



# Financial Regulations

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## Dudley Academies Trust

<b>Committee:</b>	<b>Business and Audit Committee</b>
<b>Approved on:</b>	<b>22/09/2021</b>
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<b>Associated documentation</b>	
<b>Academies Handbook</b>	<b>2021</b>
<b>Academies Accounts Direction</b>	<b>2021</b>

This document sets out the regulations for Dudley Academies Trust

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# **Terminology**

## **Board of Trustees or Governing Body**

The Board of Trustees the body ultimately responsible for the affairs of the Trust.

## **Business and Audit Committee**

A committee independent of executive responsibility, which advises the Board of Trustees on issues related to internal audit, external audit and financial control. It is required to issue an annual report to the Board of Trustees which, inter alia, comments on the Trust's system of internal control.

## **Trust**

Refers to Dudley Academies Trust (DAT)

## **College**

Refers to Dudley College of Technology, the sponsor of Dudley Academies Trust

## **Funding Bodies**

This refers to the Department for Education (DfE), Skills Funding Agency (SFA) and/or the Education Funding Agency (ESFA), which provide funding for Academies and academies.

## **Chief Executive Officer (CEO)**

The person with the ultimate executive responsibility for the management of the Trust, and often termed the 'Accounting Officer'.

## **Chief Operating Officer (COO)**

The Chief Finance Officer of the Trust. He or she has strategic financial responsibility for the Trust.

## **Chief Finance Officer (CFO)**

The designated Chief Finance Officer (CFO) and most senior operational finance member of staff for the Trust to whom responsibility for the Trust's detailed financial procedures is delegated.

## **Senior Resourcing Group**

A group established to consider and proactively challenge all material expenditure on resources across the Trust consisting of key Trust personnel.

## **VAT**

All financial value referred to in this document are inclusive of VAT.

## Introduction

1. The purpose of these regulations 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 our funding agreement with the Secretary of State for Education, through the Education Funding Agency (ESFA).
2. The Trust must comply with the principles of financial control outlined in the Academies Handbook. These regulations expand on that and provide detailed information on the Trust's accounting procedures and systems. Compliance with these financial regulations is compulsory for all staff and Trustees. Any member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the Trust's disciplinary policy. It is the responsibility of managers to ensure that their staff are made aware of the existence and content of the Trust's financial regulations.
3. This manual serves as an adjunct to the scheme of delegation providing information on the day-to-day operations and practicalities forming from this financial regulation manual.

## Corporate Governance

### The Board of Trustees

4. The Board of Trustees is responsible for the management and administration of the Trust. Members must not be employees of the trust, nor occupy staff establishment roles on an unpaid voluntary basis. Its financial responsibilities are to:

Ensure the solvency of the Trust and the safeguarding of the Trust's assets.

Appoint, grade, suspend, dismiss and determine the pay and conditions of service of the CEO and other senior post-holders.

Set a framework for pay and conditions of service of all other staff.

Ensure that the financial, planning and other management controls, including controls against fraud and theft, applied by the Trust are appropriate and sufficient to safeguard public funds.

Approve the appointment of external auditors and an internal audit service.

Secure the efficient, economical and effective management of all the Trust's resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds in the Trust is not put at risk.

Ensure that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution.

Plan and conduct its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure.

Approve an annual budget before the start of each financial year.

Ensure that the Trust complies with audit guidance as specified in the Academies Handbook.

Approve the Trust's strategic plan.

Approve the annual financial statements.

The trustees must apply the highest standards of conduct and ensure robust governance, as these are critical for effective financial management. They should follow the Governance Handbook, which describes the following features of effective governance and will aid compliance with the Academies Handbook.

### **Accounting Officer**

5. The CEO is the Trust Accounting Officer and has a personal responsibility to Parliament and to the ESFA's accounting officer for financial matters under the Trust's control.
6. The appointment of an Accounting Officer does not remove the responsibility of Trustees for the proper conduct and financial operation of the Trust.
7. The Accounting Officer as with all senior members of Trust staff must adhere to the 'seven principles of public life' (see Appendix A).
8. The Accounting Officer must take personal responsibility (which must not be delegated) for assuring the Trust Board that there is compliance with the funding agreement and handbook.
9. The accounting office must have oversight of financial transactions.

### **Chief Financial officer**

10. The board must appoint a chief financial officer (CFO), who is (and whose job title may instead be) the trust's finance director, business manager or equivalent, to whom responsibility for the trust's detailed financial procedures is delegated. The CFO should play both a technical and leadership role. The CFO should be employed by the trust, and the trust must obtain prior ESFA approval if it is proposing, in exceptional circumstances, to appoint a CFO who will not be an employee.
11. The CFO and their finance staff must be appropriately qualified and/or experienced. Trusts must assess whether the CFO, and others holding key financial posts, should have a business or accountancy qualification and hold membership of a relevant professional body, dependent on the risk, scale and complexity of financial operations.
12. CFOs should maintain continuing professional development and undertake relevant ongoing training.

### **The Clerk to The Board**

13. The academy trust must appoint a clerk to support the board of trustees who is someone other than a trustee, principal or chief executive of the trust. A clerk can help the efficient functioning of the board by providing:
  - guidance to ensure the board works in compliance with the appropriate legal and regulatory framework, and understands the potential consequences of non-compliance
  - advice on procedural matters relating to operation of the board
  - administrative and organisational support.

14. For non-executive trustees a knowledgeable clerk to the board (or company secretary) is an essential part of their tool kit.

### **Committee Structure**

15. The Board of Trustees has ultimate responsibility for the Trust's finances, but delegates specific powers and process to the Business and Audit Committee. This committee is accountable to the Board of Trustees.
16. The CFO and their finance staff must be appropriately qualified and/or experienced. Trusts must assess whether the CFO, and others holding key financial posts, should have a business or accountancy qualification and hold membership of a relevant professional body, dependent on the risk, scale and complexity of financial operations.

### **Business and Audit Committee**

17. Under the Companies Act 2006, academy trusts are required to appoint an auditor to certify whether their accounts present a true and fair view of the trust's financial performance and position.
18. The Business and Audit Committee should advise the Board of Trustees on the adequacy and effectiveness of the Trust's assurance framework. In addition, the Business and Audit Committee advises and supports the Board of Trustees in explaining, in its annual accounts, the measures taken to ensure it has fulfilled its statutory regularity responsibilities.
19. The committee is independent, advisory and reports to the Board of Trustees. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

### **Senior Resourcing Group**

20. The role of the group is to consider and proactively challenge all material expenditure on resources across the Dudley Academies Trust (DAT) to ensure robust financial control, efficient use of resources and compliance. With the fundamental aims of ensuring that strategic financial objectives are met and assisting with ensuring the best possible outcomes for learners in line with the Trust's Strategic Objectives (see Appendix B).
21. The minutes of meetings will be shared with the Business & Audit Committee.

