Finance Policy & Procedures

(Incorporating the Scheme of Financial Delegation)

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Owner	Chief Financial & Operations Officer
Approved By	Finance Audit and Risk Committee
Approval Date	November 2025
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Review Date and Summary of Changes

Date of review	Summary of changes
May 2023	Policy rewritten. Includes updates as per the changes contained within the Academy Trust Handbook 2023 effective from 1st September 2023
June 2024	Updates to the procurement regulation and changes to reflect the staffing structure.
June 2025	Amended Scheme of delegation to include Central management team – Appendix 1.
September 2025	Includes updates as per the changes contained within the Academy Trust Handbook 2025 effective from 1st September 2025

Signed by:

Chief Financial and Operations Officer Date: 11th November 2025

Chair of Finance Audit and Risk Committee Date: 11th November 2025

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1. Rationale

1.1. The purpose of this policy and the associated procedures, is to ensure that Omega Multi Academy Trust (the Trust) maintains and develops systems of financial control which conforms to the requirements both of propriety and of good financial

management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DFE).

1.2. The Trust must comply with the principles of financial control outlined in the Academy Trust Handbook published by the Education Skills and Funding Agency (ESFA). This policy and the procedures herein expand on the Academy Trust Handbook and provides detailed information on the Trust's accounting procedures. It should be read by all staff involved with financial systems.

1.3. The following will be indicators to the MAT Board of Trustees and staff that these Financial Regulations and Procedures are being implemented successfully:

1.3.1. No inappropriate use of money
1.3.2. Adherence to budgets;
1.3.3. Best value expenditure targeted on key priority areas;
1.3.4. Up to date and accurate records;
1.3.5. Audit reports.

1.4. This policy relates to all the Trust's schools/academies. Adherence to the principles and procedures contained within this policy is mandatory for all staff, governors and trustees.

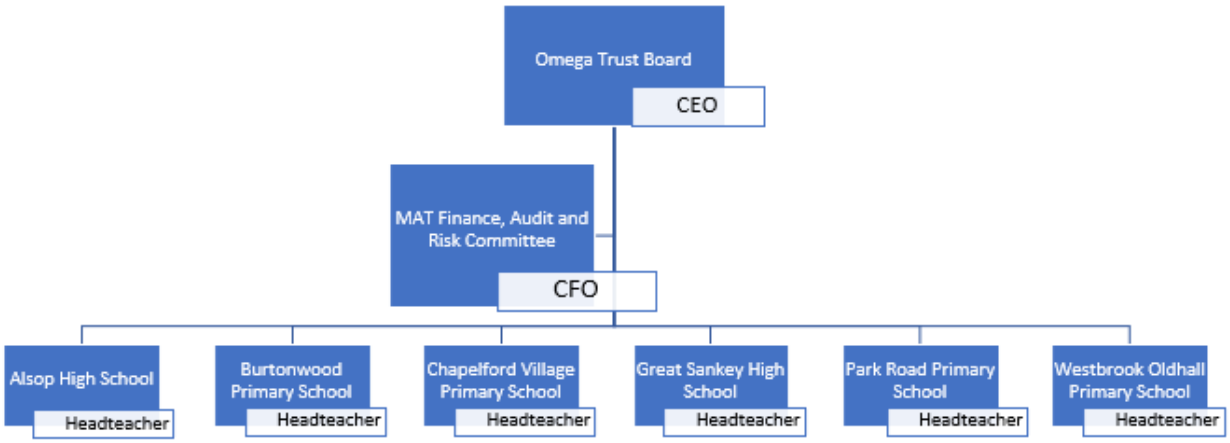
1.5. This policy is designed to be consistent with:

- Academy Trust Handbook
- Trust Articles of Association
- Trust Scheme of Delegation
- Master and Supplementary Funding Agreements
- HM Treasury's "Regularity, Propriety and Value for Money"
- The Seven principles of Public life (the Nolan Principles)

1.6. This document does not replace or change any obligations placed upon the Trust or its Trustees by law or by regulations issued by the DfE, ESFA, Charity Commission, Customs and Excise and other statutory bodies.

2. Organisation, Roles & Responsibilities

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



The Multi-Academy Trust's Board of Trustees

2.2 The Board of Trustees is required to conduct its business in accordance with the following:

- Its Articles of Association and company law;
- The requirements of the DfE, as set out in the Funding Agreement and the Academy Trust Handbook
- The requirements of the Charity Commission, including the production of accounts in accordance with the Statement of Recommended Practice (SORP).

2.3 The MAT Board of Trustees has overall responsibility for the administration of the Trust's finances. The main responsibilities of the Trustees are prescribed in the Trust's Articles of Association, the Scheme of Delegation and in the Funding Agreement between the individual schools within the Trust and the DfE, including:

- Agree the long-term financial objectives of the Trust;
- Responsibility for the proper stewardship of public funds, including regularity and propriety, and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money;
- Appointing key roles and positions relating to finance in keeping with the Scheme of Delegation;
- Appointment of Internal / External Auditors to ensure the audit of both public and non-public funds (External Auditors require Members' approval)

- Contribute to the Trust's Strategic Plan, development plans and priorities over at least 3 years;
- Management of the Trust's financial, human and other resources, including:
    - the approval of the annual budget and any material change to it;
    - the approval of each school's allocated budget and the schools' staffing structure, which should be regularly reviewed by the Chief Executive Officer (CEO);
    - Ensure that funds are received in accordance with the trust's/schools' funding agreements, and are used solely for the intended purpose.
    - to receive and review regular reports on expenditure against budget;
- Agree and review levels of delegation within the Trust to ensure the Board of Trustees can meet its obligations;
- Establishing and maintaining a transparent system of prudent and effective internal controls and to receive and respond to regular periodic audit reports on the effectiveness of these controls;
- Assessing and managing risk, (including the preparation of a statement on academies risk management, for its annual report and accounts)
- Monitoring performance and the achievement of objectives and ensuring that plans for improvement are acted upon;
- Approval of the annual report and statutory accounts;
- Hold to account the trust CEO & Accounting Officer and each schools Local Academy Board.
- Ensuring compliance with general legislative requirements, including the review, monitoring of those policies and documents that the Trust is required to have in place (DfE provide guidance on mandatory and recommended policies and procedures).
- Determine and review policies on charges and remissions.

The Finance, Audit and Risk Committee (FAR)

2.4 The Finance, Audit and Risk Committee meets four times each year, and is a committee of the Board of Trustees, attended by the CEO and the Chief Financial and Operations Officer (CFOO). The Board delegates many of its financial responsibilities to be carried out by the FAR Committee, whose responsibilities extend to the Trust as a whole, including each of its constituent schools. The FAR Committee is also responsible for ensuring that risks are being addressed through internal scrutiny and reporting to the Trust Board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks. The full responsibilities of the FAR Committee are detailed in written terms of reference which have been authorised by the Trust Board, but include:

- the initial review of the annual consolidated budget to the Board, making recommendations to the Board of Trustees;
- Review of the annual budget proposed for each school/academy.
- Consider appeals from schools/academies regarding their allocated budget, and respond within required timeframe.

- the regular monitoring of actual expenditure and income against budget, through receipt and scrutiny of monthly management accounts;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE/ESFA guidance issued to academies;
- authorising orders and the award of contracts within approval limits.
- producing an Internal Audit Strategy and three-year Internal Audit plan
- commissioning Internal Audit fieldwork in accordance with the Internal Audit Plan
- Receiving and reviewing reports from the Internal Auditor
- Receiving the External Auditor's findings and actions taken, making recommendations to the Board of Trustees.

2.5 The FAR's audit role is to advise the Trust on the comprehensiveness and effectiveness of the Trust's assurance framework. In particular, the Committee advises and supports the Trust in fulfilling its roles and responsibilities, including its responsibility for providing the assurances required in the Statement of Corporate Governance and Internal Control in the annual accounts.

The Committee's work focuses on providing assurances to the board of trustees that all risks are being adequately identified and managed with particular regard to:

- reviewing the Strategic Risk Register for the Trust, which informs and is informed by individual school developments;
- reviewing all risks to internal financial control at the Trust;
- agreeing a programme of work to address, and provide assurance on, those risks.

2.6 Requirement for a committee

The academy trust must establish an audit and risk committee, appointed by the board.

- Trusts with an annual revenue income over £50 million (based on their last audited accounts) must have a dedicated audit and risk committee.
- Other trusts must either have a dedicated audit and risk committee or can combine it with another committee, such as finance.

The audit and risk committee should meet at least 3 times a year.

Remit of the committee in relation to internal scrutiny

The audit and risk committee must:

- oversee and approve the trust's programme of internal scrutiny
- ensure that risks are being addressed appropriately
- report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks

Membership of the committee

Employees of the trust should not be audit and risk committee members, but the accounting officer and chief financial officer should attend to provide information and participate in discussions.

The chair of trustees should not be chair of the audit and risk committee. Where the finance committee and audit and risk committee are separate, the chair should not be the same.

Where the audit and risk committee is combined with another committee, employees should not participate as members when audit matters are discussed.

Operating the committee in relation to internal scrutiny

The committee must:

- have written terms of reference
- agree a programme of work annually to deliver internal scrutiny that provides coverage across the year, agree who will perform the work and consider their reports and the trust's progress in addressing recommendations
- review the ratings and responses on the risk register to inform the programme of work
- have access to the external auditor, as well as their internal scrutineers

Oversight must ensure information submitted to DfE that affects funding is accurate and complies with funding criteria.

Principles

Internal scrutiny must:

- be independent and objective – for example it must not be performed by members of the senior leadership or finance team
- be conducted by someone suitably qualified and experienced and able to draw on technical expertise, as required
- be timely, with the programme of work spread appropriately over the year so higher risk areas are reviewed in good time
- include regular updates to the audit and risk committee by the internal scrutineers carrying out the programme of work, incorporating:
    - a report of the work to each audit and risk committee meeting
    - an annual summary report to the audit and risk committee for each year ended 31 August outlining the areas reviewed, key findings, recommendations and conclusions, to help the committee consider actions and assess year on year progress

Whilst the audit and risk committee is responsible for overseeing the internal scrutiny, the findings must also be made available to all trustees promptly.

