimate of the net sum due to the employee after deduction of tax and national insurance should be obtained from the payroll provider, and approved by the School Business Accountant or CFO before the advance is made. Any advance in excess of £5,000 must also be approved by the CEO.
- 5.15 No other loans of whatever kind may be made to staff in any circumstances unless expressly approved by the Trust Board.

6 Purchasing

- 6.1 The Trust aims to achieve the best value for money from all its purchases ensuring that goods and services are acquired in the most economical, efficient and effective way such that the Trust obtains what it needs in the correct quality, quantity and time at the best price possible. A large proportion of Trust purchases will be paid for with public funds and the Trust needs to maintain the integrity of these funds by following the general principles of:
 - **Achieving value for money:** including the cost of goods and services, the quality of goods or services and administrative costs, and the whole-life cost of the goods or services
 - **Ensuring fairness:** ensuring that all parties are treated in a fair and equitable manner
 - **Establishing accountability:** Each academy is ultimately responsible for its expenditure, using its resources efficiently to maximise outcomes for pupils and the conduct of its staff in the procurement process. The Core Team will procure on behalf of the whole Trust in certain instances normally to secure greater value for money, but any purchase/contract that exceeds £50,000 must be referred to the Core Team and go out to a competitive tendering process.
 - **Allowing probity:** in all dealings in the purchasing and procurement process, Trust staff should abide by and preserve the highest standards of honesty, integrity, impartiality and objectivity; and should never seek to make private gain from the Trust's financial affairs.

Routine Purchasing Procedures

- 6.2 Budget holders will be informed of the budget available to them at the start of the academic year. It is the responsibility of the budget holder to manage his/her budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder on request, alternatively they can retrieve the report from the web portal within PS finance, budget holders are encouraged to keep their own records

of orders placed but not delivered or paid for.

- 6.3 A Purchase Requisition Form should be raised using the automated system contained within the PS Financials accounting system (My Portal) for all proposed orders wherever possible. It should contain details of the proposed supplier, the item/s description, supplier reference number if applicable, quantity, unit cost and total cost ex VAT. It should also include details of the budget cost code (cost centre) and expense code (Nominal) to be charged. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Core Finance team. A quote or price must always be obtained before any Purchase Requisition Form 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 School Business Accountant or for orders greater than £15,000 the Trust's Chief Financial Officer (CFO).
- 6.4 The Purchase Requisition form will be authorised electronically by the budget holder and approved by the designated approvers (in accordance with the financial scheme of delegation set out in Appendix 1) before individually numbered Purchase Orders are generated from the accounting software and the Purchase Order ('PO') is sent to the supplier. Budget holders and designated approvers should check (check or review budget on web portal) adequate budgetary provision exists before completing the order. Any proposed order that would result in a budgetary provision being exceeded if placed must be brought to the immediate attention of the School Business Accountant. No goods or services should be ordered without an approved Purchase Order. Telephone/direct verbal ordering will be permitted only in exceptional situations where raising an official order is not practicable and with prior approval from the School Business Accountant. In such cases, a PS Financials order should be raised retrospectively as soon as possible, ideally within 24 hours.
- 6.5 A copy of each order placed should be kept in the Orders Placed file in sequential order (together with the corresponding Purchase Requisition Form if used) once the order has been placed with the supplier by the Finance team. Alternatively, they are also stored on the Web portal and can be viewed on line or printed off.
- 6.6 The budget holder must make appropriate arrangements for the delivery of goods to the Trust. On receipt the budget holder (or his/her delegate) 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. Budget holders (or their designated representative) are then required to confirm receipt of the delivered goods by signing the 'Received' box on the Purchase Requisition Form. Budget holders must undertake these checks without undue delay and in any case within 7 days of the goods receipt.
- 6.7 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance team should be notified immediately. The Finance team will record details of returns/discrepancies on the relevant hard copy purchase order maintained in the Orders Placed File.
- 6.8 All invoices should be sent to the Core Finance office or where relevant the individual academy Finance office. Invoice receipt will be matched by the Finance team to the original order maintained in the Orders Placed File and the GRN. The Finance team will check the invoice against the purchase order and GRN to identify any discrepancies in price or quantity and/or received. Any manual invoice or computerised invoice of more than £5,000 must be checked and evidenced by the Finance team for arithmetically correctness and proper VAT treatment.
- 6.9 Any discrepancies identified by the Finance team on the invoice must be addressed with the budget holder at this point, and the budget holder must sign to evidence his/her acceptance of any invoice that does not agree with the original purchase order.