### **Publication of Executive Pay**

22. The trust must publish on its website in a separate readily accessible form the number of employees whose benefits exceeded £100k, in £10k bandings, as an extract from the disclosure in its financial statements for the previous year ended 31 August. Benefits for this purpose include salary, other taxable benefits and termination payments, including pension costs. In the case of employees who are trustees, their salary and other benefits will also be disclosed in £5k bandings in the trust's financial statements, as set out in the model trustees' remuneration note in the Academies Accounts Direction.

## Financial Planning

23. The Trust prepares rolling 3-year budgets.

### The budget cycle

24. The budget cycle is as follows:

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

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

### Budget

25. The Chief Finance Officer (CFO) is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the CEO and the Board of Trustees.

26. 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. There should be a clear link between the strategic plan objectives and the budgeted utilisation of resources.

27. The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of General Annual Grant (GAG)
- latest estimate of other ESFA funding e.g., pupil premium, Yr7 Catch-Up or other specific funds
- review of other income sources available to the academy to assess likely level of receipts
- review of past performance against budgets to promote an understanding of the Trust's costs
- an integrated approach to curriculum and financial planning for staffing requirements
- identification of potential efficiency savings
- review of the main expenditure headings in light of the strategic plan objectives and the expected variations in cost e.g., pay increases, inflation and other anticipated changes
- all carry forward balances
- any unspent grants from the previous financial year
- any funds held in Trust

28. 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 previously agreed as a short-term measure by the Board of Trustees. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need in accordance with the strategic plan.

29. If there is a significant (over 10%) departure from the anticipated budget this will be escalated to the Business & Audit Committee as part of the monthly management accounts procedure.
30. The approved budget is then entered onto the finance system at the start of the new financial year.

### **Other Government Funding**

31. In addition to GAG funding from ESFA the Trust may be awarded specific funding for other projects e.g., Condition Improvement Funds, Character Bid funding, Additional Special Educational Needs funding etc. This funding may be from the Department of Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.
32. The Chief Finance Officer is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

### **Other Grants and specific funding**

33. In addition to the GAG funding from the ESFA the academy/MAT and other government funding, the academy/MAT may be awarded additional grants from time to time relating to specific projects e.g., Sport England Funding, Football Foundation Funding, Charitable Grants etc. All applications for additional external funding must be approved and supported by the Trustees. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.
34. The Chief Finance Officer is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

### **Funds held in Trust**

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

### **Virements**

36. Virements in excess of £10,000 shall be approved and minuted by the Business & Audit Committee and should be within the agreed criteria and financial limits.
37. The Chief Finance Officer is given delegated power to vire from one budget to another and subject to there being no change in the overall budget,
38. All virements exceeding £50,000 shall require prior approval from the Business & Audit Committee.

### **Revised Budget**

39. Monitoring and analysis of the agreed budget should be carried out on a monthly basis by the Chief Finance Officer and reports in the form of the Management Accounts presented to the Board of

Trustees. Where significant variations to the agreed budget are identified or where a number of substantial variations have been approved by the Business & Audit Committee and or where significant staff changes have occurred in-year, then a Revised Budget should be prepared and approved by the Board of Trustees as part of the budget forecast return outturn (BFRO) process. This BFRO must be submitted to the ESFA by the 19th of May deadline and should then form the basis of analysis of all income and expenditure until the financial year end.

## **Academies Budget Forecast Return Three Year**

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

## **Monitoring and review (including management accounts)**

41. Monthly reports are prepared by the Chief Finance Officer The reports include:
  - actual income and expenditure against budget
  - balance sheet
  - cash flow forecast
  - one-page summary highlighting and explaining variances of at least 5% or £10,000 (whichever is smaller)
  - A more detailed narrative outlining key points within the financial statements
42. Management accounts must be shared with the Chair of Trustees every month, and with the other trustees at least six times a year.
43. Any potential overspend against the budget must in the first instance be discussed with the Chief Operating Officer or Chief Executive Officer.
44. Where the board has concerns about financial performance, it should act quickly ensuring the trust has adequate financial skills in place.

## **Independent checking procedures**

### **Review of regularity**

45. The CEO (in their role as Accounting Officer) reviews the following documents termly to ensure the academy trust is working within the boundaries of regularity and propriety:
  - reviews management accounts
  - reviews compliance against the scheme of delegation
  - reviews transactions for evidence of connected party transactions
46. The Accounting Officer has delegated the following responsibilities to Chief Finance Officer:
  - adherence to tendering policies
  - review of transactions confirming in line with delegated authorities as set out by the Academies Handbook
  - value for money practice

## Annual accounts

47. The academy trust must prepare annual audited financial statements for the accounting period to 31 August.
48. The accounts are prepared by the Chief Finance Officer with the support of the external auditor.
49. The accounts are then submitted as follows:
  - by 31 December – to ESFA
  - by 31 January – published on our own website
  - by 31 May – to Companies House

## Value for money statement

50. As part of the annual accounts the Trust must include 3 focussed examples of value for money, which articulate how educational outcomes have been approved.
51. The Chief Finance Officer is responsible for collating the examples which are then confirmed by the Business and Audit Committee.

## Audit arrangements

All academy trusts must have a programme of internal scrutiny to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively.

### External Audit

52. External auditors must be appointed in accordance with the Academies Handbook. The appointment of external auditors for the main Trust financial statements will take place annually and is the responsibility of the Board of Trustees who will be advised by the Business and Audit Committee.
53. The primary role of this external audit is to report on the Trust's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds.
54. Their duties will be in accordance with advice set out in the Academies Handbook.

### Internal Audit

55. To help provide the Business and Audit Committee with the evidence of the adequacy and effectiveness of the Trust's assurance framework, the Trust uses the services of an independent internal audit service provider (the "internal auditor").
56. The internal auditor is appointed by the Business and Audit Committee.
57. The main responsibility of internal audit is to provide the Board of Trustees, the CEO and senior management with assurances on the adequacy of the internal control

system.

