

Westcountry Schools Trust

FINANCIAL REGULATIONS MANUAL

2024

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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

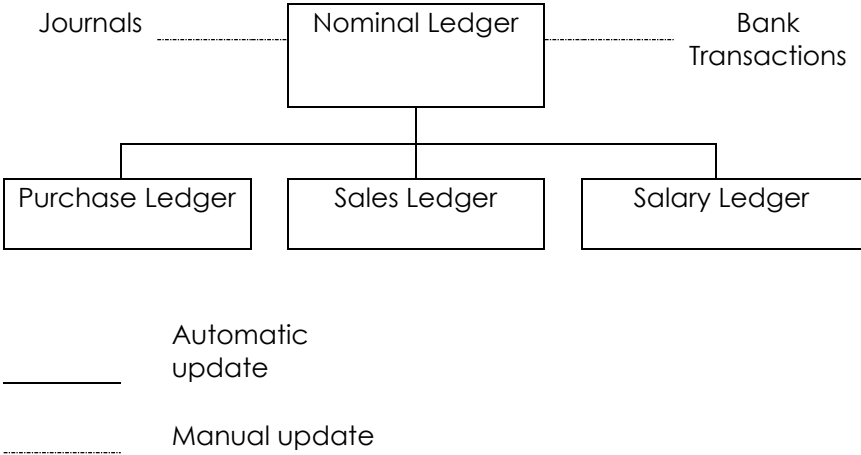
ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's financial procedures.

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, Hub Advisory Board members, 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, shareholdings 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, Hub Advisory Board member 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, Hub Advisory Board members and staff to declare interests whenever they are relevant to matters being discussed by the Trust Board or one of its Committees. Where an interest has been declared, trustees, Hub Advisory Board members 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 collaboration with the CFO, the Trust Finance Manager and the individual academies'

Network teams. Passwords should be changed regularly.

- 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. Local back-ups are made on the server at Sherford. Copies are sent to Ivybridge and Heles in case of a main server issue. Access to the back-ups is restricted to The Trust IT Network Manager and one other delegated IT technician. 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 daily, or on alternate days as a minimum.
- 3.5 Data from PS Financials is imported daily into the Trusts budgeting and forecasting software, which is cloud based. Therefore this could also operate as a 'back-up' of our financial data in a worst case scenario.
- 3.6 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

- 3.7 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 School Business Accountant (or CFO for Central payments).
- 3.8 Detailed information on the operation of the PS Financials system can be found within the Help section of the application. The Trust will also maintain a help-line support function from PS Financials for access by key members of the Trust's Finance team.

Reconciliations

- 3.9 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;
 - payroll reconciliation;
 - bank balance/s per the nominal ledger to the bank statement/s (unless delegated by the CFO to the Trust Finance Manager), and
 - all other balance sheet control accounts.
- 3.10 Any unusual or long outstanding reconciling items must be brought to the attention of the CFO by the School Business Accountant and/or the Trust Finance Manager.

- 3.11 Bank reconciliations are reviewed monthly by the CFO/Deputy CFO.
- 3.12 Best practice would be for School Business Accountants to complete the Trust's month end checklist at each month end and evidence the completion of the checklist alongside their monthly management accounts. At the very least, evidence of completion of the checklist should be filed 3 times a year in P4, P7 and P12.

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 considered 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 3-5 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 plans 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 The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following 2-4 years. The plan should also include, where possible, the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.
- 4.8 The CEO should monitor performance against the defined success criteria throughout the year, reporting to the Trust Board on progress. He/she will report to the Trust Board if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

- 4.9 Working closely with the CFO and their Principal/Head teacher, each School Business Accountant is responsible for preparing their academy's annual budget (which should include projections for years 2 and 3) for approval by the Finance Committee in accordance with the deadlines set by the CFO. 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.