Options

All trusts must deliver internal scrutiny in the way most appropriate to its circumstances. Options include any combination of:

- an in-house internal auditor
- a bought-in internal audit service
- the appointment of a non-employed trustee
- an independent peer review by the chief financial officer from another academy trust

Trusts with an annual revenue income over £50 million (based on their last audited accounts) must deliver internal scrutiny using any combination of the following:

- an in-house internal auditor
- a bought-in internal audit service

All trusts, regardless of income levels, may also use other individuals or organisations where specialist non-financial knowledge is required.

To ensure those carrying out the programme of internal scrutiny work are suitably qualified or experienced:

- auditors should be members of a relevant professional body
- trustees and peer reviewers performing the work should have appropriate qualifications or experience relevant to the area being reviewed

Trusts should work towards this position where it is not already the case.

The trust must keep its approach to internal scrutiny under review. If it changes in size, complexity or risk profile, it should consider whether its approach remains suitable.

External reporting and transparency

The trust must confirm in its governance statement, accompanying its annual accounts, which of the internal scrutiny options it has applied and why. The outcome of the work must also inform the accounting officer's statement of regularity in the annual accounts.

The trust must submit its internal scrutiny summary report to DfE by 31 December each year when it submits its audited annual accounts. The trust **must** also provide DfE with any other internal scrutiny reports, if requested.

Local Governing Body (LGB)

2.7 Within the framework of the Trust's Scheme of Delegation, each school will be supported by a Local Governing Body (LGB). The constitution for each LGB and the level of delegated responsibility is approved by the Trust Board and reviewed annually.

The scheme of delegation may directly reflect the individual circumstances of the school in order to determine how responsibility is shared within the agreed decision-

making framework. The Scheme of Delegation approved by the Board of Trustees gives the LGB of each school the following duties, responsibility and accountability in relation to finance:

- to agree the school's priorities, its annual development or improvement plan;
- reviewing those risks faced by their respective school/academy, based on each school/academy's operational risk register;
- to cooperate fully in any Internal or External Audit, whether these be of a statutory and/or non-statutory nature, as required by the Board and/or Statutory Authorities.
- to review the staffing structure proposed by the Headteacher/Principal on an annual basis, and in-keeping with the annual budgeting process, ensuring it meet the needs of the in school/academy's improvement plan.
- to ensure that any changes to the approved school/academy staffing structure within the school, falling outside of approved budgets are raised with the CEO for approval.
- To monitor the school/academy's performance against the annual approved school/academy budget, ensuring accountability for any variances that arise
- to keep under review and monitor and evaluate those policies and documents that the school is required to have in place (DfE provide guidance on mandatory and recommended policies and procedures).

Chief Executive Officer (CEO)

2.7 The CEO will act as the Accounting Officer, as defined in the Academy Trust Handbook, and will ensure that:

- **Regularity**: the proposed transaction is compliant with the framework of authorities of the department or body concerned. That the transaction under consideration has sufficient legal basis, parliamentary authority, and Treasury authorisation; is compatible with the agreed spending budgets, the wider legal framework (for example subsidy control and procurement law), and the requirements regarding spending set out in this document
- **Propriety**: the proposal meets high standards of public conduct and relevant Parliamentary control procedures and expectations, including compliance with any conventions or commitments made to Parliament and cross-cutting government policies or standards, as well as the standards of conduct and good governance, as set out in this document
- **Value for money**: in comparison to alternative proposals or doing nothing, the proposal delivers the stated policy objectives in a way that represents good value for the Exchequer as a whole, taking into consideration the chances of different degrees of success or failure.
- **Feasibility**: the proposal can be implemented accurately, sustainably, and to the intended timetable with the resources available and without incurring wasteful or nugatory spend.

These definitions are not set out in MPM but may be useful:

- **Economy**: reducing the cost of resources used for an activity, while maintaining quality.
- **Effectiveness**: achieving the intended outcomes or objectives.
- **Efficiency**: achieving maximum output for given inputs, or minimum inputs for a given output.

The Accounting Officer must complete and sign a statement on regularity, propriety and compliance each year and submit this to the ESFA with the audited accounts. The Accounting Officer must also demonstrate how the Trust has secured value for money via the governance statement in the audited accounts. The CEO will be assisted in the delivery of the Trust's detailed accounting processes by the CFOO, or equivalent.

The Accounting Officer must take personal responsibility (which must not be delegated) for assuring the Board that there is compliance with the funding agreement and handbook. The Accounting Officer must advise the Board in writing if action it is considering is incompatible with the Articles, funding agreement or handbook.

Similarly, the Accounting Officer must advise the Board in writing if the Board fails to act where required by the funding agreement or Academy Trust Handbook. Where the Board is minded to proceed, despite the Accounting Officer's advice, the Accounting Officer must consider the Board's reasons and if the Accounting Officer still considers the action proposed by the Board is in breach of the Articles, the funding agreement or Handbook, the Accounting Officer must notify ESFA's Accounting Officer immediately in writing.

2.8 Within the framework of the Trust Strategic Plan, as approved by the Board of Trustees, the CEO has overall executive responsibility for the Trust's activities, including financial activities. They are responsible for:

- ensuring staff appointments delegated to the LGBs are within the authorised establishment;
- authorising orders, the award of contracts and payments within the approval limits of this Scheme of Financial Delegation;
- ensuring procedures are in place so that all sources of finance are accounted for and records held are fit for purpose;
- ensuring statutory requirements are met, for example regulations relating to HMRC (VAT and rules relating to employers);
- monitoring the regular budget reports with the CFOO and acting upon overspends or risks.

2.9 The CEO shall have authority to expend resources from within the budget approved by the Board of Trustees, provided that such expenditure does not:

- involve a change in or extension to the Board of Trustees' existing policies and/or service objectives;

- involve any significant increase in expenditure in future years;
- conflict with any limits/controls over income and expenditure specified by the Board of Trustees;
- involve a commitment that cannot reasonably be expected to be sustained from future budgets.

Chief Financial and Operations Officer (CFOO)

2.10 The CFOO is appointed by the Board of Trustees and works closely with the CEO, both of whom are responsible to the Trust Board. The CFOO plays both a technical and leadership role, including ensuring sound and appropriate financial governance and risk management arrangements are in place, preparing and monitoring of budgets, and ensuring the delivery of annual accounts.

The CFOO will act within the delegated authority given to the CEO. Their role will cover the following areas:

- The management of the Trust's financial position at a strategic level and operational level within the framework for financial control determined by the Board
- Ensuring returns to ESFA and other funding agencies completed correctly and on time
- Ensuring returns to statutory agencies are completed
- Managing investments
- The preparation of budgets and medium term financial plans
- Cash flow and treasury management
- Authorising orders and the award of contracts within approval limits
- Authorising payments within the approval limits
- To direct effective financial strategy, short/medium/ long term planning and risk assessment
- To manage the commercial responsibilities of the trust
- To support effective external audit and manage the associated contract with the approved accountancy provider.
- Ensuring monthly management accounts are prepared and shared with Trustees as required
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of each school/academy
- The maintenance of effective systems of internal control
- To implement effective internal audit process, with clear accountability reporting functions to the Trust FAR Committee.
- To oversee the effective use of the agreed/approved accounting system ensuring open and transparent finance reporting is in place for each individual school & at trust level.

Trust Finance Manager – Management Accounting

2.11 The Trust Finance Manager (TFM) works in close collaboration with the CFOO, both of whom are responsible to the CEO for financial management of the Trust and its Schools/Academies.

The main responsibilities of the TFM are:

- Processing all funding income for all schools
- Cash flow and treasury management, including reconciliation of the Trust's bank account and deposit accounts;
- Processing all intercompany journals
- Budget Planning – supporting Business Managers/Business Support Officers in their preparation of each school's annual budget, and assisting CFOO with the preparation of the Trust consolidated budget for approval;
- The preparation of monthly management accounts through the agreed/approved accounting system
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of each academy
- The maintenance of effective systems of internal control
- Authorising payments within the approval limits set within the financial scheme of delegation (Appendix 1)
- Ensuring that financial controls are working effectively at school/academy level
- Functional finance management of the Academy Business Support Officers.
- Complete and file VAT 126 returns
- Budget Planning software: responsible for the ongoing management of system implementation and maintenance
- Preparing the Year End Audit file:
    - Calculating all depreciation
    - Journaling all prepayments, accruals etc
    - Preparing all schedules
    - Preparing all payroll notes to the accounts
- Payroll:
    - Summarising & posting to accounts
    - Producing cumulative reports by employee for each school
    - Payment of all liabilities (HMRC, Pensions, Unions, Court Orders)
    - Reconciliation of monthly control accounts
    - Upload the monthly reconciliation file to the budgeting software
- Fixed Asset Register:
    - Maintaining and updating the Trust's Fixed Asset Register in accordance with the Trusts capitalisation and depreciation policy inputting the data from information regarding capital additions contained within the Trust's accounting software:
        - Long leasehold buildings 2% per annum
        - Computer equipment 33.3 % per annum
        - Fixtures, fittings and equipment 10%-25% per annum

Business Managers/Business Support Officers (SBM)

2.12 Each school within the Trust has its own Business Manager or Business Support Officer (SBM/BSO) or equivalent who plays that role, who will have delegated authority to ensure areas of responsibility are managed at school level. Where there is no Business Manager at the school (due to internal structure or vacancy), this role will be supported by the Central Trust's extended operational team who will work closely with the individual school.