58. The internal audit service remains independent in its planning and operation but has direct access to the Board of Trustees, CEO and chair of the Business and Audit Committee.
59. The Chief Finance Officer is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

### **Work undertaken during accounting period**

60. The Chief Finance Officer is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:
  - reviewing the structure of the trial balance
  - maintaining a fixed asset register
  - monthly depreciation charges
  - maintaining income and expenditure records (including filing of invoices)
  - reviewing aged debtors for any provisions required
  - maintaining a record of governors/trustee's interests, related and connected party transactions
  - control account reconciliations (bank, wages, debtors, creditors)
  - maintaining a record of meeting attendance
  - Monitoring & reporting to the Accounting Officer and Board of Trustees

### **Work undertaken for the year end**

61. The Chief Finance Officer is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:
  - stock take and including of year end stock value
  - general prepayments and accruals
  - prepayments or accruals for grant income
  - control account reconciliations (bank, wages, debtors, creditors)
  - close down of the purchase ledgers
  - close down of the Sales ledgers and aged debtors
  - pension valuations
  - Pension Audit

### **Fraud and Corruption**

62. It is the duty of all members of staff, management and the governing body to notify the Chief Finance Officer immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.
63. He or she will notify the CEO, COO and the Business and Audit Committee (through its chair) of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report.
64. Any significant cases of fraud or irregularity shall be reported to the funding body in

accordance with their requirements as set out in the Academies Handbook.

65. The Business and Audit Committee shall commission such investigation as may be necessary of the suspected irregularity, by the internal audit service or others, as appropriate.
66. The internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the Business and Audit Committee on the suspected irregularity. Such report shall include advice on preventative measures.
67. If the suspected fraud is thought to involve the Chief Finance Officer and/or the CEO, the member of staff shall notify the chair of the Business and Audit Committee direct of their concerns regarding irregularities.

## **Treasury Management**

### **Treasury Management Policy**

68. The Trust must manage its cash position robustly. It must avoid becoming overdrawn. It may be required to report on its cash position to ESFA where there are concerns about financial management.
69. Academy trusts are generally not allowed by the Secretary of State to borrow funds.
70. The Board of Trustees is responsible for approving a treasury management policy statement, setting out a strategy and policies for cash management to further the Trust's charitable aims.
71. The policy must ensure that investment risk is properly managed, ensuring care and risk in investment decisions – taking advice as appropriate from a professional adviser.
72. The Trust bank balance must not fall below £3,000,000 or the equivalent value of two months payroll, whichever is greater.
73. The Board of Trustees must review the Trust's investments and investment policy regularly.
74. The Trust Board should follow the Charity Commission's guidance: CC14 Charities and investment matters: A guide for trustees.

### **Appointment of Bankers and Other Professional Advisers**

75. The Board of Trustees is responsible for the appointment of the Trust's bankers and other professional financial advisers (such as investment managers). The appointment shall be for a maximum of 10 years after which consideration shall be given by the Board of Trustees to competitively tendering the service.

### **Banking Arrangements**

76. The COO is responsible, on behalf of the Board of Trustees, for liaising with the Trust's bankers in relation to Trust bank accounts.

77. Only the COO together with other appointed signatories as agreed by the Board of Trustees may open or close a bank account for dealing with the Trust's funds. All bank accounts shall be in the name of the Trust or one of its subsidiaries.

## Accounts Return

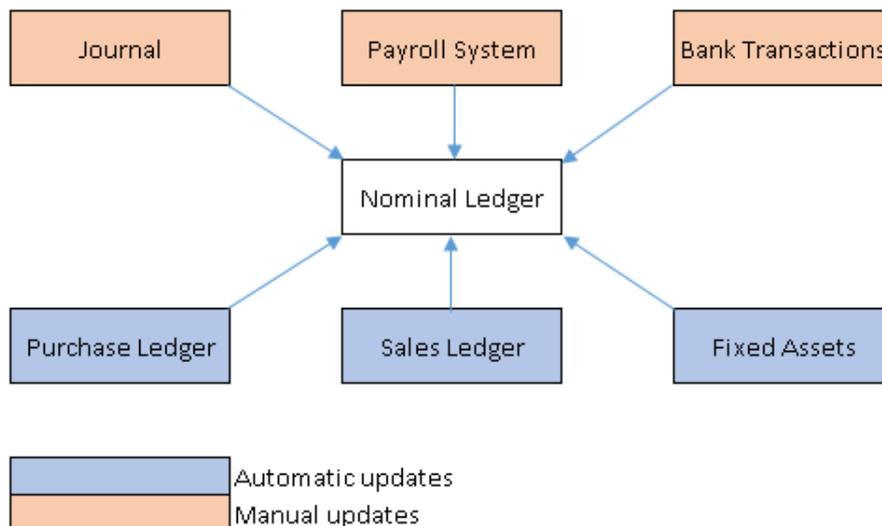
78. The academy trust must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the ESFA within the set deadline.
79. The accounts return is prepared in house by Chief Finance Officer

## Document retention

80. Documents are retained by the Trust in line with the requirements of the General Data Protection Regulations (GDPR) and the Trust's Data Retention policy. The Trust's privacy statement describes why and how we collect and use personal data in more detail.

## Accounting system

81. All the financial transactions of the academy trust must be recorded into Agresso the computerised financial information accounting system. This system is operated by the College Finance Department and consists of:



## System Access

82. Access to the system is password restricted to and access controlled by the Head of Finance of Dudley College of Technology
83. The College IT Manager is responsible for implementing a system which ensures that passwords are changed regularly.

## **Back-up Procedures**

84. The College IT Manager is responsible for ensuring that there are effective back up procedures for the system. Data is currently backed up daily by the system cloud host Quick Think Cloud.
85. The disaster recovery plan explains what to do in the event of loss of accounting facilities or financial data.

## **Transaction processing**

86. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.
87. All journal entries are documented on the Academy's journal forms, all journals should be approved by the Academy Business Manager prior to being input into the finance system. Any journal in excess of £10,000 must be approved by the Head of Finance or Chief Finance Officer. This approval can be done electronically i.e., via email.
88. Bank transactions are input by the College finance team and reconciled to bank statements each month. This reconciliation is reviewed and approved by the Chief Finance Officer.