- 6.10 If a budget holder is pursuing a query with a supplier the Finance team must be informed of the query and periodically kept up to date with progress. The Finance team will record details on the corresponding order retained in the Orders Placed File.
- 6.11 When the budget holder has confirmed that an invoice is correct and the Received box on the Purchase Requisition Form has been signed, the Finance team will input the invoice onto the accounting system posting it to the purchase ledger in the appropriate VAT accounting period date to ensure VAT accounting and credit terms are met. The Finance team must enter the GRN number and PO number on the invoice as evidence of the reconciliation undertaken.
- 6.12 Once posted, the invoice will be placed in the 'Invoices Awaiting Payment' file by payment date in supplier alphabetic order. At the end of every month the Finance team will generate a list from the accounting system of outstanding purchase orders that remain unfulfilled from more than 30 days of order, and check their status with the budget holder and supplier.
- 6.13 Every week the Finance team will produce a list of outstanding invoices due for payment from the purchase ledger. This list (together with the invoice) will be reviewed by the CFO (or the School Business Accountant for those academies paying their own purchase ledgers) to determine which invoices may be paid and check that all control procedures have been properly actioned.
- 6.14 The Finance team will then tag details of those invoices approved for payment by the CFO/School Business Accountant in the purchase ledger and the Core Finance Manager will generate the BACS batch. The CFO/School Business Accountant will check the BACS batch for accuracy before authorising the BACS payment via Lloyds Link.
- 6.15 Wherever possible, the Trust will make all payments using BACS. Where cheque payments are made, two approved signatories must sign the cheque having verified the supporting documentation. Cheques will be dispatched to suppliers by the Finance team.
- 6.16 Once paid, an invoice will be stamped 'PAID' by an Finance team who will record the BACS batch number or cheque number on the invoice for reference before filing it (together with the supporting documentation) alphabetically in the Supplier Paid File.

Orders over £1,000 but less than £10,000

- 6.17 Three quotes should be obtained wherever possible from reputable suppliers on the Trust's preferred supplier list and retained by budget holders for audit purposes. Quotes should be reviewed and approved by the School Business Accountant and, in primaries, the Head Teacher prior to an order being placed. The lowest quote should be selected unless in exceptional circumstances.

Orders over £10,000 but less than £25,000

- 6.18 At least three written quotations should be obtained for all orders between £10,000 and £25,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Where practical government frameworks should be used to help ensure value for money is secured. Prior to an order being placed it must be approved by the Head/Principal of the academy and the CFO.

Orders over £25,000 but less than £50,000

- 6.19 At least three written quotations should be obtained for all orders between £25,000 and £50,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Where practical government

frameworks should be used to help ensure value for money is secured. Prior to an order being placed it must be approved by the Head/Principal of the school, the CFO and the Trust's Chief Executive Officer (CEO).

Orders over £50,000 but less than £150,000

- 6.20 All goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000 must be referred to the CFO and be subject to a formal tendering procedures as set out below (unless otherwise expressly agreed by the Trust Board) and for orders up to £150,000 must be authorised by the CFO, CEO and the Finance Committee.

Orders over £150,000

- 6.21 All goods/services ordered with a value over £150,000, or for a series of contracts which in total exceed £150,000 must be referred immediately to the CFO and the CEO and must be subject to a formal tendering procedures (including complying with Official Journal of the European Union (OJEU) where OJEU procurement thresholds are exceeded) as set out below and must be authorised by the Trust Board.

Forms of Tenders

- 6.22 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 CFO 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 Trust'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

- 6.23 Full consideration should be given to:
- objective/s of the project;
 - overall requirements;
 - technical skills required;
 - after sales service requirements; and

- form of contract.

6.24 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.

Invitation to Tender

6.25 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.

6.26 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; and
- form of response.

Tender Acceptance Procedures

6.27 The invitation to tender should state the date and time by which the completed tender document should be received by the Trust. Tenders should be 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 should not normally be accepted.

Tender Opening Procedures

6.28 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 £150,000 – either two members of the Core Executive Leadership Team (ELT) or at least one member of the Core ELT (ideally the CFO) and a member of an academy's Senior Leadership Team (ideally a Principal/Head Teacher or School Business Accountant);
- For contracts over £150,000 - either the CFO or the CEO plus a member of the Finance Committee.

6.29 A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

Tendering Procedures

6.30 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.