The main responsibilities of the SBM are:

- Authorising orders and the award of contracts within the approval limits detailed in the scheme of financial delegation
- Reviewing the actual income and expenditure against the approved budget for their individual school/academy and ensuring school leaders are fully aware of any actual or forecast variances
- Managing the school's/academy's financial position at a strategic and operational level within the framework for financial control determined by the Resources Committee.
- Drafting original and revised finance plans in cooperation with the Headteacher/Principal and with the support of the Trust Finance Manager/CFOO.
- Maintaining the accounting records.
- Ensuring that purchase orders are raised prior to ordering goods/services, in order to aid effective budget monitoring and management.
- Monitoring the school/academy budget on a monthly basis.
- Ensuring value-added tax(VAT) is correctly accounted for.
- Liaising with the TFM in respect of any queries relating to Management Accounts, and ensuring data is supplied for preparation of annual accounts within agreed timescales.
- Completing checks on the monthly payroll files.
- Ensuring that draft budget papers are prepared for the consideration of the LGB and Trust FAR Committee.

Senior Finance Officer/Finance Officer

2.13 Finance Officers are a vital part of the Trust's central finance team. Their responsibilities are:

- Processing all invoices for the Trust and dealing with all queries
- Supplier database maintenance
- Credit card reconciliation and processing
- System update review and disseminating changes
- Processing all supplier BACS runs
- Preparing any correcting journals
- Providing system advice to member schools
- Highlight any procedure/policy breaches to CFOO

Headteachers/Principals

2.14 Within the framework of the Trust's Strategic Plan and each respective school/academy's development plan, each Headteacher has overall executive responsibility for the school/academy's activities. Much of the financial responsibility has been delegated to the CFOO, Trust Finance Manager and the Business Managers/Support Officers but the Headteacher/Principal still retains responsibility for:

- Approving new staff appointments within the authorised establishment, except for any senior staff posts which the LGB and or the Omega Trust Board of Directors have agreed should be approved by them;
- Authorising purchase orders within the approval limits of the scheme of delegation;
- Authorising expenditure within the approval limits of the scheme of delegation;
- Ensuring budgetary control within approved limits across all school budget holders;
- Reviewing the management account reports for their school/academy and acting upon overspends or risks, seeking approval from the CEO as necessary.
- Making recommendations to the LGB in relation to the appointment of members of the Senior Leadership Team (SLT) in their individual school/academy, within their approved budget.
- Approving recommendations in relation to the appointment of staff, other than members of the SLT within their approved budget.
- Providing a business case for any proposed expenditure that is outside the agreed budget.

Budget Holders

2.15 All Trust-level budget holders will be designated by the CEO and or the CFOO. All school/academy-based budget holders will be designated by the Headteacher/Principal and/or Business Manager/Support officer.

Budget holders must:

- Authorise orders within the approval limits shown in the Financial Scheme of Delegation
- Monitor their budget reports/spend to date, on a monthly basis and account for any variance/overspend to their respective Headteacher or the CFOO/TFM.

Other Staff

2.16 All staff are responsible for the security of the Trust's property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with Trust procedures.

3. Register of Business & Related Party Interests

3.1 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 Trust directors, governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the Trust may purchase goods or services. The register is open to public inspection.

3.2 The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the Trust. 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 governor or a member of staff by that person.

3.3 The existence of a register of business interests does not, of course, detract from the duties of directors, governors and staff to declare interests whenever they are relevant to matters being discussed by the board of directors or a committee. Where an interest has been declared, directors, governors and staff should not attend that part of any committee or other meeting.

From 1 April 2019, in addition to existing requirements, academy trusts must declare their intention to enter into a new agreement with a related party before confirming the transaction with their supplier.

This reporting requirement relates to new agreements made with related parties on or after 1 April 2019.

Academy trusts must continue to report all related party transactions, including those agreed between 1 September 2018 and 31 March 2019, in their 2018/19 financial statements, following guidance set out in the Academies Accounts Direction.

Academy trusts must seek prior approval from ESFA when:

- a single contract or agreement with a related party exceeds £20,000
- a contract or agreement of any value means the total value of contracts or agreements with the same related party exceeds £20,000 in a financial year

With effect from 1st September 2023, trusts must obtain ESFA's prior approval, for contracts and other agreements for the supply of goods or services to the trust by a related party where a contract or other agreement exceeds £40,000 in the same financial year ending 31 August.

Academy trusts must declare or seek approval using the **related party transactions online form**.

You need to have all information and documents ready before starting the online form. It's not possible to partially complete the form and return to it.

You need an IDAMS account to use the form. To set up an account and approve other users, follow the guidance How to register for an IDAMS account.

At Cost Requirements (Academy Trust Handbook 5.49 to 5.59 extract)

5.49 Subject to sections 5.54 to 5.57 a trust **must** pay no more than 'cost' for goods or services ('services' do not include contracts of employment) provided to it by the following persons ('persons' meaning both individuals and organisations):

i) member or trustees of the academy trust

ii) 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. 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
   b. individual or organisation carrying on business in partnership with the member, trustee or a relative of the member or trustee
   c. 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

iii) 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

iv) 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 any body connected to such individual or organisation

v) any individual or organisation recognised by the Secretary of State as a sponsor of the academy trust; or any body connected to such individual or organisation

5.50 A body is connected to another individual or organisation if it is controlled by the individual or organisation, or controls the organisation, or is under common control with the individual or organisation. For these purposes, control means:

i) holding more than 20% of the share capital (or equivalent interest), or

ii) having the equivalent right to control management decisions of the body, or

iii) having the right to appoint or remove a majority of the board or governing body

5.51 The 'at cost' requirement does not apply to the trust's employees unless they are also one of the parties described in section 5.49.

5.52 While these provisions do not apply to contracts of employment, the principles of value for money and using public money properly, including managing conflicts of interest, still apply. Salaries should be appropriate to the individual's skills and experience and to wider market rates.

5.53 If staff of an individual or organisation in section 5.49 are based in, or work from the premises of, the academy trust, that individual/ organisation and the trust **must** agree an appropriate sum to be paid to the trust for use/occupation of the premises, save to the extent that they are carrying out work for the trust.

5.54 The 'at cost' requirement applies to contracts with a related party exceeding £2,500, cumulatively, in any one financial year. Where a contract takes the trust's cumulative annual total with the related party beyond £2,500, the element above £2,500 **must** be at no more than cost.

5.55 In relation to organisations supplying legal advice or audit services to the academy trust, the 'at cost' requirement applies where the organisation's partner managing the service is a member or trustee of the trust but not in other cases for those organisations. The published ethical standards for auditors prevent partners or employees of the audit firm from acting as a trustee of their client trust, but not of other trusts.

5.56 For academies with a religious designation, the provision of services to protect and develop their religious character and ethos, which can only be provided by their religious authority, are regarded as meeting the 'at cost' requirement.

5.57 ***New wef 1st September 2025*** For academy trusts:

- with a college, university or school which is a sponsor of the academy trust, or
- transacting with any other state funded school (including an academy) or college

the provision of goods and/or services by that sponsor, state funded school or college are regarded as meeting the 'at cost' requirement. This does not apply to transactions with a subsidiary of such a related party.

5.58 Academy trusts **must** ensure any agreement with an individual or organisation referred to in section 5.49 to supply goods or services to the trust is properly procured through an open and fair process and is:

(i) supported by a statement of assurance from that individual or organisation to the trust confirming their charges do not exceed the cost of the goods or services, and

(ii) on the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply

5.59 For these purposes the cost will be the ' full cost' of all the resources used in supplying the goods or services, and **must not** include any profit. Full cost includes:

(i) all direct costs (costs of materials and labour used directly in producing the goods or services)

(iii) indirect costs (a proportionate share of fixed and variable overheads)

4. Accounting system

4.1 The Trust uses Access Accounting Systems (Hoge 100) at all its schools/academies. The Trust's accounting system is fully computerised and all financial transactions of the Trust must be recorded on this system.

Disaster Recovery

4.2 A disaster recovery plan is in place in the event of loss of accounting facilities or financial data. This links 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.

Trusts should have an understanding of the extent to which they are meeting DfE's digital and technology standards and be working towards meeting the following 6 core standards by 2030:
Broadband internet
Network switching
Wireless network
Cyber security
Filtering and monitoring
Digital leadership and governance

System Access

4.3 Access to the system is restricted to the Trust's employees and those authorised by the Chief Finance and Operating Officer. Access to the component parts of the system can also be restricted and the CFOO/TFM are responsible for setting access levels for all members of staff using the system.

Entry to the Access accounting system is password restricted and the CFOO is responsible for implementing a system which ensures that passwords are changed at least every year. Passwords are only known by the relevant member of staff and passwords are changed immediately if an employee is aware that an unauthorised person has learnt their password. Access for staff who are no longer employed by the Trust is removed as soon as the member of staff leaves.

4.4 The Trust uses computer software to process and record financial and other management data including pupil and staff records. The Trust is registered with the Information Commissioner's Office and complies with the requirements of the GDPR. All accounting records including orders, invoices, bank statements, are retained electronically for six years, plus the current year. The CFOO makes arrangements for the secure retention of electronic accounting records.

4.5 All computing facilities that are used for financial management and administration arrangements must:

- conform to the requirements of Data Protection legislation;
- secure the accuracy and integrity of all financial data relating to all Trust Schools.

In particular, such arrangements should make proper provision for:

- the physical security of computer equipment and software;
- the restriction of access to the means of processing or reading data to authorised personnel only;
- the procedures for the control of input and output;
- the procedures for the reliable reconstruction of records in the event of system failure (system back-up);
- the procedures for the processing of data by alternative means in the event of other than temporary breakdown.

4.6 **Cybercrime**

Academy trusts must also be aware of the risk of cybercrime, put in place proportionate controls and take appropriate action where a cyber security incident has occurred. Trusts should take appropriate action to meet DfE's cyber security standards, which were developed to help them improve their resilience against cyber-attacks.