## **Reconciliations**

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

## **Cash Management**

### **Bank Accounts**

92. The following procedures must be followed when opening a bank account and operating it:
  - the Trust is responsible for selecting the banking institution and negotiating the terms and conditions
  - the Board of Trustees must authorise the opening of all bank accounts
  - the COO will ensure that in the event of changes to key personnel or governors/trustees, signatories will be changed immediately, and the bank notified. Any on-line access to banking will also be removed
  - terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement minuted.
  - the trust must inform the bank, in writing, that their accounts must not become overdrawn
  - the trust must ensure there are sufficient funds to cover large payments

## Deposits

93. A deposit must be entered on a copy paying-in slip or listed in a supporting book with the following details:
- the amount of the deposit
  - a reference (for example the number of the receipt or the name of the debtor)
94. The Academy Chief Finance Officer is responsible for updating the accounting system (within 2 working days) for deposits placed.

## Payments and withdrawals

95. All cheques and other instruments authorising withdrawal from the Trust bank accounts must bear the signatures as below:

Panel A	Chair of Board of Trustees  CEO  COO
Panel B	Head of Finance  CFO
Up to and including £10,000	Any two signatories from A or B
£10,001 up to and including £100,00	Anyone from A plus anyone from B or any two from A
Over £100,000	Two signatories from A

96. This provision applies to all accounts, public or private, operated by or on behalf of the governing body of the academy including funds held in trust.

## Administration

97. The College finance team 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 cash book
- reconciliations are prepared by the Finance Department
- reconciliations are subject to an independent monthly review carried out by the Chief Finance Officer or in his/her absence the Head of Finance or Financial Services Manager.
- adjustments arising are dealt with promptly

## **Petty Cash**

98. The academy trust maintains a maximum cash balance of £2,500 (£500 per academy) for the purchase of minor items, which is held in the relevant Academy finance offices safe and is the responsibility of Academy Business Manager
99. The petty cash float must not be used for:
  - cashing personal cheques
  - paying staff loans

## **Payments**

100. In the interests of security, petty cash payments are limited to £50. Payments are made on production of a valid till receipt or other proof of payment and are subject to the same authorisation procedures as purchases from the main bank account.

## **Administration**

101. The petty cash float is maintained on the financial system and the float is only reimbursed from the main bank account.
102. The petty cash float is reconciled monthly by the Academy Business Manager. The reconciliation is reviewed termly by Chief Finance and signed as evidence of review.
103. The Chief Finance Officer carries out a spot check of the petty cash float at least once a year.

## **E-procurement & Payments**

104. The Academy credit cards are used only when it is not practical to use the purchase order system. It is used mostly for internet purchases.
105. All credit card purchases are subject to the same financial limits and regulations as any other purchase as defined in the regulations.
106. The cards should be kept in the safe or on the holder's person and should be kept separately from the PIN number.
107. Any department wishing to make a purchase on credit card must complete an order form and pass this to the card holder or Academy Business Manager to make the purchase. All order forms detailing the purchase must be signed by the Budget Holder and any other signatories as required by this document.
108. Occasionally the credit card is used to purchase small items or to fund Petty Cash, where it is not possible to order this elsewhere. This must be recorded and countersigned by the Academy Business Manager.

109. A monthly credit card expenditure log should be kept, with purchases detailed on the log as they are made.
110. When the credit card bill arrives, there will be a signed order form relating to each entry on the statement, a VAT invoice is required for all purchases, and it is sometimes necessary to chase suppliers for this. A cash book journal is keyed for each entry on the statement.
111. The credit card bill, along with all the relevant order forms are then given to the principal who will check the statement and sign an authorisation sheet. The Academy Business Manager will then check a sample of the transactions (minimum of 3 or 20% whichever is the maximum) and sign the authorisation sheet. These are then filed away together in the credit card folder, until the end of the financial year, when they will then be transferred to the finance storage box for that year.

## **BACS Payments**

112. On receipt of an invoice, the requisitioner and Academy Business Manager digitally approve the invoice, to signify:
  - an official purchase order has been raised for the purchase
  - the delivery note has been checked
  - the delivery is of correct quantity, quality and price
  - it has not been previously paid
  - funds are available in the relevant budget
  - VAT chargeability on qualifying expenditure is shown
113. BACS payments are processed within 30 days of receipt, although every effort is made to ensure the Academy benefits from early payment discounts and complies with the Public Sector Prompt Payment Policy.
114. The Academy finance teams ensure that evidence is kept of the employment status when dealing with payments to individuals in order to comply with IR35 regulations. The finance team should work with the College HR team to ensure that regulations are correctly followed.

## **Investments**

115. Investments are made in accordance with written procedures approved by the Board of Trustees.
116. All investments are recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.
117. Care should be taken to ensure that investments do not cause any cash flow issues for the Trust.

## **Reserves**

118. Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year.
119. The CEO as Accounting Officer must inform ESFA immediately if a deficit is anticipated.
120. If the academy trust is anticipating a deficit at the end of any financial year, the Board of Trustees,

CEO and Chief Finance Officer have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The Board of Trustees must ensure that a recovery plan is submitted and approved by the ESFA.

121. The academy trust undertakes to ensure that a contingency reserve of 2% of the previous year's total GAG is retained.

## **Capital Reserves**

122. Any overall surpluses at the end of the year are carried over to the following year.
123. It is the responsibility of Chief Finance Officer to keep accurate records of the capital funds, especially where grants have been received for capital projects.

## **Payroll**

### **Staff Appointments**

124. The Board of Trustees has approved a personnel establishment for the academy trust. Changes can only be made to this establishment with the express approval in the first instance of the Business and Audit Committee who must ensure that adequate budgetary provision exists for any establishment changes.
125. The CEO has authority to appoint staff within the authorised establishment except for the appointment of Senior Staff whose appointments must follow consultation with and approval by the Trustees. The College HR department maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the College Head of Human Resources immediately.
126. The College Human Resources (HR) department is responsible for obtaining the relevant DBS checks and ensuring these are retained on file.

### **Payroll Administration**

127. Payroll is administered through the College's Payroll department.
128. All staff are paid monthly through the payroll provider. A master file is created for each employee which records:
  - salary
  - bank account details
  - taxation status
  - personal details
  - any deductions or allowances payable
  - other legal and relevant details
129. New master files can only be created by the HR/Payroll department with the express approval of the College Director of Human Resources. Any master file amendments made by the HR/Payroll department must be printed out each month prior to the payroll run and must be authorised by College Director of Human Resources. Any master file amendments made by College Director of Human Resources must be authorised by the COO.

130. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. In turn this is authorised by the budget holder and Principal, prepared by the HR/Payroll department and signed off by the COO. Additional hours, temporary work or overtime should not be undertaken without prior approval of the principal.

## **Payments**

131. Before payments are dispatched a printout of all data should be obtained, including an exceptions report and this should be checked against source documentation by the HR/Payroll department and then reviewed and signed by the College Director of Human Resources or COO. Authority to release payment will be by the COO.
132. All salary payments are made by BACS.
133. The HR/Payroll department prepare a reconciliation between the current months and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc. This reconciliation is reviewed and signed by the College Director of Human Resources or COO
134. The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable is summarised on the gross to net pay print and cheques for these amounts are prepared by the HR/Payroll department and authorised for payment by the COO, Head of Finance, Chief Finance Officer as appropriate.
135. The College Director of Human Resources selects at least three employees at random each month and checks the calculation of gross to net pay to ensure that the payroll system is operating correctly. The check is recorded and available for checking by the Chief Finance Officer and reviewed by the Accounting Officer.
136. After the payroll has been processed the payroll files are sent to Finance who manually post them into the finance system. Postings will be made both to the payroll control account and to individual cost centres. The Finance Department should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.
137. Annually, the College Finance department checks each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file in the HR office.

## **Salary advances**

138. Salary advances are only awarded where there has been an issue or error by the HR/Payroll department. Salary advances are not awarded by the Trust for any other reason.

## **Overtime**

139. Overtime is recorded by the individual and submitted by the first Friday of the following month to the HR/Payroll department for authorisation.
140. Claims made through the online system must not be submitted prior to work having been undertaken.
141. No payments for work undertaken will be made other than via the payroll system.

## **Severance payments**

142. The academy trust is able to self-approve the non-contractual element of severance payments up to £50,000. A business case must be presented before agreeing a payment, using the form provided by ESFA on Gov.uk. All severance payments must be made in line with the Academies Handbook.
143. Where the non-contractual element is on or over £50,000 prior approval from ESFA must be sought.
144. The Accounting Officer must sign off and review each business case.

## **Ex gratia payments**

145. Ex gratia transactions must always be referred to ESFA for prior approval. HM Treasury approval may also be needed. If trusts are in doubt about a proposed transaction, they should seek ESFA advice.

## **Income**

### **ESFA grants**

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

### **Other grants**

147. The receipt of these sums is monitored directly by Chief Finance Officer is responsible for ensuring that all grants due to the academy are collected.

### **Trips**

148. A lead member of staff must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Finance Department of each Academy.
149. Students should make payments to the Finance Department. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.
150. The Finance Department should maintain an up-to-date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a weekly basis and the lead teacher is responsible for chasing the outstanding amounts.
151. Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents. If the Academy decides to subsidise the Academy trip the amount of subsidy must be approved by the principal in advance of the booking being made.

## **Catering**

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

152. Cash payments must be reconciled on a daily basis by the Academy finance team to the lunch records and signed as evidence of reconciliation. The Academy meal numbers, and cash totals are then to be entered onto the weekly banking sheet. The cash is kept in the safe prior to weekly collection for banking. The Academy finance team must reconcile the weekly banking sheet to actual receipts banked.

### ***If electronic cash collection***

153. Bank credits are reconciled to the Agresso reports in the first instance. Monthly checks are undertaken by Academy Business Manager and cross referenced to a sample of individual pupils.

### **Lettings**

154. All letting arrangements should be in line with the Trust's Lettings Policy.
155. The Academy Business Manager is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities.
156. Details of organisations using the sports facilities will be held by the Academy Finance Department who will establish a sales ledger account and produce a sales invoice from the accounting system.
157. Copies of the organisations up to date relevant Public Liability, indemnity, insurance and qualifications (where relevant e.g., H&S, First Aid, Instructor etc.) are kept with the Letting Agreements and are reviewed at least annually.

### **Sundry income**

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

### **Gift aid**

159. To ensure the academy trust, in its position as an exempt charity, receives all the monies it is entitled to Academy Business Manager:
- reconciles
  - against records to confirm expected amounts have been received by the donor
  - ensures the tax reclaimable from HMRC has been obtained and any relevant business use deductions have been made.

### **Bad debts**

160. The Trust chases all monies due, and those that have not been paid within 30 days of an invoice being issued, by telephone, email or letter.
161. If the debt remains unrecoverable after 9 months, or it becomes clear that the debt will not be repaid, the Chief Finance Officer submits a report to Chief Operating Officer for approval of write off.

162. The following write off limits apply:

- Up to £500 – Chief Operating Officer
- Over £500 – Board of Trustees

## **General**

163. All monies received from whatever source must be recorded on a daily basis together with the form in which they were received, for example cash or cheque.

164. All monies received must be banked promptly. The custody and transit of all monies must comply with the requirements of the Trust's insurers.

165. All sums must be paid in and accounted for in full and must not be used to meet miscellaneous departmental expenditure. Personal or other cheques must not be cashed out of the money received on behalf of the Trust.

## **Purchasing**

166. The academy trust must achieve value for money on all purchases. A large proportion of our purchases are paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:

- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy
- Accountability, the academy is publicly accountable for its expenditure and the conduct of its affairs
- Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis

## **Routine Purchasing**

167. Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget will be supplied to each budget holder each month. Budget holders will be able to monitor data relating to their own budget areas on a monthly basis via reports from the online financial information system.

168. Routine purchases up to £1,000 can be ordered by budget holders. A quote or price must always be obtained before any order is placed. Copies of all quotes must be attached to the requisition.

169. When looking at procurement values contract aggregation over 4 years should be used. This means the estimated value of the contract over a 4-year period is the value that decisions should be based on.

## **E-procurement**

170. Any department wishing to make a purchase on credit card must complete an official order form in the usual manner and pass this to the Academy Business Manager to approve before the purchase can be made. All order forms detailing the purchase must be signed by the Budget Holder.

171. Occasionally the credit card is used to purchase small items or to fund Petty Cash, where it is not

possible to order this elsewhere. This must be recorded and countersigned by the Academy Business Manager.