- 4.10 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.
- 4.11 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

- 4.12 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 unless a short term deficit is approved by the Finance Committee. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

Finalising the Budget

- 4.13 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. The CFO/Deputy 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.
- 4.14 Reporting will be conducted throughout the year against this approved budget as set out below.

Monitoring and Review

- 4.15 Monthly reports for each academy will be prepared by the School Business Accountant 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 the month and year to date together with a forecast outturn for the academic year. The reports will be presented each month to the Principal/Head teacher 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.

- 4.16 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. All budget virements must be authorised in accordance with the Scheme of Delegation.
- 4.17 The accounting system should 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.
- 4.18 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.
- 4.19 All those involved in the budget setting process including individual academy budget holders must comply with the Trusts conflicts of interests and related party transactions policy.

5 Payroll

- 5.1 The main elements of the integrated HR and payroll system are:
 - staff appointments;
 - payroll administration (including leavers);
 - absence management and monitoring
 - compliance adherence (gender pay gap reporting, Public Sector equality Duty reporting); 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 Vacancy Advertising and Contract Amendment Process issued by the Director of People. All staff vacancies shall be advertised either internally or externally. Before any vacancy is advertised a 'Vacancy for Advert' form must be approved 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 Vacancy for Advert form must be approved via MyNewTerm by the Principal/Head teacher, School Business Accountant and HR Business Partner supported by a business case justifying the need for the post. It cannot be published for advertisement until it has been approved by the Executive Group.
- if the vacancy is outside the approved budgeted personnel establishment, the Vacancy for Advert must be approved as above before being authorised by the Finance Committee if the increased cost is greater than

£5,000.

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

- if the vacancy is within the approved budgeted personnel establishment, the Vacancy for Advert form must be approved by the Principal/Head teacher, School Business Accountant and HR Business Partner confirming it is within budget and is supported by a business case justifying the need for the post;
- if the vacancy is outside the approved budgeted personnel establishment, the Vacancy for Advert form must be approved as above as well as by the Executive Group, before being authorised by the Finance Committee if the increased cost is greater than £5,000.

5.3 The Principal/Head teacher of each academy must refer any proposed SLT appointments at his/her academy to the Deputy CEO for secondaries or the Director of Education for Primary schools 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 administered by an external payroll provider (currently MHR Global). The detailed terms are outlined in a separate service level agreement.

5.5 The identified HR administrator for each academy is responsible for checking that all payroll information is correctly entered onto the MHR personnel system upon receiving data on a New Starter, details of which are maintained in the individual employee's personnel file. Changes to the initial data provided by the individual upon commencement of employment should be made by the individual themselves via the Employee Self Service portal. In exceptional circumstances the HR/Finance teams can change employee details on behalf of an individual but only with prior written approval from the Director of People, CFO or Deputy CFO.

5.6 The local HR/Finance teams will ensure that the 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 on a timely basis. This is managed via an online portal that staff have appropriate access to in order to complete the above tasks as required. There are deadlines for data entry that will have been agreed with the payroll provider and communicated to all involved in advance to ensure a smooth process.

5.7 The payroll provider will then run First Reports, providing the Trust with a report that will be imported into the Trusts budgeting software by the Trust Finance Manager or his delegate. The School Business Accountants will run reconciliation reports for their schools within the budgeting software. This reconciliation report details each individual's expected gross pay, employer's NI and employer's pension contributions as per the live budget/forecast data compared to the payroll figures presented in the First Reports. Differences above the set tolerance level will then be investigated by the School Business Accountant, amending the budget data where the payroll is correct and raising any changes required to the payroll on an 'amendment tracker' form. The School Business Accountant will save this spreadsheet down in their monthly files once completed as evidence of the reconciliation. The amendment tracker is sent to the central HR team who collate all queries, dealing with any errors considered to be a 'terms and conditions' issue under the terms of service we have with the provider, before sending off to the MHR team to action any remaining issues. During the period between First Reports and Final Reports no additional processing should occur in the payroll system, only corrections to

existing processing should be made during this time.