Trusts must not pay any cyber ransom demands. DfE supports the National Crime Agency's recommendation not to encourage, endorse, or condone the payment of ransom demands. Payment of ransoms has no guarantee of restoring access or services and is likely to result in repeat incidents.

Staff training

4.7 All staff using the Trust's finance core finance system receive training from the software supplier Hoge 100. Finance staff working in schools receive training on the use of the Finance Portal from Hoge 100. The Finance Portal has inbuilt within it the Trust's scheme of financial delegation which provides the system of internal control.

All staff who are involved in the preparation of budgets and in year forecasts receive training on how to use the Trust's Integrated MAT Planning Software IMP.

System Back-up Procedure

4.8 The Access Accounting system and IMP Budget Planning systems are cloud-based and therefore, do not require back-up by Omega MAT. Back-up is executed by the system provider.

Transaction Processing

4.9 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 relevant sections of the systems manual. All journal transfers must be kept in a file and authorised by the SBM or equivalent in each school, Finance Manager or CFOO prior to being input to the accounting system. Any bank transactions input by other staff should be checked and approved by the SBM, Finance Manager or CFOO.

4.10 Detailed information on the operation of the Trust's financial system can be found in the on screen help within the software and the user manuals provided.

Transaction Reports

4.11 The SBM at School level and Finance Manager (FM)/CFOO at MAT level will obtain and review online system reports to ensure that all transactions are posted correctly to the accounting system.

The reports reviewed will include:

- audit trail reports;
- monthly payroll journal postings;
- bank reconciliation reports;
- management accounts summarising expenditure and income against budget;
- the balance sheets;
- the cashflow;
- the purchase ledger and sales ledger reports including aged creditor and debtor reports;
- fixed asset reports.

Reconciliations

4.12 The Finance Manager is responsible for ensuring the following are reconciled and authorised each month, in accordance with Management Account deadlines, and that reconciling or balancing amounts are cleared:

- the sales ledger control account MONTHLY
- the purchase ledger control account MONTHLY
- payroll control account MONTHLY
- suspense accounts MONTHLY

- accruals and prepayments ANNUALLY
- the bank balances per the nominal ledger MONTHLY
- fixed asset register MONTHLY

4.13 Any unusual or long outstanding reconciling items must be brought to the attention of the Accounting Officer, who will review and sign all reconciliations as evidence of review.

5. Financial planning and budgeting process

Equitable Funding Policy

5.1 Trust income is largely determined by pupil numbers in each of the Trust's schools/academies. The Trust firmly believes that schools should be funded based on its individual context, its improvement priorities and needs, rather than the restrictions that are inherently linked to a direct relationship between income and expenditure. Equitable Funding targets the Trust's financial resources as a whole, to ensure school leaders are able to provide the best educational experience, an appropriately funded curriculum and staffing structure that best supports our pupils.

5.2 The Trust will ensure all ring-fenced funding, such as funding attracted through Pupil Premium Grants and funding linked to Special Educational Needs and/or Disability, are explicitly deployed to each respective school/academy.

5.3 All other funding will be deployed equitably across all schools to ensure they are appropriately funded to deliver against their improvement priorities and to ensure a safe and effective educational provision.

5.4 Funding will be distributed to individual school/academy budgets through a Tiered Approach, as follows:

Tier 1: Educational Delivery: This is the priority in all budget setting processes. At Tier 1, funding will be deployed to meet the costs of educational delivery, as determined by school/academy staffing structures, curriculum resources and assessment, including the administration of examinations.

Tier 2: Estate Improvement and Specialist Projects: This tier of funding is Business Case approved and will be used to prioritise and deploy funding to deliver specific capital projects, investment in specialist resources, planned maintenance and other one-off projects.

Tier 3: Estate Management and Omega Professional Services: This tier of funding ensures appropriate oversight and delivery of all professional services, utilities, estates and contracts management. This tier of funding is managed centrally.

Trust and School/Academy Development Plans

5.5 The Trust and each school/academy will prepare both medium term and short-term financial plans. Medium term is defined as a period of three years. The medium-term financial plan is prepared as part of the Trust and School/Academy Development planning process. The Trust Development Plan indicates how the Trust's and each school/academy's educational and other objectives/priorities are going to be achieved and the required level of staffing and financial resource. Development Plans provide the framework for the annual budget. The budget is a detailed statement of the resources available to the Trust and each school/academy and the planned use of those resources for the following year.

Trust Development Plan

5.6 The Trust Development Plan is concerned with the future aims and objectives of the Trust and how they are to be achieved; that includes matching the Trust and each School'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.

The form and content of the Trust Development Plan will be proposed by the CEO, in conjunction with the Trustees, giving due regard to guidance to academies issued by the DFE.

School/Academy Development Plans

5.7 Each School/Academy will produce its own Development Plan which is concerned with the future aims and objectives of the school/academy and how they are to be achieved; that includes matching the school/academy's objectives and targets to the resources expected to be available.

The form and content of each School Development Plan will be proposed and/or monitored by the CEO, in conjunction with Headteachers/Principals and Local Governing Bodies, giving due regard to the Trust Development Plan and guidance to academies issued by the DFE.

Financial Planning Process

5.8 The CFOO is responsible for working with the CEO, Trust Finance Manager, Headteachers/Principals and their Business Managers/Support Officers, to prepare a draft annual budget.

5.9 The annual budget forecast 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 objectives of the Trust Development Plan/School Development Plans and the budgeted utilisation of resources.

5.10 In order to implement a budget setting process, the CFOO will create a budget setting schedule by 31 January each year, which outlines important deadline and dates for the annual financial planning cycle.

5.11 The financial planning process follows an annual planning cycle consisting of the following four phases:

PHASE 1: Business Planning
PHASE 2: Budget Setting
PHASE 3: Monthly Monitoring
PHASE 4: Quarterly Financial Performance Review

PHASE 1: Business Planning

5.12 At the start of this phase, Trustees will set and make known budget parameters and Key Performance Indicators (KPIs) that draft budgets should meet.

5.13 Trustees will also agree assumptions which must be included relating to Trust income, staffing cost increases, pension cost increases and other inflationary factors.

5.14 During this phase, the Trust, and each of its constituent schools/academies will propose and agree in principle, the staffing establishment and educational resource required to deliver each school's improvement priorities and operational effectiveness. This will take into account changes to demographic and pupil numbers, the context of each school and its school improvement priorities.

5.15 Draft budgets will be generated at the end of the Business Planning phase of the financial planning cycle, with advice and support from the central finance team.

PHASE 2: Budget Setting

5.16 Development Plans (as outlined above), the Trust's Equitable Funding Statement and approved parameters/benchmarks provide the framework for the annual budget.

5.17 The Trust should set a balanced budget, taking into account the current level of reserves, medium term projections and the need to invest to meet the longer-term business plan.

5.18 The Trust Budget must comply with the Trust's Reserves Policy, unless specific allowances have been agreed by the Trust Board and/or the Trust Finance, Audit and Risk Committee.

5.19 After the Business Planning stage of the budget setting process, each individual school/academy within Omega MAT will draft their educational budget in line with the **Equitable Funding Policy.**

5.20 The Trust Finance Manager, in consultation with the CFOO will prepare a draft consolidated budget for the Trust, its professional services and central infrastructure.

5.21 Draft budgets will then be reviewed by the CEO and CFOO with due regard to parameters and financial benchmarks as set by Trustees in the Business Planning phase. Draft budgets will be reviewed in Budget Setting meetings with Headteachers/Principals and their respective Business Managers/Business Support Officers. Any necessary adjustments to the proposed budget or staffing establishment will be agreed at this stage.

5.22 Draft budgets will be presented by the CFOO to the FAR Committee, together with a supporting report for review. The FAR Committee then recommend the draft Budget for approval by the Trust Board. Once agreed, the Trust Board must minute their approval of the budget in line with DfE requirements.

5.23 The approved budget must be submitted to the ESFA via the Budget Forecast Return (BFR) which incorporates the annual budget and three-year financial plan. This is required by 31 July on an annual basis. The CFOO is responsible for ensuring that the submission date is met.

5.24 Following approval, the budget will be communicated to all employees with budgetary responsibility.

Appeals

5.25 If an individual Headteacher/Principal, and/or its LGB is unhappy with their school's allocated Educational Budget, they can raise their concerns, in writing to the CEO. This should detail why they feel their school/academy has been treated unfairly and what action they expect to be taken to remedy the situation. The CEO is required to respond to the concern within 10 working days of receipt.

5.26 If the Headteacher/Principal, and/or its LGB remains unhappy with the outcome of their appeal, they have the right to appeal to the FAR Committee of the Trust Board, who will consider the grounds of the appeal and the response of the CEO and advise the CEO of their findings.

5.27 Trustees will respond to the appeal within two weeks of receipt of the appeal and will advise the school leader/LGB Chair of the outcome of their review.

5.28 Should the Headteacher/Principal and they LGB still their school has been unfairly treated, they may escalate their concerns to the Education Skills and Funding Agency who will investigate and advise of their advice which will be binding on the Trust.

Deficits

5.28 In any given year it is not permissible for the Trust to prepare and plan for a deficit budget without approval from the Trust Board.

5.29 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.

5.30 The CEO may request a draw from reserves if the reserves position permits, in order to deliver against improvement priorities. In this case, the Trust Board will require a 'recovery plan', which results in the deficit position being rectified in the following academic year and or unless otherwise specified by the Trust Board.

Surpluses

5.31 If a potential surplus is identified, this may be held back to bolster reserves (see Reserves Policy below) or alternatively, could be allocated to areas of emerging need. Any expenditure outside of approved budgets will require trustee approval.