## Orders

172. All orders must be made online using the finance system. Orders must be electronically approved in line with the below table. The system will automatically check to see if there is sufficient budget available, and orders should be queried with the Academy Business Manager where this is not the case. Before an order is inputted on the online finance system a purchase order form ([see Appendix C](#)) must be completed. Academy

Revenue Expenditure		Capital Expenditure	
Value	Approval Required	Value	Approval Required
<£750	Academy Finance Officer Academy Business Manager	<£25,000	Capital Budget Holder Chief Finance Officer
>£750 <£10,000	Academy Finance Officer Academy Business Manager Chief Finance Officer		
>£10,000 <£25,000	Academy Finance Officer Academy Business Manager Principal Chief Finance Officer		
>£25,000	Academy Finance Officer Academy Business Manager Principal DAT CEO/ COO Chief Finance Officer	>£25,000	Capital Budget Holder DAT CEO/ COO Chief Finance Officer

173. Approved orders will be recorded in the purchase order module of the financial information system which allocates a reference number and commits expenditure. Orders will be dispatched to the supplier via email once final approval is made.
174. The budget holder must make appropriate arrangements for the delivery of goods to the academy. On receipt the requisitioner must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay. If there is a material discrepancy, the goods should be rejected where practical to do so.
175. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Academy Finance Department should be notified. The Academy Finance Department will keep a central record of all goods returned to suppliers.
176. All invoices should be sent to Dudley College Finance Department, ideally by email. Invoices will be processed by the finance department and sent through the finance system to requisitioners and Academy Business Managers for approval.
177. The recipient must make a detailed check against the order and the GRN and where possible, the GRN should be attached. Recipients must undertake these checks without undue delay and in any

case within 3 days of invoice receipt.

178. If a budget holder/requisitioner is pursuing a query with a supplier, the College Finance Department must be informed of the query and periodically kept up to date with progress.
179. Payments runs are carried out each week by the College Finance Department, and all invoices that have been approved and are due for payment based on their due date will be included on the payment run.
180. The payment run will be entered by members of the finance team, approved by: Chief Finance Officer, Financial Services Manager or COO in line with the scheme of delegation.
181. Bank details are approved by two members of the college finance team and are independently checked prior to their approval.

### **Orders over £1,000 but less than £50,000**

182. At least three written quotations should be obtained for all orders between £1,001 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, as well as being attached to the electronic requisition. Telephone quotes are acceptable if these are evidenced, and faxed confirmation of quotes has been received before a purchase decision is made and made in accordance with value for money principles.

### **Orders over £50,000**

183. All goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000 must be subject to formal tendering procedures.

### **Orders over £100,000**

184. The award of contracts over £100,000 must be reported to the Board of Trustees.

### **Official Journal of the European Union**

185. Purchases over £189,330 for goods and service and £4,733,252 for works are to be dealt with in accordance with OJEU regulations. Again, aggregation of contract value should be used.

### **Trading with related parties**

186. The Trust must be and must be seen to be even-handed in its relationship with related parties as set out in the Academies Handbook. Trustees must comply with their statutory duties and stakeholders (including senior staff) must complete the register of interests.
187. The Board of Trustees are responsible for ensuring that the requirements for managing related party transactions are applied across the Trust and that the Chair of the Board and Accounting Officer ensure that their capacity to control and influence does not conflict with these requirements.
188. The Director of Corporate Governance is responsible for ensuring that the Trust keeps sufficient records and makes sufficient disclosures in the annual accounts to show that transactions with related parties have been conducted in accordance with the principles set out in the Academies

Handbook.

189. The Trust must report all contracts and other agreements with related parties to ESFA in advance of the contract or agreement commencing, using ESFA's related party on-line form. This requirement applies to all such contracts and agreements made on or after 1 April 2019.
190. The Trust must obtain prior ESFA approval for contracts for the supply of goods and services to the Trust by a related party where there is expectation that the contract value will exceed £20,000 in any one year.
191. Trusts must obtain ESFA's prior approval, using ESFA's related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party agreed on or after 1 April 2019 where any of the following limits arise:
  - A contract of other agreement exceeding £20,000
  - A contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £20,000 in the same financial year ending 31 August.

## **Register of Interests**

192. All members, trustees, local governors and senior employees must complete the register of interests.
193. The register of interests must capture relevant business and pecuniary interests of members, trustees, local governors and senior employees including directorships, partnerships and employments; trusteeships and governorships at other establishments; and for each interest the name of the business, the nature of the business, the nature of the interest and the date the interest began.
194. It is the responsibility of the Board of Trustees, through the Director of Corporate Governance to keep the register of interests up to date at all times.
195. The Trust will publish on its websites relevant business and pecuniary interests of members, trustees, local governors and accounting officers. Trusts have discretion over the publication of interests of other individuals named on the register.

## **At Cost Requirements**

196. The Trust must pay no more than 'cost' for goods or services provided to it by the following persons
  - members or trustees of the academy trust
  - individuals or organisations related to a member or trustee of the academy trust. For these purposes the following persons are related to a member, or trustee:
    - a relative of the member or trustee. A relative is defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner
    - an individual or organisation carrying on business in partnership with the member, trustee or a relative of the member or trustee

- a company in which a member or the relative of a member (taken separately or together), and/or a trustee or the relative of a trustee (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company
- an organisation controlled by a member or the relative of a member (acting separately or together), and/or a trustee or the relative of a trustee (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation can secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes
- any individual or organisation given the right under the trust's articles of association to appoint a member or trustee of the academy trust; or anybody connected to such individual or organisation
- any individual or organisation recognised by the Secretary of State as a sponsor of the academy trust; or anybody connected to such individual or organisation

197. Any contract, in any one financial year with a related party exceeding £2,500 should be 'at cost'. This does not include contracts of employment, though the principles of securing value for money still apply.

198. For the purposes of cost, this should be the full cost of supplying the goods or services and must not include any profit.

Full cost includes: all direct costs (the costs of any materials and labour used directly in producing the goods or services); indirect costs (a proportionate and reasonable share of fixed and variable overheads).

### **Goods and services for private use**

199. No goods are ordered, or services provided to include any elements of private use by governors and staff.

### **Forms of Tenders**

200. There are three forms of tender procedure that the Trust: 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 Academy Business Manager must discuss and agree with the Chief Finance Officer 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.

All tenders over the OJEU threshold must be advertised and administered using an electronic tendering system.

## **Preparation for Tender**

201. Full consideration should be given to:

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

202. 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.

203. A tender brief must always be prepared and is reviewed by the Chief Operating Officer.

## **Invitation to Tender**

204. 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.

205. An invitation to tender should include the following:

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

## **Tender Acceptance Procedures**

206. The invitation to tender should state the date and time by which the completed tender document is received by the Trust. Tenders are submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. It should not be possible to identify the tendering company from the outside of the envelope. Tenders received after the submission deadline are not accepted.