- 5.8** Once the payroll provider has dealt with any queries raised from the amendment tracker, they will run the final payroll for the month, and send the Trust. These will then be imported into the budgeting software by the Trust Finance Manager. The School Business Managers will compare Final Reports to the First Reports to ensure all anticipated adjustments have been made.

Payments

- 5.9 Having completed final reports, the payroll provider will send the Trust BACs reports for signature. The CFO will review each of the documents, update the cashflow, and provide an electronic signature. Copies of the signed BACs reports will be retained on file. The payroll provider will then submit the BACS files for payment.
- 5.10 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.
- 5.11 All salary payments (including payments to staff, HMRC, pension providers and any other sums due) are made by the payroll provider by BACs in accordance with the terms outlined in the service level agreement.
- 5.12 Postings will be made both to the payroll control account and to individual cost centres by the Trust Finance Manager or his delegate.
- 5.13 Salary advances will only be made to employees in exceptional circumstances, such as where his/her employment has commenced in a month after the payroll cut-off deadline, unless otherwise approved by the Chair of Trust. In such cases, an estimate of the net sum due to the employee after deduction of tax and national insurance should be obtained from HR, 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.
- 5.14 No other loans of whatever kind may be made to staff in any circumstances unless expressly approved by the Trust Board (or the Chair acting on its behalf).

Redundancy Payments

- 5.15 All Trust schools should adhere to the legacy redundancy policy in place at the point of transfer or, if none, the statutory redundancy framework. Advice must be sought by the Headteacher (in the case of schools) or other responsible officer (in the case of other business units) from the nominated HR contact or the Director of People about any potential redundancy. The Trust scheme of delegation will apply to authorisation of redundancy payments and any redundancy process should be approved by the Trust Board prior to the consultation process commencing.
- 5.16 Legacy calculation methodology will be maintained for all processes as these will be protected by TUPE regulations and contract arrangements.

Settlement Payments

- 5.17 The Trust adheres to ESFA guidance and the ACAS Code of Practice on Settlement Agreements.
- 5.18 A business case proposal form must be prepared for any proposed settlement

agreement. The business case form should provide details of the costs to resolve using other mechanisms and the risks associated with these, including financial and reputational risks. In all cases, cost neutrality should be the aim. Each business case should be approved by the Headteacher, appropriate Director of Education, the CFO and Director of People. Where any of the named approvers are implicated in the matter in question, the case officer will seek approval from the Line Manager or their deputy. If the proposed settlement exceeds £20,000 approval of the CEO is also required. Settlements in excess of £30,000 require the approval of the Chair of Trust and anything over £50,000 requires Trust Board approval.

- 5.19 Prior ESFA approval must be obtained for any special severance payments where a non-statutory/non-contractual severance payment is excess of £50,000 or as otherwise defined by the Academies Handbook.

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 Financials. 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 (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 PO is not practicable and must have prior approval from the School Business Accountant. In such cases, a PS Financials PO should be raised retrospectively as soon as possible, ideally within 24 hours.
- 6.5 Purchase orders are stored on the Web portal and can be viewed on line or printed off if required.
- 6.6 The budget holder must make appropriate arrangements for the delivery of goods or services 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 or services by signing the 'Received' box on the Purchase Requisition Form (electronically via the portal). Budget holders must undertake these checks without undue delay and in any case within 7 days of the goods receipt. Budget holders should only GRN a service once they are satisfied the service has been delivered as per the agreed terms.
- 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.
- 6.8 All invoices should be sent to accountspayable@westst.org.uk, referencing the school to which they relate, the Invoice receipt will be matched by the Finance team to the original PO and the GRN to identify any discrepancies in price and/or quantity received. Any invoice of more than £10,000 must be checked and evidenced by the Finance team for arithmetically correctness and proper VAT treatment.
- 6.9 Any unreasonable discrepancies identified by the Finance team on the invoice must be addressed with the budget holder at this point, and the budget holder must confirm 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. Invoices will not be processed for payment until the dispute has been resolved.
- 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 (electronically via the portal) 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.