PHASE 3: Budget Monitoring

5.32 Monthly Management Accounts will be prepared by the School Business Manager or equivalent at school/academy level and the Trust's Finance Manager overseen by the CFOO at Trust level. The reports will detail actual income and expenditure against budget both for budget holders and are available online via the Finance Portal. Financial reports at individual School and Trust level are available through the IMP software. These reports include actual v budgeted income and expenditure including forecasts to the end of the financial year. They provide both detail and at a summary level for the HT/CEO and FAR Committee.

5.33 Any variance against the budget must in the first instance be discussed between the Headteacher/principal and their Business Manager or equivalent. At Trust level, this will be raised with the CEO by the CFOO. The Finance Portal system has been implemented so as not to allow payments to be made against an overspent budget without the approval of the CFOO.

5.34 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate.

5.35 Monthly Management Accounts will be reviewed with the Chair of the FAR committee and Chair of the Trustees, then submitted to trust board for consideration, and the most recently available management accounts will be presented in detail to the FAR Committee.

PHASE 4: Financial Performance Review

5.36 In keeping with the production of monthly management accounts, the CEO, CFOO and Trust Finance Manager will meet four times each year to review the financial management of each school/academy budget, and the Trust central budget.

5.37 The Performance Review Process will overlap the key aspects of Business Planning in Phase 1, as follows:

October: Performance Review 4
Review outturn position from last financial year.
Consider financial management implications for current year

January: Performance Review 1 / Business Planning 1
Review of year-to-date position based on Management Accounts
Consider forecast for Year-end; Plan remedial action required
Consider Staffing Establishment for September.

April: Performance Review 2/Business Planning 2 (Draft Budget)
Review of year-to-date position based on Management Accounts
Consider forecast for Year-end; Plan remedial action required
Agree Staffing Establishment for September

July: Performance Review 3/Business Planning 3 (Final Budget)
Review of year-to-date position based on Management Accounts
Consider forecast for Year-end; Plan remedial action required
Confirm Educational Budget for September

6. Reserves Policy

6.1 Omega MAT, in keeping with its model of Equitable Funding, will pool all reserves brought forward from each of its constituent schools as of 1 September 2023.

6.2 On conversion or transfer to Omega Multi Academy Trust, all funds held in reserve that are not otherwise committed will become part of the trust's consolidated reserve fund.

6.3 Reserves can be used to support Capital Investment or other specific projects and will be considered on a case-by-case basis, informed by a detailed business case.

6.4 The Board of Trustees reviews the consolidated reserve levels of the Academy Trust annually at the year-end and as part of its budget planning process. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. Trustees determine what the level of uncommitted reserves should be. The aim is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

6.5 As part of its monitoring of in-year financial performance, the Board of Trustees reviews the forecast impact on reserves and considers this as a part of its medium term financial planning.

6.6 The targeted level of free reserves required is considered to be the equivalent of one month's payroll costs across the Trust. Trustees have determined this amount to be 5% of total annual expenditure.

6.7 If the Trust's free reserves falls short of this target, the Trust will continue to attempt to make cost savings to increase the reserves to the required level sustainably, whilst ensuring that the trajectory of school improvement is maintained.

6.8 Reserve funds will be held on deposit in an interest bearing account in a UK regulated bank or in other instruments and investments as agreed from time to time by the Board.

6.9 The usage of these reserves must be approved in advance by the Trust Board.

7. Payroll

Staff Appointments

7.1 As part of the annual budget process, the Trust Board will approve a staff establishment for (a) The Trust and (b) Schools/Academies. Amendments to the approved establishments within approved budget levels, in the case of (a) require the approval of the CEO and in the case of (b) require the approval of the Headteacher and in both cases should be reported to the CFOO.

7.2 The CEO for the Trust and Headteacher/Principal for each school/academy have the authority to appoint staff within the authorised establishment except for the role of Head Teacher/Principal where Trust Directors will be involved, and Deputy Headteachers/Vice Principal, where Local Governors will be involved in the appointment. The CEO will approve all appointments to the Executive and Central Team of the Trust with the exception of the CFOO, which is a Board appointment.

7.3 The board of trustees must ensure its decisions about levels of executive pay (including salary and any other benefits) follow a robust evidence-based process and are a reasonable and defensible reflection of the individual's role and responsibilities. No individual can be involved in deciding their remuneration. Decisions about executive pay may be challenged by DfE.

The board must discharge its responsibilities effectively, ensuring its approach to, and levels of, pay and benefits is transparent, proportionate and defensible. This must be documented in an agreed pay policy, which sets out the process for determining executive pay and includes:

- independent scrutiny by the board
- robust decision-making that demonstrates justifiable pay

- proportionality – that pay and benefits represent good value for money and are defensible relative to the public sector market
- documented decision-making with rationale and approval by the board
- a basic presumption that executive pay and benefits should not increase at a faster rate than that of teachers, in individual years and over the longer term

Payroll Administration

7.4 The monthly payroll is administered by Warrington Borough Council. The provider will only accept changes to payroll that have been advised by the Trust's HR team, after these have been authorised by the CEO, CFOO, Headteacher/Principal or School Business Manager.

All staff are paid monthly; a master file is created for each employee which records:

- salary
- bank account details
- taxation status
- personal details
- any deductions or allowances payable

7.5 New payroll files and contractual changes can only be notified to the payroll provider with the express approval of the Headteacher/Principal or the CEO. All starters, leavers, contract changes and casual payments must be authorised by the Headteacher/Principal or the CEO prior to the payroll run and under no circumstance should a person be authorising changes to their own records.

7.6 The payroll provider will circulate a timetable at the start of each year which each academy within the Trust follows to ensure payment to staff are made promptly and correctly.

7.7 The School Business Managers or equivalent designated person at each school/academy must complete staff returns which provide details of sickness and other absences during the month. These will be duly notified and sent to the Payroll provider by the central HR Team.

7.8 Staff who are paid on submission of a time-sheet must complete and return their time-sheet to the School Business Managers in accordance with the monthly timetable. Failure to do this may result in non-payment of salary by the Trust in the month concerned, and in these circumstances, the salary payment may not be paid until the next payroll run in the following month.

7.9 School Business Managers (or equivalent) collate the information first. The Headteacher/Principal checks and authorises each timesheet first before processing. The segregation of duties ensures any claim entered has to be authorised by another party (either the Head of Department or SBM) prior to authorisation by the Headteacher/Principal.

7.10 Before the payroll is processed the file should be checked against source documentation. If this is undertaken by admin/finance staff, it should be reviewed by the School Business Manager or equivalent (SBM), but if it is undertaken by the SBM, then it should be reviewed by the Headteacher/Principal. For accounting purposes, the final payroll journal is processed at Trust level with the individual schools undertaking checks of their initial and final payroll reports on a monthly basis, signed by the Headteacher/Principal.

Payments

7.11 Once monthly staff returns have been passed to the payroll provider, they calculate the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions.

7.12 The payroll provider will provide details of calculated payments to the Trust.

7.13 Salary payments are made by BACS, or by cheque if staff bank details are not available (the latter is in exceptional circumstances).

7.14 After the payroll has been processed and submitted by the SBMs at school level, upon receipt of the relevant reports the School Business Managers (or equivalent) will update the nominal general ledger and reconcile the payroll control accounts. The Trust Finance Manager will review the payroll control account and individual cost centres to ensure amounts have been correctly posted and advise the CFOO

7.15 Approval for all severance payments must be in line with the Academies Trust Handbook and contain a business case showing value for money. Where ESFA approval is not required the CEO and CFOO must be in agreement and all details documented in the personnel file and reported to the CFOO to ensure capture within the annual accounts.

7.16 All non-contractual and non-statutory severance payments over **£50,000** before deductions must be pre-authorised by the ESFA.

8. Purchasing

8.1 The Trust must ensure that spending has been for the purpose intended and is required to achieve the best value for money from all its purchases. This means purchasing goods at the correct quality, quantity and time at the best possible price 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 Trust.
- Accountability, the Trust is publicly accountable for its expenditure and the conduct of its affairs.

- Fairness, that all those dealt with by the Trust are dealt with on a fair and equitable basis.

All spend must be authorised through the internal delegation levels that apply throughout the Trust and are detailed in Appendix 1.

Purchase of Alcohol

8.2 It is strictly prohibited to purchase alcohol using Trust funds.

Contracts Register

8.3 Contracts are managed by the Commercial Manager and recorded within the MIS system (Every). The CM collates, reviews and leads negotiations on renewing contracts. The CM produces contract register reports to the Trust Finance Manager and CFOO.

8.4 Upon joining the Trust, schools/academies have their own contracts register and preferred suppliers. If value for money is to be achieved consolidation of some suppliers is required. As contracts become renewable these should to be approved by the CEO and/or CFOO. All new contracts must receive approval from the CEO in advance**.**

Routine Purchasing from Approved Suppliers

8.5 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, working with the Business Support Officer, and to ensure that any expenditure is consistent with the objectives of the academy.

8.6 Where there is an approved supplier for a specific supply or service, purchases can be made in keeping with the authorisation limits agreed by the Board of Trustees.

8.7 Routine purchases up to £10,000 can be requested and are authorised as per the scheme of delegation. A quote or price must always be obtained before any order is placed. Purchases over £10,000 require three written quotes or procurement through an approved framework agreement.

8.8 The central finance team have a list of regularly used suppliers, however, if the purchaser considers that better value for money can be obtained by ordering from a supplier not regularly used by the Academy then this must be discussed with the finance team.

8.9 Appropriate authorisation limits are reviewed annually and approved by the Trust's Board (see Appendix 1). The detailed Purchasing Procedures can be seen at Appendix 2.

Purchasing from New Suppliers

8.10 Where there is not an approved supplier, or if the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list, then a new supplier request must be submitted by the person making the requisition. In order to demonstrate value for money, three quotes should be obtained. Orders can then be placed with the chosen supplier up to the approval limit as defined in Appendix 1.