## **Tender Opening Procedures**

207. All tenders submitted should be opened at the same time and the tender details should be recorded. Three people should be present for the opening of tenders with one of those people should be independent - somebody that will play no further part in the tender process or delivery of the contract.
208. A separate record details the names of the companies submitting tenders and the amount tendered. The record is signed and dated by all people present at the tender opening.
209. The page containing the price of the tender should also be signed and dated by all present.

## **Tendering Procedures**

210. 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.
211. 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.
212. Full records should be kept of all criteria used for evaluation and for contracts over £100,000 a report should be prepared for the Business & Audit Committee highlighting the relevant issues and recommending a decision. For contracts between £50,000 and £100,000 the decision and criteria should be reported to the Business and Audit Committee.

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

## **Requirements to implement a single source tender**

213. Where there has been prior agreement to the use of a preferred supplier. The DAT will maintain a list of preferred suppliers for specific goods and services. Membership of this list will be subject to a selection process that will be carried out by the Procurement Officer and approved by, depending on value, the Chief Financial Officer or the Chief Operating Officer. It will be reviewed at least annually.
214. Where the work to be executed or the goods or materials to be supplied consists of repairs to or the supply of parts for existing machinery or plant or are additions to an existing style or design which would involve greater cost to the DAT and additional work in trying to harmonise two differing systems, designs or solutions.
215. Where the purchases are of patented or proprietary items and any form of tendering would not be appropriate.
216. Where there is a limited market for the service required or best value is more likely to be achieved by approaching one contractor, supplier or consultant.
217. Subject to approval, dispensations may be granted for the following reasons:
  - Unforeseen emergency requirement
  - The goods or services are only available from one source and there is no possibility of the Trust's requirements being met in any other way.

- An extension is required to a current contract in order to allow sufficient time to complete a competitive tendering exercise (but failure to have planned the re-procurement would not be justification for a single tender).
- Where the seeking of tenders and subsequent contract award could cause significant operational difficulties and where any potential savings would be outweighed by those operational issues (a VFM analysis must be documented) and only for use in circumstances to be approved in accordance with the scheme of delegation, under the specific advice of the Chief Operating Officer in terms of compliance with the UK legislation.

## **Insurance**

218. The Chief Finance Officer reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for academy trust property when off the premises.
219. The Trust has opted in to the [Department for Education's Risk Protection Arrangements](#).
220. Budget holders must ensure all valuables are kept under lock and key when not being used in a supervised manner.
221. The first £500 of replacement has to be funded by the department concerned as no budget is held centrally. In line with the RPA membership rules, items under £500 will receive no insurance pay out and it is up to the department concerned as to whether the item is replaced or not.

## **Governors/Trustees Expenses**

222. All governors/Trustees of this academy trust are entitled to claim the actual costs, which they incur as follows:
- the cost of travel relating only to travel to meetings/training courses at a rate of 40 pence per mile which does not exceed the specified rates for Academy personnel
  - travel and subsistence costs, payable at the current rates specified by HMRC associated with attending national meetings or training events, unless these costs can be claimed from the any other source
  - telephone charges, photocopying, stationery, postage etc.
  - any other justifiable allowances
223. The Board of Trustees acknowledges that:
- Governors/Trustees are not be paid attendance allowance
  - Governors/Trustees are not reimbursed for loss of earnings
224. Governors/Trustees wishing to make claims under these arrangements, must complete a claims form from the Director of Corporate Governance together with the relevant receipts. The form must be submitted to the College Finance Department within two weeks of the date of when the costs were incurred and should be submitted approved by the Chair of Board of Trustees or if relating to the Chair of Board of Trustees then by the Chair of the Business and Audit Committee.
225. Claims will be subject to independent audit and may be investigated by the Chair of Board of Trustees (or Chair of Business & Audit Committee in respect of the Chair of Governors) if they appear

excessive or inconsistent.

## **Gifts**

226. Ordinarily such gifts should be rejected, unless they are of negligible value (e.g., diaries, calendars). However, any gifts or hospitality in excess of £25 are reported to the Accounting Officer in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the Academy for items other than travel expenses.
227. Gifts that have been reported are entered onto the gifts and hospitality register which is maintained by the Director of Corporate Governance.

## **Purchase of Alcohol**

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

## **Energy Management**

229. The Academy Business Managers are responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be checked before authorising any invoices from the utilities providers. Any discrepancies or unusual readings should be raised with the Chief Finance Officer immediately.
230. The Academy Business Manager with the support of the Trust Projects & Facilities Manager ensures that the Academy's heating system is operated and run as efficiently as possible.
231. The Chief Operating Officer ensures that the Academy is purchasing energy at the most competitive prices available.
232. All staff have the responsibility to work in an energy efficient manner at all times (e.g., turning off computers, lights and heating when not required).

## **Fraud**

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

## **Whistleblowing**

234. Whistleblowing in the context of the [Public Interest Disclosure Act](#) is the disclosure by an employee (or other party) about malpractice in the workplace. A whistle-blower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc.), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential, and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.
235. Normally, any concern about a workplace matter at the college should be raised with the relevant member of staff's immediate line Manager or head of department. However, the Trust recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.

236. A member of staff may, therefore, make the disclosure to the Director of Corporate Governance. If the member of staff does not wish to raise the matter with this person. It may be raised with the chair of the Business and Audit Committee or, if that is not appropriate, the Chair of the Board of Trustees.
237. The full procedure for whistleblowing is set out in the Trust's whistleblowing procedure, which is available through the college HR department.

## Leasing

238. Finance leases represent borrowing and are not allowed unless prior approval is obtained from the ESFA.
239. The Trust does not need to obtain ESFA approval to enter into operating leases, however the principles of value for money, regularity and propriety must be applied.

## Pooling of GAG

240. GAG is not being amalgamated to form one central fund. However, surpluses within an individual academy may be offset against a deficit at another academy where in the best interests of the Trust.

## VAT

### VAT 126 form

241. The Chief Finance Officer is responsible for completing the [VAT 126](#) online claim at least quarterly and ideally monthly, ensuring compliance with HM Revenue and Customs rules. The claim should be verified by the Head of Finance or Financial Services Manager prior to processing.

## Fixed assets

242. The Trust must obtain approval from the ESFA before acquiring or disposing of any freehold land or buildings.
243. Any disposal must follow the principles of value for money, regularity and propriety.