- 6.12 Payment ahead of receipt of any goods should be avoided where possible. In the instance where a pro forma invoice is received, approval from the CFO/Deputy CFO must be obtained prior to payment for amounts greater than £5,000.
- 6.13 At the end of every month the Finance team should 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.
- 6.14 Each Finance team will produce a list of outstanding invoices due for payment from their purchase ledger every two weeks in accordance with the rota agreed by the Trust Finance Manager. This list (together with the invoices) will be reviewed by the relevant School Business Accountant to check that all control procedures have been properly actioned and approve for payment via signature or email.
- 6.15 The Finance team will then tag details of those invoices approved for payment by the School Business Accountant in the purchase ledger and the Trust Finance Manager (or the Finance Officer in schools that manage their own purchase ledgers) will generate the BACS batch. The CFO/Deputy CFO will check the BACS payment on the bank against the approved PS Financials BACS list and provide authorisation on Lloyds bank.
- 6.16 New suppliers will be set up in PS Financials following receipt of a completed new supplier details form. Any changes to supplier details e.g bank details, will need to be passed to the central finance team. They will confirm, via telephone to a known number and/or the number found on the suppliers website, the details of the change e.g ask them to reconfirm the bank account number and sort code, before processing. The original change document e.g. email, will be printed, annotated and signed by the processor to document the phone call. This will then be scanned in and filed in a supplier changes folder. An electronic signature and annotations will suffice. Monthly, the CFO/Deputy CFO will run a report of changes made to bank details and will sample test some against evidence saved down in the supplier changes folder.
- 6.17 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. On occasions, payment will be required by the supplier via an immediate charge. In such instances, schools will either use their allocated charge cards, see below, or a CHAPs payment can be made if approved by the CFO/Deputy CFO.

Charge cards

- 6.18 It is recognised that schools may require a charge card from time to time to make, for example, internet purchases. Card holders will be required to sign a Charge Card Agreement (appendix 3 – see for terms of use) prior to issue. Cards are distributed as follows:

Provided to	Monetary Transaction Limit	Monetary Limit (up to)	Card	Card holder
Primary Schools	£1,000	£1,000		Finance or administrator if no Finance staff locally
Secondary Schools	£1,000	£7,000		Finance Officer
Central Finance	£1,000	£9,000		Trust Finance Manager
WeST central office	£1,000	£2,000		CEO PA/secretary

Note: Any deviations from these parameters must be agreed with the CFO in advance.

- 6.19 Where possible a PO must still be raised within the system for each transaction prior to making the charge.
- 6.20 All charge card transactions should be recorded individually on PS Financials on the relevant document in a timely manner. Copies of the invoices/receipts and approvals where appropriate need to be attached in PS Financials as normal and retained with the statement for review.
- 6.21 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 via a signature.
- 6.22 Discrepancies need to be communicated to the Trust Finance Manager, who will contact the charge card provider for a security check and request for further details of spurious transactions.

Travel Money Card

- 6.23 For trips it is encouraged to use a Travel Money card as apposed to cash or travellers cheques. When using such card it is the responsibility of the trip organiser to ensure receipts are obtained for all transactions processed on the card. The card is reconciled and these are presented to the Finance Team at the end of the trip for processing into the accounting system.

Purchase of Alcohol

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

Non-Capital ordering requirements

Orders over £1,000 but less than £5,000

- 6.25 Use a supplier from the Preferred Supplier List where possible, otherwise as follows:
- Goods: Three prices should be obtained and submitted alongside the PO (via the attachment function). Note this could be screenshots from the internet. Where items are priced cheaper but out of stock a screenshot should also be obtained of this.
 - Services: Minimum of one written quote from a known supplier should be obtained and ideally benchmarked for reasonableness by the budget holder.