8.11 All new suppliers must be approved by the Finance Manager, CFOO or CEO. For orders of £50,000 and over, a formal tender process or purchase through a framework agreement will be required.

8.12 Formal tendering procedures will not be required if using purchasing framework agreements but if there is more than one supplier within the framework agreement it is best practice to secure up to three quotations.

Procurement

8.13 The Trust employs a Commercial Manager to ensure that the Trust's procurement strategy achieves best value, utilises economies of scale and takes advantage of all possible savings. The Trust will also, whenever possible, use the DfE's (Department for Education) Get Help Buying for Schools service which provides a compliant purchasing route through frameworks such as Crown Commercial Services (CCS) and Crescent Purchasing Consortium (CPC) .

Leasing

8.14 The Trust is able to enter into operational leases as outlined in the Academy Trust Handbook and the prior to entering into the lease the Trust must ensure the lease maintains the principles of value for money, regularity and propriety.

8.15 All leasing agreements must be signed off by either the Trust's CEO or CFOO. Staff other than the Trust's CEO and CFOO are not permitted to enter into any leasing agreements on behalf of the Trust or any of its constituent schools.

8.16 There are two types of lease:

- Finance leases: these are a form of borrowing and can only be entered into with the specific authority from the ESFA.
- Operating leases: these are not borrowing; the Trust does not require ESFA's approval for operating leases.

8.17 The Trust **must** obtain ESFA's prior approval for the following leasing transactions:

- Taking up a finance lease on any asset for any duration from another party, which are subject to the borrowing restrictions described in paragraphs 5.33 and 5.34 of the Academy Trust Handbook.

- Taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years
- Granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.
- Othan than these, trusts do not require ESFA's approval for operating leases.

9. Income

9.1 The main sources of income for the Trust are the grants from the ESFA. The receipt of these sums is monitored directly by the Finance Manager, in consultation with the CFOO, who is responsible for ensuring that all grants due to each academy are collected.

9.2 The Trust and each its constituent schools, may also obtain income from the following:

- school trips, catering or music tuition in relation to students;
- wrap Around Care – parental contributions for morning and afternoon care;
- early Years Provision – parental contributions and a grant payment from the local Authority;
- lettings & hire charges – from the wider community;
- consultancy services provided to other academies and schools.

9.3 It is recommended that all parental/carer income should be collected using the relevant school online payment system. For any cash income received, a receipt is issued with a signature. Other records are maintained for small amounts of income and remittances are held by the finance team.

Invoices

9.4 Invoices should be raised by the Central Finance Team, where the Trust, or any of its constituent schools provide a service. The standard terms for payment is within 30 days, unless it is a condition of the service that payment is received first. It is important to note:

- parental contributions & donations are normally requested in advance;
- after school clubs should be paid in advance or arrangements should be in place to accept payments by standing order or childcare voucher;
- Early Years provision should be paid in advance or arrangements should be in place to accept payments by standing order or childcare voucher;
- all lettings should only be confirmed on receipt of a booking form.

Organisations should be instructed to send payment to the Central Finance Office.

9.5 Should the individual school within the Trust use electronic online payment collection software e.g. Wyse pay, Parentmail, ParentPay this will, negate the need to issue an invoice other than when chasing outstanding debts.

Custody

9.6 Official, pre-numbered school receipts should be issued for all cash and cheques received where no other formal documentation exists (this applies to all Schools who either don't have payment collection systems or for whatever reason do not use such systems for a particular transaction). All cash and cheques must be kept safe prior to banking. Banking should take place every week or more frequently if the sums collected exceed the insurance limit.

9.7 Monies collected must be banked in their entirety in the appropriate bank account. The MAT Finance Manager and CFOO are responsible for preparing monthly bank reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system.

Bad Debts

9.8 All outstanding monies should be pursued by the Trust Finance Team or School Business Manager as appropriate, if they are outstanding by more than 30 days. This should initially be in writing but may be followed up by phone calls or a face-to-face conversation. Once a debt is outstanding for 60 days the matter should be dealt with by the CFOO on accordance with the Trust's policies.

9.9 Bad debts will only be written off in keeping with the Financial Scheme of Delegation (see Appendix 1).

9.10 The CFOO will consult the CEO and/or the Headteacher/Principal, regarding any debt arrears and for invoices raised by the Trust, up to the value of £5,000 and propose they should be written off. Debts over £5,000 will require approval of the Board of Trustees.

10. Cash Management

Bank Accounts

10.1 The opening of all accounts must be authorised by the Board of Trustees and the bank mandates, showing authorised signatories and transfer arrangements, and filed securely. The operation of the Bank Automated Clearing System (BACS) and other means of electronic transfer of funds is subject to the similar control.

10.2 The MAT Finance Officer raises a suggested payment listing report from the accounting software, this is reviewed, approved and uploaded to the on-line banking facility, thus authorising the first level of the process. The CFOO then reviews the payment listing and authorises the second level of the process via the on-line banking facility. In the absence of the CFOO, this second level of authorisation is provided by the CEO.

Deposits

10.3 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;
- a reference, such as the number of the receipt or the name of the debtor.

Arrangements for deposits made by individual Schools will be agreed between the CFOO and the School Business Manager or equivalent.

Payments and withdrawals

10.4 All cheques and other instruments authorising withdrawal from the Trust's bank account must bear the signatures of two authorised signatories and be in accordance with limits set out in the scheme of delegation. This provision applies to all accounts, public or private, operated by or on behalf of the Board of Trustees.

10.5 Credit cards linked to the academy Trust bank account are issued to personnel under the Scheme of Delegation for the purpose of paying for goods to obtain best value for money. Especially for purchases made through E-Procurement.

10.6 The procurement of goods and services through the use of credit cards will be kept to a minimum and monitored by the CFOO.

10.7 Procurement via credit card requires the same authorisation as purchase orders.

10.8 Staff using a credit card should ensure they obtain a VAT invoice and official receipt and ensure that these are sent to the Trust's Central Finance Office so that these can be matched to the credit card statement.

10.9 The number of credit cards, their usage and controls will be reviewed on a monthly basis, by the Finance Manager. Any concerns will be raised with the CFOO.

Administration

10.10 The MAT 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 cash book;
- reconciliations are subject to a monthly review and sign off carried out by the CFOO;
- adjustments arising are dealt with promptly.

Petty Cash Accounts / Staff Expenses

10.11 The Trust does hold a minimal amount of Petty Cash balance for day-to-day operations. The petty cash float for each school will be agreed by the CFOO.

10.12 Where purchase cannot be made using by the issuing a purchase order or using a Trust charge card, out of pocket expenses from staff will be settled via the Central Finance Office subject to prior approval for the expenditure having been received from the CEO, CFOO, HT, or SBM, in line with the Scheme of Delegation. A Trust expenses claim form should be submitted at the end of the month, along with the VAT receipts, and will be authorised as above in line with the scheme of delegation. Claims for mileage will be paid using the current HMRC rates.

10.13 Out of pocket expenses for the CEO will be authorised by the Chair of the Trust Board. The completed signed form with receipts will be processed by the MAT Finance Officer for inclusion in the next payment run.

Cash Flow Forecasts

10.14 The CFOO is responsible for ensuring cash flow forecasts are prepared to ensure that the Trust has sufficient funds available to pay for day-to-day operations. Any concerns should be immediately reported to the CEO.

Treasury Management Policy - Investments

10.15 Investments must be made only in accordance with written approval by the Board of Trustees.

10.16 The Trust has a policy of investing surplus cash funds in only a low risk bank deposit accounts arranged through the Trust's bank Lloyds TSB. Amounts invested must be reviewed at least annually by Trustees. There are currently no other investments but should there be, they must be recorded in sufficient detail to identify the investment and to enable any current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

11. Fixed assets

Asset Register

11.1 All items purchased with a value over the Trust's capitalisation limit of £1,000 must be entered on the Asset Register. The Asset Register is maintained by the Trust's Finance Manager and includes the following information:

- asset description;
- asset number;
- serial number (if available);
- date of acquisition;
- asset cost;

- source of funding (% of original cost funded from DfE grant and % funded from other sources);
- expected useful economic life;
- depreciation;
- current book value;
- location;
- person responsible.

11.2 The Asset Register helps to:

- 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;
- support insurance claims in the event of fire, theft, vandalism or other disasters.

11.3 The Asset Register will be reviewed and updated on a monthly basis by the Trust Finance Manager, to ensure completeness and to identify any discrepancies. Any discrepancies over £1000 must be reported to the CFOO.

Depreciation

11.4 The Trust will depreciate fixed assets in line with recognised accounting standards, academy best practice and ESFA/DfE guidelines.

The depreciation rules of the Trust are as follows:

Long Leasehold Land and Buildings	50 years (2% per annum)
Computers and IT Equipment	3 years (33.3 %per annum)
Fixtures, Fittings and Equipment	between 4 and 10 years (dependent upon the nature of the asset) (between 10% and 25% per annum)

Any revisions to this policy will be approved by the Trustee Board.

Security of Assets

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

Disposals

11.6 In all cases a Disposal of Equipment Form is completed regardless of book value being above or below £5,000 with regards to sale or destruction. Items over £5,000 will need additional approval as set out in the scheme of delegation (see Appendix 1)

11.7 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 may need to ensure licences for software programmes have been legally transferred to a new owner.

11.8 The Trust is expected to reinvest the proceeds from all asset sales to be reinvested in the Trust. If the sale proceeds are not reinvested then the Trust may need to repay to the ESFA/DfE a proportion of the sale proceeds.

11.9 All disposals of land must be agreed in advance with the Secretary of State for Education via application to the ESFA.

Loan of Assets

11.10 Items of Trust property must not be removed from Trust/school premises without the authority of the Headteacher or CEO. A record of the loan must be recorded on a Loan of Equipment Form and booked back into the School/Trust when it is returned.

11.11 The person approving the loan will be asked for a copy of a Loan of Equipment Form, should an item of equipment be missing when a fixed asset audit is undertaken.