## Asset register

244. Asset registers are managed via the trust's Every compliance system.

All items purchased with a value over the Trust's capitalisation limit of £1,000 must be entered on the fixed asset register, which is part of the Agresso accounting software, with the following details:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location

245. The asset register helps:

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

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

- ICT hardware and software (this list can be combined and used to identify software licences to ensure the Academy is complying with legislation)
- Reprographic equipment – photocopiers, comb binders, laminators
- Office equipment – MFDs, shredders, switchboard
- Furniture
- AV equipment – TVs, video/DVD players, OHPs, cameras, speakers
- Cleaning equipment – vacuum cleaners, polishers
- Catering equipment – ovens, fridges, dishwashers, food processors
- Technology equipment – sewing machines, craft machinery
- Premises equipment – lawn mowers, power tools, generators
- Other equipment – musical instruments, PE equipment
- Minibuses

## **Security of assets**

247. All the items in the register are permanently and visibly marked as the Trust's property.

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

249. An annual count is undertaken by Chief Finance Officer who is different from the preparer of the asset register. Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the Board of Trustees.

## **Disposals**

250. Disposals, where applicable, are in line with the Academies Handbook.

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

## **Loan of Assets**

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

253. 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 A**

## **THE SEVEN PRINCIPLES OF PUBLIC LIFE FROM REPORT OF THE COMMITTEE FOR STANDARDS IN PUBLIC LIFE (THE NOLAN REPORT)**

### **Selflessness**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.

### **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may influence them in the performance of their official duties.

### **Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

### **Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

### **Openness**

Holders of public office should be as open as possible about all their decisions and the actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

### **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### **Leadership**

Holders of public office should promote and support these principles by leadership and example.

# Appendix B

## Dudley Academies Trust – Senior Resourcing Group

### Role

The role of the group is to consider and proactively challenge all material expenditure on resources across the Dudley Academies Trust (DAT) to ensure robust financial control, efficient use of resources and compliance. With the fundamental aims of ensuring that strategic financial objectives are met and assisting with ensuring the best possible outcomes for learners in line with the Trust's Strategic Objectives.

The Key Areas of focus will be:

- Staffing
- Curriculum review and moving towards 2-year GCSEs from 20/21
- Proactive management of absence
- Use of Agency (including exploring opportunity around zero-hour contracts)
- Non-Pay expenditure and ensuring Value for Money achieved

### Responsibilities

- To discuss and **approve** all staff recruitment in line with the CLFP
- To approve all **new** expenditure/contracts in excess of £5,000\*
- To approve all **recurring** expenditure/contracts in excess of £25,000\* including a full review of DMBC traded services which are due to renew in April of each financial year.
- Departmental **capitation** rationale
- To proactively explore greater non-teaching **collaboration** across the DAT
- Efficiencies around non-pay spend and **amalgamation** of contracts.
- **Approval** of all Capital Expenditure
- Pupil Premium Expenditure and Impact/Outcomes
- SEND Expenditure and Impact/Outcomes
- CPD and **approval** of training and associated cover
- VDE – learner rewards
- Centrally led Curriculum developments/requirements and **identification** of funding

### Group membership

- Jo Higgins (CE) (Chair)
- Bonnie Oakley (minutes)
- Kevin Tranter (COO)
- Lorraine Grinham (CFO)
- Laura Round (Human Resources)
- Andy Landers (Pegasus)
- Mark Thorogood (Beacon Hill)
- Ian Moore (St James)
- Emma Edwards-Morgan (The Link)
- Paula Higgs (St James and The Link)
- Maxine Young (Beacon Hill and Pegasus)
- Kathryn Jones (Independent member)
- Andrew Woodford (Independent member)

Additional advisors will be invited to join the group for scheduled meetings as appropriate.

## **Outcomes**

- Robust financial control
- Greater collaboration among DAT Academies
- A more strategic view on resourcing
- Greater challenge on the use of scarce resources

## **General**

The group will be chaired by the DAT CE and will be convened by Executive Assistant to the Chief Executive.

All agenda items to be forwarded to the Executive Assistant to the Chief Executive by close of business ten working days prior to the next scheduled meeting. Working papers will be made available at least five working days prior to the next scheduled meeting.

The group will meet as a minimum once each half-term, with dates scheduled to coincide with important dates in the calendar such as DAT Boards.

A Microsoft Teams group will be created to efficiently facilitate activity of the group. Urgent expenditure up to the value of £9,999\* can be discussed via Microsoft Teams and approval can come from either the CE or CFO.

# Appendix C

## Purchase Order Form

### PURCHASE REQUEST - ONLY VALID FOR ORDERS WITH AN ORDER NUMBER

<b>School:</b>  <b>Department:</b>	<b>Requisition NUMBER</b>
	<b>PO NUMBER</b>

PURCHASE ORDER - ONLY VALID WITH AN ORDER NUMBER  
PLEASE SHOW ORDER NUMBER ON ALL PAPERWORK

Name & Address of Supplier:   Contact Name: Contact Number: Email:	Deliver goods to:  For the attention of: Contact Number: Email: School cost centre:
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All prices should exclude VAT						
Item reference	Description and any special requirements	Quantity	Unit Price	Total	Cost Centre	Code

Attach additional sheets for multi item orders and show total value in the Total Value box	<table border="1"> <tr> <td>Delivery/Carriage cost</td> <td> </td> </tr> <tr> <td>Total Value of Order</td> <td> </td> </tr> </table>	Delivery/Carriage cost		Total Value of Order		<b>Please check for these costs</b>
Delivery/Carriage cost						
Total Value of Order						

**Requestor to complete prior to requesting authorisation**

School improvement priority?
How does this assist delivery of the priority
Why is this purchase necessary?
What will be the result if it is not made?
What other options have been considered?
Has the best price, quality and supplier been identified?
How many quotes have been obtained/suppliers approached for quotes (Attach quotes, emails etc)
Requestors signature: <i>Signature</i> <i>Print name</i> <i>Date</i>

**Authorisation of order - please sign, print name & date**

Head of Department: <i>Signature</i> <i>Print name</i> <i>Date</i>
Finance Office: <i>Signature</i> <i>Print name</i> <i>Date</i>
Principal: <i>Signature</i> <i>Print name</i> <i>Date</i>

**Please pass the form to the finance officer who will issue a requisition number and place the order with the supplier**

Requisition raised by
Date placed
Delivery expected