Orders over £5,000 but less than £50,000

- 6.26 At least three written quotes should be obtained from reputable suppliers on the Trust's preferred supplier list and attached to the PO on PS Financials (via the attachment function) so an audit trail exists and approvers at each stage of the work flow can easily reference them. The lowest quote should be selected unless in exceptional circumstances and approved by the CEO or CFO/Deputy CFO.

Orders over £50,000

- 6.27 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 Senior Procurement and Contracts Officer for advice as to how to proceed in accordance with the Public Contracts Regulations

2015. It may be subject to a formal tendering procedure (including complying with Contracts Finder or Find a Tender where PPN thresholds are exceeded). as set out below (unless otherwise expressly agreed by the Trust Board).

- 6.28 In exceptional circumstances where we are unable to comply with the above CFO approval is required for orders up to £5,000 and Chair of Finance for sums greater than £5,000.
- 6.29 All orders will need to be reviewed and authorised accordingly in line with the Financial Scheme of Delegation (appendix 1).

Forms of Tenders

- 6.30 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 Senior Procurement and Contracts Officer (and CFO where necessary) 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

- 6.31 Full consideration should be given to:
- objective/s of the project;
 - overall requirements;
 - technical skills required;
 - after sales service requirements; and
 - form of contract.
- 6.32 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

6.33 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.

6.34 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

6.35 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 via email, quoting the specific tender reference in the subject box, to tenders@westst.org.uk. Only the Senior Procurement and Contracts Officer is able to access this mailbox, or the CFO in his/her absence. The Senior Procurement and Contracts Officer will be able to access each tender only after the close date of each project. Tenders received after the submission deadline should not normally be accepted.

Tender Opening Procedures

6.36 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.

6.37 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

6.38 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.

6.39 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.

6.40 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.

- 6.41 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.
- 6.42 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.
- 6.43 The accepted tender should be the one that is economically most advantageous to the Trust. All parties should then be informed of the decision.
- 6.44 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 Contracts Finder or Find A Tender service where relevant.

Capital Procurement

- 6.45 All capital procurement should comply with the procedures and delegations set out in a separate Capital Procurement policy attached as Appendix 2 and the Financial Scheme of Delegation (appendix 1).
- 6.46 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.

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 buses) 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 the Finance team will manually enter the credit into the catering management system. Cheques may also be received and are processed in the same manner as cash via a manual entry. The cash/cheques are kept in a safe and banked by the Finance team when deemed necessary.

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 and Other 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.
- 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 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. Most income is cashless, so cash collected is not significant and bankings are therefore done as and when required.
- 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 Finance Committee who must approve 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;
- Deputy CFO;
- School Business Accountant of the relevant academy;
- Trust Finance Manager;

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 Trust 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 Trust Finance Manager or an academy Finance Officer;
- reconciliations are subject to an independent monthly review carried out by the School Business Accountant or CFO/Deputy 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 nominal 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 £25. 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. A reconciliation must be undertaken prior to issuing a cheque to replenish petty cash.

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 £5,000 must be entered in an asset register. The asset register should include the following information where available:
- asset description;
 - serial number;
 - date of acquisition;
 - asset cost;
 - source of funding (% of original cost funded from ESFA grant and % funded from other sources);
 - expected useful economic life;
 - depreciation;
 - current book value;
 - location.
- 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;
 - 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 Where possible items in the register should be permanently and visibly marked as the Trust's property. Where items are used by the Trust but do not belong to it this should be noted. The Register should be reviewed annually for items that have been disposed of or are no longer in use.

Disposals

- 9.5 When disposing of an asset the trust must seek to achieve the best price that can reasonably be obtained, maintaining the principles of regularity propriety and value for money. Items which are to be disposed of by sale or destruction must be authorised for disposal by the School Business Accountant and CFO if the NBV is greater than £5,000. Where significant, assets should be sold following competitive tender.
- 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 and buildings must be agreed in advance with the ESFA via the Estates Director and the CFO.