11.12 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.

12. Capital Planning

12.1 In general terms capital expenditure should be funded from the trust's School Condition Allocation (SCA) or additional Condition Improvement Fund (CIF) applications. The Trust will keep all capital need under review and prioritise its allocations annually within a longer-term view to provide fit-for-purpose facilities on all its school sites. In forming Capital plans the Trust will use either ESFA Condition Reports and/or Condition Surveys independently commissioned by the Trust in the event of these not being available or where these or previous condition reports are considered to be out of date.

12.2 All capital plans will be approved by the FAR Committee. For larger scale Capital projects over £250,000 which require the appointment of a specialist building or other specialist contractor (s) the board will appoint a Capital Projects Subcommittee of

Trustees to oversee the project. These projects will follow the procurement procedures and thresholds outlined in the scheme of financial delegation (Appendix 1), the Trust's purchasing procedures outlined in Appendix 2 and also the procedures outlined in the Trust's Competitive Tendering Policy (Appendix 3).

Capital Investment Plan

12.3 On an annual basis the Capital Investment Plan for the next academic year will be established by the CFOO, reviewed by the CEO and presented to Trustees. The report will schedule out the capital programme for the next academic year and provide details of the schedule of projects expected to be undertaken across the Trust.

12.4 The CFOO will propose an approximate budget for each project and demonstrate affordability. The proposed Capital Investment Plan will be presented to trustees for their approval. Once approved, expenditure under the Capital Investment Plan will be authorised in keeping with approval limits as detailed in Appendix 1 (School Condition Allocation – Expenditure Approval Thresholds)

12.5 Updates on the Capital Investment Plan will be provided throughout the year to the Trust FAR Committee, unless this meets the threshold for a Capital Projects Subcommittee, who will retain oversight of the project as required.

12.6 In the event there is an underspend when a project is completed or forecasts demonstrate the project will be underspent, funds can be transferred to a different project in the Capital Investment plan with the approval of the FAR Committee.

12.7 In the event there is an overspend when a project is completed or forecasts indicate the project may result in an overspend, the following action should be taken:

- Investigate the reasons for the overspend and mitigate any risk of further overspend.
- Underspends from current/completed Capital Investment projects under the Capital Investment Plan, can be transferred to the project. Any transfer of funds from one project to another should be approved by the FAR Committee.
- If further funds require approval to support the completion of the project, this requires the approval of the FAR Committee, or Capital Projects Subcommittee as appropriate.

Devolved Formula Capital (DFC)

12.8 The Trust will receive an annual allocation of Devolved Formula Capital for each of its schools, which will be 'ring-fenced' for the school for which it is intended.

13. Monitoring and review

Financial support and oversight for academy trusts guidance sets out how DfE will work with trusts to identify, at an early stage, any financial issues that might affect the

trust. It sets out the support available to trusts and, where there are concerns, the types of action DfE will take.

Intervention powers

Where DfE has concerns about financial management or governance in an academy trust, the department may issue, and publish, an NtI.

Examples of when an NtI may be issued on financial management grounds include:

- an actual or projected deficit
- cash flow problems
- insolvency risk
- irregular use of public funds
- poor internal scrutiny
- breaches of related party requirements

Examples of when an NtI may be issued on governance grounds include:

- the trust board not being properly constituted
- trustees failing to comply with their safeguarding duties
- trustees and the executive failing to manage their school estate and maintain it in a safe working condition strategically and effectively

13.1 An NtI describes what a trust must do to address concerns about financial management or governance. The trust must comply with the NtI. Failure to comply will be deemed a funding agreement breach. The funding agreement may be terminated due to non-compliance with an NtI.

13.2 If an NtI is issued, the delegated authorities in sections 5.6 to 5.31 of this handbook may be revoked, and all transactions of this nature must be approved in advance by DfE, specifically:

- special staff severance payments
- compensation payments
- writing off debts and losses
- entering into guarantees, indemnities or letters of comfort
- disposals of fixed assets beyond any limit in the funding agreement
- taking up a leasehold or tenancy agreement on land or buildings of a duration beyond any limit in the funding agreement

- carry forward of unspent GAG from one year to the next beyond any limit in the funding agreement
- pooling of GAG

The trust may also be prevented from entering into transactions with related parties without approval. These delegated authorities shall be returned once the NtI has been complied with, and improvement is sustainable.

13.3. The department will notify the trust of the date on which the department has published the NtI. The trust must then publish the NtI on its own website within 14 days and retain it on the website until the NtI is lifted by the department.

Recovery of funds

13.4 The department may recover funds where there is evidence of irregularity or fraud

This policy will be reviewed by the CFOO annually. The next review of this policy will be September 2026.

APPENDIX 1 - Financial Delegation and Approval

Expenditure approval thresholds, not including SCA expenditure

Activity/Cost	Trust Board	Chief Executive Officer	Chief Finance & Operations Officer	Trust Finance / Commercial Manager	School Headteacher / Principal	School Business Manager / Facilities Manager
	Authorisation of Orders/ Authorisation of Non-Purchase Order Invoices					
Up to £500		Budget holder approval, reviewed by Finance Officer				
£500 to £5,000						X
£5000 to £10,000				X	X	
£10,000 to £35,000			X			
£35,000 to £50,000		X				
Over £50,000	X					
	Electronic Approval of Invoices on Accounting System					
Up to £500						
£500 to £5,000						X
£5000 to £10,000				X	X	
£10,000 to £35,000			X			
£35,000 to £50,000		X				
Over £50,000	X					
	Cheque Signatories					
All Payments	2 signatures as approved signatories by the Trust.					
	Authorisation of BACS Payments Online					
All Payments		2nd X	2nd X	1st X		
	Approving Invoices to Collect Income					
All Invoices		X	X	X	X	X
	Signing ESFA Grant Claims/Returns					
Any	Two signatories are normally required by the ESFA –this ideally would be the Accounting Officer and the CFOO, but must include a representative of the Board.					
	Disposal of Assets (excluding freehold land and buildings)					
Up to £5,000		X				
Up to £20,000	FAR	X				
Over £20,000	X					
Over £50,000	ESFA					
	Write Off Bad Debts					
Up to £5,000		X	X			
Over £10,0000	X					
	Other Duties					
Budget process	approves	oversees	implements		plans	administers
Appointment: CEO, CFOO, HTs	X					
Appointment of Other Staff		X			X	

From time to time The Board of Trustees may make temporary changes to the above schedule, for example to cover the temporary absence or secondment named persons. Such changes will be approved at a meeting and minuted.

School Condition Allowance (SCA) expenditure approval thresholds

The below SCA approval thresholds apply to the capital programme established by the Chief Finance and Operations Officer which has been submitted and approved by Trustees.

Delegated Duty	Value	Delegated Authority	Method
Capital Improvement Plan approvals. Ordering Good and Services (raising requisitions). Tendering Procedures (as per Appendix 3.	Up to £5,000	School Business Manager or Equivalent	Orders must be placed and approved via the Finance Portal prior to any order being placed with the supplier. Quotes should be attached as required.
	£10,000 to £50,000	Chief Finance and Operations Officer	At least three written quotes to be obtained, or framework to be used prior to any order being placed.
	£50,000 to £100,000	Chief Executive Officer	Formal tendering process or framework to be used.
	Over £100,000	Trust Board approval (or as delegated to FAR Committee or Capital Projects committee)	Formal tendering process or framework to be used.

APPENDIX 2 - Purchasing and Procurement Procedures

Budget Holders

A2.1 Budget holders will be informed of the budget available to them once the budget is finalised. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Budget holders can view reports detailing actual expenditure against budget from the MAT finance portal. This should be completed on a monthly basis.

A2.2 It is the responsibility of the School Business Manager or equivalent to ensure budget holders manage their budget and ensure that funds available are not overspent. The Finance Portal provides budget holders with a real time information and a means whereby the incurrence of further expenditure is prevented at the point of request.

A2.3 All outstanding orders are shown on the budget monitoring reports as commitments. To ensure that the level of commitments is still appropriate, all budget holders should review their budget holder report for appropriateness. Each Budget Holder should ensure that the items reflected are still expected. If items are no longer needed, the Budget Holder should contact the central finance team who will cancel the order on the finance system. Budget holders should advise their School Business Manager/Finance Manager immediately of any concerns or missing commitments.

A2.4 The Trust central finance team can support budget holders in generating reports to support them in monitoring their budget expenditure and commitments.

Purchasing

A2.5 In the first instance, a supplier should be chosen from the list of approved suppliers advised by the CFOO. A quote or price must always be obtained before any order is placed.

A2.6 Routine purchases of up to £500 can be ordered by budget holders. In the first instance, a supplier should be chosen from the list of approved suppliers maintained by the Central Finance team. A purchase requisition must always be completed detailing the product price and information before any order is placed. This commitment will then be authorised prior to purchase by the budget holder.

A2.7 At least three quotations should be obtained for all orders over £10,000, to identify the best source of the goods/services. Details of quotations obtained should be attached to the requisition and then retained by the central Finance Office for audit purposes. 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, or procurement through a government approved procurement framework. Competitive tendering can be considered below this figure, in the interests of best value. See Appendix 3.

A2.7 Requisitions must be authorised electronically by the budget holder who must check that sufficient budget is available. All purchase requests must be prepared and processed through the MAT Finance Portal electronic system. Purchase Orders will only be processed once they have been approved in accordance with the scheme of delegation which is in built within the system.

A2.8 When the Finance Assistants convert the requisition to a purchase order, a secondary check will take place to ensure adequate budgetary provision exists before processing. The purchase order will then be approved by the delegated authority.

A2.9 Under no circumstances should staff order goods and services by any other means other than via the Finance Portal.

A2.10 Orders are not used to purchase items for private and personal use.