6.31 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.

6.32 The following points will be considered when deciding which tender to accept:

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision;
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs;
- Is there scope for negotiation or valued engineering whilst ensuring the process remains fair to other tenderers?

Technical/Suitability

- Qualifications of the contractor;
- Relevant experience of the contractor;
- Descriptions of technical and service facilities;
- Certificates of quality/conformity with standards;
- Quality control procedures;
- Details of previous sales and references from past customers.

Other Considerations

- Pre sales demonstrations;
- After sales service;
- Health and safety record of the supplier, CDM regulations and safeguarding issues related to working on a school site; and
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

- 6.33 Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the Finance Committee highlighting the relevant issues and recommending a decision. For contracts under £50,000 the decision and criteria should be reported to the Finance Committee.
- 6.34 Where required by the conditions attached to a specific grant from the DfE/EFSA, the department's approval must be obtained before the acceptance of a tender.
- 6.35 The accepted tender should be the one that is economically most advantageous to the Trust. All parties should then be informed of the decision.
- 6.36 The Trust must comply at all times with the Public Contracts Regulations 2015 and any relevant Procurement Policy Notice (PPN) issued by the Government from time to time which will take precedent over any procedure referred to in this policy. When tendering, the Trust should use the Find A Tender service where possible.

Capital Procurement

- 6.37 All capital procurement should comply with the procedures and delegations set out above. These have been detailed in a separate Capital Procurement policy attached as Appendix 2.
- 6.38 Any proposed GAG to capital transfer (purchase of fixed asset from revenue funding) below £10,000 individually or cumulatively by an academy in the Trust must be approved by the School Business Accountant and the CFO prior to a purchase order being placed to procure the goods. Any such proposed purchase over £10,000 must receive prior Finance Committee approval.

Charge cards

- 6.39 It is recognised that some academies may require a charge card from time to time to make for example internet purchases. Charge cards will only be issued to an academy within credit limits and expenditure categories authorised by the CFO. Cardholders must acknowledge that the card is solely for their use on school approved business and is school property. Cardholders undertake that they will not give the card or its number to anyone else to use; that they will only disclose the card number to complete a purchasing transaction or when reporting the loss or theft of the card; the expenditure and transaction limits must not be exceeded and that they are not permitted to amend spending limits or categories. Any charge cards issued should be held in a safe or locked drawer or security box until required and should be returned as soon as possible after use.
- 6.40 Purchases using the charge card must be approved by the cardholder and evidenced as such and must be supported by all relevant documentation. The Finance team are responsible for reconciling and processing the monthly charge card statement ensuring all payments are supported by the appropriate evidence. Once the reconciliation has been completed, it should be submitted to the School Business Accountant for review which he/she should evidence on the statement.
- 6.41 It is recommended that all charge card transactions made are recorded individually on PS financials on the relevant document, paper copies of all transactions need to be stored (or attached at time of transactions,) until statement date and must all be signed by the budget holder and the card holder. At statement date, the statement and relevant transactions can be reconciled and sent to the CFO or School Business Accountant for their approval.
- 6.42 Discrepancies need to be communicated to the Core finance office, who will contact the charge card provider for a security check and request for further details of spurious transactions.

Purchase of Alcohol

- 6.43 The Trust's funds **must not** be used to purchase alcohol for consumption, except where it is used in religious services.

7 Income

- 7.1 The main sources of income for the Trust are the grants from the ESFA and from the Local Authorities, and in the case of the TLI, from the University of Worcester or NCTL. The receipt of these sums is monitored directly by the School Business Accountants who are responsible for ensuring that all grants due to their academy are collected.
- 7.2 The other main sources of income for each academy are from:
- students, mainly for catering, goods and services (including uniform) and trips; and
 - the public, mainly for sports lettings and the nursery.

Catering

- 7.3 Most academies operate a cashless, biometric catering system. Some are completely cashless such that parents have to put money onto a student's account on-line using the Parentpay (or equivalent) system. Where academies also collect cash from students who are able to place credit on their personal account by putting cash into an on site revaluation machine, the Finance team will empty these machines on a daily basis and reconcile the reports generated by the cash machine with actual cash receipts. The Finance team will initial the reports as evidence of reconciliation before entering the receipts total onto a Weekly Banking sheet. Cheques may also be received, but they have to be manually inputted onto the catering system

by the Finance team. The cash/cheques are kept in a safe prior to weekly collection for banking by G4S security company. The Finance team reconciles the Weekly Banking sheet to actual receipts banked.