Loan of Assets

- 9.9 Assets should only be loaned in exceptional circumstances. 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. Where the asset is recorded in the Fixed Asset Register a note should be made of the loan in the Fixed Asset Register until the asset 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.

Leasing of Assets

- 9.11 Assets should not be purchased via Finance Lease in any circumstance unless having obtained prior approval by the CFO and ESFA. If a school wishes to enter into an operating lease they should seek the prior approval of the School Business Accountant who should be satisfied that it is an operating lease as opposed to a finance lease. Any lease will require approvals as per the Scheme of Delegation based on the entire life of the lease.
- 9.12 Any operating lease entered into must be disclosed to the CFO/Deputy CFO for inclusion in the statutory accounts disclosures.

10. Other Financial matters

10.1 The Academy Trust must obtain the ESFA's prior approval in accordance with the delegated limits set out in the Academy Trust Handbook for the following transactions:

- Writing off debts and losses;
- Entering into guarantees or letters of comfort, and;
- Entering into indemnities which are not in the normal course of business.

10.2 Before accepting liabilities by issuing guarantees, a letter of comfort or indemnity, the trust should secure value for money by appraising the proposal through assessment of the costs and benefits of relevant options. Prior approval of the CFO should be obtained before any acceptance of such liabilities.



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 goods	As above plus SBA and Head of Primary	Minimum of three prices
	£1,001 to £5,000 services	As above plus SBA and Head of Primary	One written quote, ideally benchmarked
	£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 tendering process, including using Contracts Finder or 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, Trust 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	Finance 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 Finance 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 Finance 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 Finance 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 Finance Committee and approved by the Trust Board on regular basis or when a significant change is required.

Appendix 3

CORPORATE CHARGE CARD USE AGREEMENT

This Corporate Charge Card Use Agreement ("Agreement") is between Westcountry Schools Trust ("Company") and

_____ Employee Name (Print)

I am the employee named above and, in advance of receiving the Trust ("Card"), I confirm by my signature on this Agreement that I will agree to comply with and be bound by the following conditions:

1. I understand this Card is the property of the Trust and that I will be making financial commitments on behalf of the Trust when using this Card.
2. I agree that use of this Card is limited to business use only, and must only be used where immediate payment via a card is necessary to complete the purchase.
3. I agree to keep the card in a safe place, either on my person or locked away, at all times.
4. I am aware that any personal, unauthorised, or illegal charges and any such misuse will result in cancellation of this Card and may further result in disciplinary action up to and including termination of my employment.
5. I agree that use of the card is restricted solely to myself and that I will not provide the Card or it's number to anyone else for use.
6. I agree to monitor the spend on the Card and ensure the Card does not exceed it's limit. I know a purchase will not be able to be made if it will exceed my limit.
7. I agree that for each transaction a Purchase Order will be completed and approved prior to making the charge.
8. I agree that all paperwork received (receipt, invoice etc.) will be kept alongside the monthly statements and referenced to the PO (via PO number) ready for review by the School Business Accountant or CFO/Deputy CFO.
9. I agree to return this Card immediately upon request by management or upon termination of my employment with the Trust for any reason (including retirement). I understand that this Agreement is revocable by me at any time upon written notice to the CFO at the Trust. If notified that use has been terminated, I understand I must stop using the Card immediately and return it to the Trust Finance Manager.
10. I promise to immediately notify the CFO and Trust Finance Manager upon discovering this Card has been lost, misused, or stolen or this Card has been the subject to fraud, unauthorised use or misuse. I agree to cooperate with any investigation concerning the loss, theft, or suspected misuse of this Card.

Date: _____

Employee Signature

Received by Trust Finance Office:

Date: _____

By: _____

Card No. issued: _____