Goods and services

- 7.4 The Trust sells goods and services such as books, calculators and in some cases core school uniform (i.e. blazers, jumpers, ties and p.e shirts) on site. The Trust aims to keep minimal stock levels of such goods and services core uniform over-seen by the School Business Accountants. Students may purchase such goods and services by cash or cheque from a department, a school shop or the Finance team. All such sales must be properly recorded and transferred to the Finance office for recording and banking as soon as reasonably practical after receipt

Trips

- 7.5 A lead teacher must be appointed to take responsibility for each trip including the budgeting of the trip and collecting the sums due. Budgets need to be approved by the duly authorised budget holder for trips and properly recorded on the EVOLVE system before being confirmed to parents. The lead teacher must prepare 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 who ensure the sums due and payment terms are appropriately entered onto the Parentpay (or equivalent) system.
- 7.6 Parents should be encouraged to make payments via the on-line Parentpay system although cash/cheque payments may also be made via the Finance office. All monies collected manually must be recorded on the relevant student's Parentpay account by the Finance team.
- 7.7 The Finance team should maintain an up to date record for each student via the Parentpay (or equivalent) system showing the amount paid to date and the amount outstanding. This record should be sent to the lead teacher on a regular basis and the lead teacher is responsible for chasing the outstanding amounts.

Sports Lettings

- 7.8 Each academy is responsible for setting its own policy for the letting of its premises and the charge it makes for such letting. This should be reviewed annually by its Local Governing Body.
- 7.9 The individual academy's Sports Hall Manager (or equivalent) is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation. Unless approved by the School Business Accountant, payments must be made in advance for individual use of facilities.
- 7.10 Lettings agreements should be entered into with any clubs or organisations wishing to use the facilities on a term basis. Details of such clubs or organisations using the sports facilities should be sent by the Sports Hall Manager to the Finance team who will establish a sales ledger account and produce a sales invoice from the accounting system on a timely basis. Details of receipts and outstanding accounts will be forwarded to the Sports Hall Manager at the beginning of each month. It is the Sports Hall Manager's responsibility to chase outstanding debts and ensure no further use is made of the facilities unless payment has been made.
- 7.11 No debts should be written off by the Sports Hall Manager (or equivalent) without the express approval of the School Business Accountant, and in the case of individual or cumulative academy debts exceeding £5,000, the CFO.
- 7.12 For any club that is run on a pay-at-the-door, casual basis, the Sports Hall Manager must ensure that a register of attendees is maintained. Any cash taken is kept in a safe on site. Each week

the cash collected is given to the Finance team with the supporting attendee lists. The Finance team will reconcile the cash returns to the attendee lists and the reconciliation is reviewed by the School Business Accountant. Cash is then banked weekly by G4S.

Custody

- 7.13 Official, pre-numbered receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the Finance office safe prior to banking. Banking should take place every week or more frequently if the sums collected exceed the insurance limit on the Finance office safe.
- 7.14 Monies collected must be banked in their entirety in the appropriate bank account. The Finance team is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the School Business Accountant.

8. Cash Management

Bank Accounts

- 8.1 The opening of all accounts must be authorised by the CFO and the Trust Board who must set out in a separate memorandum the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

Deposits

- 8.02 Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:
- the amount of the deposit; and
 - a reference, such as the number of the receipt or the name of the debtor.

Payments and withdrawals

- 8.03 All cheques and other instruments authorising withdrawal from Trust bank accounts must bear the signatures of two of the following authorised signatories:
- CEO;
 - CFO;
 - Principal/Head teacher of the relevant academy;
 - School Business Accountant of the relevant academy;
 - Core Finance Manager;
 - Chair of Trustees;
 - Chair of Finance Committee.
- 8.04 This provision applies to all accounts, public or private, operated by or on behalf of the Trust Board of the Trust. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

Administration

- 8.05 The School Business Accountant and/or the Core Finance Manager must ensure 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 Trust's nominal ledger;
- reconciliations are prepared by the Core Finance Manager or an academy Finance Officer;
- reconciliations are subject to an independent monthly review carried out by the School Business Accountant or CFO and such review is evidenced; and
- adjustments arising are dealt with promptly.

Petty Cash Accounts

- 8.06 The Trust maintains a maximum cash balance at any one academy of £300. The cash is administered by the School Business Accountant (or his/her delegate) and is kept in the Finance office safe.

Deposits

- 8.07 The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

Payments and Withdrawals

- 8.08 In the interests of security, petty cash payments will be limited to £50. Higher value payments should be made by cheque directly from the main bank account as a cash book payment unless specifically authorised in advance by the Principal/Head teacher of an academy or its School Business Accountant.

Administration

- 8.09 The Finance team is responsible for entering all transactions into the petty cash records on a regular basis and periodic as well as unannounced cash counts should be undertaken by the School Business Accountant to ensure that the cash balance reconciles to supporting documentation.

Physical Security

- 8.10 Petty cash should be held in a cash box which is kept in the safe at all times when not in use.

Cash Flow Forecasts

- 8.11 The CFO is responsible for preparing cash flow forecasts to ensure that the Trust has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds in low risk short term bank deposits. Any other form of investment must be pre-approved by the Trust Board. Similarly plans should be made to transfer funds from another bank account or to re-profile investments to cover potential cash shortages.

Investments

- 8.12 Investments must be made only in accordance with written procedures approved by the Trust Board.
- 8.13 All investments must be 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.

9. Fixed assets

Asset register

9.1 All capital items purchased with a value over the Trust's capitalisation limit of £1,000 must be entered in an asset register. The asset register should include the following information:

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

9.2 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 and the Trust's financial system; and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

Security of assets

9.3 Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

9.4 All the items in the register should be permanently and visibly marked as the Trust's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Trust Board. Inventories of Trust property should be kept up to date and reviewed regularly. Where items are used by the Trust but do not belong to it this should be noted.

Disposals

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

9.6 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Trust would need to ensure licences for software programmes have been legally transferred to a new owner. Any such

disposals therefore require the approval of the CFO and/or CEO.

- 9.7 The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Trust assets. If the sale proceeds are not reinvested then the Trust must repay to the ESFA a proportion of the sale proceeds.
- 9.8 All disposals of land must be agreed in advance with the Secretary of State via the Estates Director and the CFO.

Loan of Assets

- 9.9 Items of Trust property must not be removed from Trust premises without the authority of the Schools Business Accountant, and in the case of assets with a cost of more than £1,000, the CFO. A record of the loan must be recorded in a loan book and booked back in Trust when it is returned.
- 9.10 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 Trust's auditors.

Appendix 1

Westcountry Schools Trust

Financial Scheme of Delegation

Delegated Duty	Value	Delegated Authority	Method
Ordering goods and services	Up to £1,000	Budget Holder/SLT Member	Selection from current supplier list unless agreed otherwise with School Business Accountant/CFO
	£1,001 to £5,000	As above plus SBA and Head of Primary	Minimum of three prices
	£5,001 to £10,000	As above plus Secondary Principal, Director of Education	Minimum of three quotes
	£10,001 to £25,000	As above plus CFO	Minimum of three quotes
	£25,001 to £50,000	As above plus CEO	Minimum of three quotes
	£50,001 to £150,000	As above plus Finance Committee Member	Formal tending process, including using Find A Tender (if over the PPN threshold) Note: If a contract is for a number of years the full cost of the contract must be considered
	Over £150,000	As above plus Trust Board	
Operating leases or contracts over 1 year	Any	All contracts and leases must be approved in line with the above and signed centrally by the CEO or CFO	
Finance leases	Any	All finance leases must be referred to CFO as ESFA approval is required	
Signatories for cheques		Two signatories from: CFO, SBA, Core Finance Manager, and Principal/Head of Primary Over £50,000 Three signatories required of which one must be the CFO	
BACS payment authorisations and other bank transfers	Any	CFO or CFO plus SBA for their Academy BACS/bank transfer	
Signatories for ESFA grant claims and returns	Any	Two signatories: CEO and CFO (or as required by ESFA)	
Virement of budget provision between budget headings	Up to £10,000	SBA in conjunction with Principal/Head of Academy,	
	Over £10,000 up to £25,000	As above plus Director of Education and CFO with reporting to the Finance Committee and CEO	
	Over £25,000	As above plus CEO	

Delegated Duty	Value	Delegated Authority	Method
Changes to budget from prior year carry forward/in year surplus	Any	Principal/Head of Academy, Director of Education plus CFO and CEO	
Raising sales invoices to collect income	Up to £5,000	SBA of Academy	
	£5,001 to £10,000	As above plus Principal/Head of Academy	
	£10,001 to £100,000	As above plus CFO	
	Over £100,000	As above plus CEO	
Write off of bad debts	Up to £1,000	SBA	
	Over £1,000	As above plus CFO	
Purchase or sale of any freehold property	Any	ESFA approval required (all discussions with ESFA will be carried out by Estates Director). Please notify the CFO in the first instance.	
Purchase of fixed asset from devolved capital funding	Any	In accordance with values for ordering other goods and services. Any non-computer assets also require prior approval of CFO	
Purchase of fixed asset from Schools Condition Allocation (SCA)	Any	Estates Committee	
Purchase of fixed asset from revenue funding	Under £10,000 individually or cumulatively per academy per annum	SBA plus CFO	
Purchase of fixed asset from revenue funding	Over £10,000 individually or cumulatively per academy	Finance Committee	
Disposal of assets	Up to £5,000	Principal/Head of Academy, SBA and Estates Director	
	Over £5,000	As above plus CFO	
Granting or take-up of any leasehold or tenancy agreement exceeding 3 years	Any	ESFA approval required (All discussions held with ESFA will be carried out by Estates Director). Please notify the CFO in the first instance.	
Annual expenditure delegation to WeST sub-committees	Up to £25,000 per annum per committee	Majority vote of members of the committee	Minuted in committee minutes

Note: Any novel, contentious or repercussive transactions must not be authorised without the approval of the CEO, CFO and Board of Directors.

Abbreviations:

CEO – Chief Executive Officer

CFO - Chief Financial Officer

SBA - School Business Accountant/School Business Manager

Appendix 2

Policy for Procurement of Capital Projects

1.0 Purpose of the document

The purpose of this policy is to explain the process in which procurement of capital related projects is undertaken on a project by project basis. To ensure compliance with the Academies Handbook, value for money on all projects and transparency in the procurement process.

A capital project is a project that maintains or increases the capital value of the asset of the school. Normally funded from Schools Capital Allocation (SCA) or Schools devolved capital funds. The project is over £1,000 in value. Over budget can be Section 106 funds or General annual grant (GAG) to Capital transfer (as approved the Finance Committee).

The West financial Scheme of Delegation recommends all projects over £50,000 are procured through a formal closed tender process. West will use either the local Framework (e.g Devon local authority) or formal tender process. This process can also be followed in smaller valued projects, especially complicated projects with several varying functions. This would be at the discretion of the Estates Director. West will use the JCT book of contract. This process provides legal protection to both West and the contractor in terms of delivery of the contract implementation, financial protections, warranty periods and other anomalies.

2.0 Projects within the tender process

A formal process will be followed in line with a full tender package which includes project scope and design. The process will be undertaken by a closed envelope system being used as it is commonly known. There will be one of two processes for delivery of the tender return by the contractors, 1, a hard copy in a sealed envelope, 2, a designated email set for tender returns, which will not be viewed until the deadline has passed and only then viewed.

The opening of the tender or email will be undertaken by the Estates Director, Project Manager and one other Core team member. All witnesses will sign a tender return document.

West will need to secure three returns in tenders, which will mean issuing to at least three contractors. This will be undertaken by verbal contact with the contractors in the first instance to ensure there is a willingness to partake in the return process. Once the returns are received, further analysis will then be undertaken by the Project Manager to ensure the returns are accurate and the preferred bid will be selected on an evaluation of cost, performance of tender and value for money. This will then be assessed and approved by the Estates Director for approval to proceed. The Estates Director will inform the Estates Committee. If less than three tenders are returned due to a specialised project, benchmarking where possible will be undertaken against a similar project to verify value for money and approval will be required by the Estates Committee

3.0 Projects for quoting purposes

For smaller projects over £1,000 and under £5,000 a minimum of two formal quotes are required and projects from £5,000 and under £50,000 a minimum of three formal quote are required. Any project deemed not required for tender by the Estates Director a small design brief will be issued to contractors with quotes required to ensure value for money. A formal order will be raised to the selected bid on an evaluation of cost and performance of quote, which will be carried out by a member of the estates team.

4.0 Emergency scenarios

There may be occasions where there is an emergency situation that has arisen and it is not possible to provide three quotes. The Estates Director will communicate with the Estates Committee Chair and selected Trustees to seek approval for this process

Covid 19 – Following approval from Trust Board of the SCA capital programme, each capital project

will be risk assessed before proceeding, to mitigate the risk of project failure due to shortages in labour and supplies.

This policy will be reviewed by the Estates Director and Estates Committee and approved by the Trust Board on regular basis or when a significant change is required.