A2.10 Raising a purchase order retrospectively after the receipt of an invoice is strictly prohibited.

A2.11 Approved orders will be sent electronically via the Finance Portal as set out in the financial scheme of delegation (**see Appendix 1)** and may be subject to a competitive tender process.

A2.12 The Finance Assistant/School Business Manager must make appropriate arrangements for the delivery of goods to the School/Academy or Trust as appropriate. **Goods should not be delivered to an address not held on the finance portal.** On receipt, the School Business Manager or the member of staff who requisitioned the goods/services must undertake a detailed check of the goods/services received against the delivery note/service received and make a record of any discrepancies. Discrepancies should be discussed with the supplier without delay.

A2.13 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality the CFOO/Central Finance function must be notified by the person who ordered the goods and discuss options for replacement goods.

A2.14 All invoices should be sent to the Central Finance Office located at the Omega MAT Teaching Centre (OTC). The Invoice will be matched against the order, and then recorded by the MAT Senior Finance Officer and/or Finance Officer in the purchase ledger against the appropriate ledger code. Budget holders, or those employees who have placed an order, will be requested to authorise all invoices unless the invoice matches the order and goods received notice, in which case further authorisation is not required.

A2.15 If any paper copies of invoices are received at the individual academies, the School must scan and send these to the finance team on receipt and at minimum on a weekly basis. The Finance Assistants will check all details are correct with the order and will then input the invoices onto the system and attach a scan of supporting documentation. Once uploaded the invoice will be authorised by the nominated authoriser based on limits set in Appendix 1.

A2.16 The School Business Manager within each school, or central Finance Manager will pursue all queries with suppliers and provide periodic updates to the person who ordered the goods. If a budget holder has ordered goods and are pursuing a query on behalf of the SBM, they will provide periodic updates to the Central Finance Office.

A2.17 Normally suppliers are paid within 30 days of the invoice date from the Central Finance Office. On a weekly basis the MAT Finance Officer will generate a BACS/cheque run for invoices that are due payment that week. The payment runs and the associated paperwork are then signed authorised by the CEO/CFOO and the CFOO authorises BACS payments via online banking. The BACs process itself is a three-stage process within the Central Finance Office, involving MAT Finance Officer, MAT Finance Manager and CFOO to ensure the segregation of duties

APPENDIX 3 - Competitive Tendering for Larger Purchases

Legislation and Guidance

A3.1 The Academy Trust Handbook states that academy trusts are required to have a competitive tendering policy and ensure that procurement rules and thresholds in the Public Contracts Regulations 2015 and Find a Tender service are observed.

This policy is based on the Academy Trust Handbook and Department for Education (DfE) guidance on procurement.

This policy also complies with our funding agreement and Articles of Association.

Purchase Thresholds

A3.2 Purchase levels are divided into the following thresholds:

- Low-value purchases: Routine purchases up to £10,000
- Medium-value purchases: Purchases between £10,000 and £50,000
- High-value purchases: Purchases over £50,000.

Thresholds are outlined in Table 1 below (Tender Limits)

Public Contract Regulations

A3.3 If it is estimated that the cost of a contract is above the Public Contract Regulations 2015 thresholds for procurement spending, the Trust will follow the Public Contract Regulations 2015 and seek legal advice as appropriate. The current Public Contract Regulations 2015 thresholds as at 1 January 2022 are as follows:

- Public works £5,336,938
- Public supply and services contracts awarded by sub-central contracting authorities £213,477

Routine Purchasing

A3.4 As defined in the Financial Regulations and Procedures, routine purchases up to £10,000 can be requested and are authorised as per the scheme of financial delegation. A quote or price must always be obtained before any order is placed. The central finance team have a list of regularly used suppliers, however, if the purchaser considers that better value for money can be obtained by ordering from a supplier not regularly used by the Trust then this must be discussed with the finance team. The

procedures for purchasing from non-approved suppliers should be followed (see Appendix 2).

Medium Value Purchases

A3.5 When making medium-value purchases, three quotes are always required when purchasing from a new supplier. Three quotes may be required for the purchasing of goods and/or services that have not been purchased previously. In some cases, the CEO or CFOO may request that this purchase in made using a Framework Agreement (see A3.7 below).

High Value Purchases

A3.6 Any purchases that meet the high-value threshold as defined in Table 1 below (Tender Limits) must be made using either a Framework Agreement or a formal tendering process.

Table 1: Tender Limits

Delegated Duty	Value	Delegated Authority	Method
Ordering good and services, including capital expenditure and lease commitments	**Low** Up to £10,000	As per delegated purchasing limits. Three quotes for purchases under £10,000 for new suppliers or at discretion of CEO or CFOO	Orders must be placed and approved via the Finance Portal prior to any order being placed with the supplier. Quotes should be attached as required.
	Medium £10,000 to £50,000	As per delegated purchasing limits. A framework agreement may be requested to be used at the discretion of the CEO or CFOO.	At least three written quotes to be obtained, or framework to be used prior to any order being placed.
	High £50,000+	As per delegated purchasing limits.	Formal tendering process or framework to be used.

Purchasing Framework Agreements

A3.7 Where possible, we will use a framework agreement to contract suppliers. These are arrangements that a contracting authority, such as a public sector buying organisation, makes with suppliers. The benefits of frameworks are that they have already been through a competitive tendering process and they have favourable terms and conditions. In addition, the framework provider may offer advice and support.

A3.8 Depending on the framework we choose, we will either pick the best value supplier from a list or run a mini-competition between listed suppliers. In either case we will follow the DfE guidance on procurement to ensure good practice. The reasons for the choice of framework and for the choice of supplier will be clearly recorded. The Chief Financial and Operating Officer will approve any proposals to use a framework agreement.

A3.9 The Trust and its constituent schools are members of the Crescent Purchasing Consortium (CPC) for contracts approaching Tender limits, the CPC should be contacted in advance of any tendering process.

Crescent Purchasing Consortium
Office Telephone: +44 (0)800 066 2188
Address: Procurement House, Unit 23, Leslie Hough Way, Salford, M6 6AJ,
Email: helpdesk@thecpc.ac.uk

Formal Tendering: Forms of Tender

A3.9 There are three forms of tender procedure: open; restricted; and negotiated. Guidance for circumstances in which each procedure should be used are described below:

Open Tender: This where all potential suppliers are invited to tender. The person responsible for requesting the work, after agreement with the Head, must discuss and agree with the SBM how best to advertise for supplier's 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 tend. Restricted tenders may be 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
- There is risk regarding confidential information provided in the tender that should not be uploaded into the public domain for safety and security purposes.

Negotiated Tender: The terms of the contract may be negotiated with one or more chosen suppliers. This may be 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.

A3.10 The tendering method must be agreed in advance with the Chief Finance and Operating Officer or delegated authority. For any negotiated tenders (known as Non-Standard Procurement Route), a Restricted Source Tender form will be completed outlining the following:

- Project details
- Reasoning for proposed procurement route

The form will be sent for approval by Chief Finance & Operating Officer and/or CEO.

Tendering Process

A3.11 The Trust will make high-value purchases without a framework only in rare circumstances and only with legal support. When this does happen, we will use the process below:

1. Create a specification – a specification document will set out what suppliers need to understand about what we are looking to buy, including the quality, quantity and delivery date.

2. Assess the market – we will prepare for the tendering process by developing our knowledge of the market. We will find out how many suppliers are available and the best way to advertise our contract to a range of suppliers.

3. Check the Trusts's position in relation to Public Contract Regulations 2015 procurement thresholds (see section 4).

4. Develop a service level agreement (SLA) – an SLA sets out the standards of service expected from a supplier. Some suppliers may have their own SLAs, which the Trust will consider using on a case-by-case basis.

5. Develop a contract – a contract will include terms and conditions, a contract management plan and an exit strategy.

6. Reduce the number of bids – to reduce the number of bids which the Trust needs to evaluate, we will either use an expression of interest process to gauge interest in the contract or a pre-qualification questionnaire.

7. Establish how we will assess quotes – we will set out criteria that will allow us to evaluate which of the suppliers' bids best meets the requirements in our specification and is the most economically advantageous tender that best combines cost and quality.

8. Create a timeline for the tender process – this will include the dates of the clarification period, the deadline for submitting tenders and the date we expect to award the contract.

9. Prepare an invitation to tender – this will include:

- A covering letter with a timeline for the process.
- Instructions on how suppliers can ask clarification questions and submit their tender.
- The specification.
- A pricing schedule.
- Any SLA requirements.
- The contract's terms and conditions.
- Contract management requirements (see 'develop a contract' above).
- Award criteria, including the scoring system and any weightings.
- If appropriate, an invitation for suppliers to give a practical demonstration of their goods, works or services.

10. Advertise the contract – the contract will be advertised where suppliers are likely to look, such as:

- The Government's Find a Tender Service (FTS).
- Local or national newspapers.
- Education publications or websites.
- Trade magazines.

11. Run the tender process and provide clarifications.
For any tenders received electronically these should be submitted to the designated email address outlined in the invitation to tender and clearly marked to indicate they contain tender documents. For any hard copy tenders received the envelope should be time and date stamped on receipt and stored by the designated tender issuer securely prior to tender opening. Any tenders received after the submission deadline should not normally be accepted and must be approved by the Chief Finance and Operating Officer.

12. Evaluate tender responses – at least 2 people will independently score and evaluate each bid and then compare notes after completing their evaluations. Records of decision-making and moderation decisions will be kept.

13. Notify suppliers and award the contract.

14. Finalise the contract (and advertise the award, if the contract was advertised in the FTS).

15. Abandoning the tender process – on very rare occasions we may need to halt the tender process. Should this occur, we will notify suppliers who are preparing their bids as soon as possible.

Tender Process: Aspects to consider

A3.12 Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must considered 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?

A3.13 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.

A3.14 Other Considerations

- Insurances
- Pre-sales demonstrations
- After sales service
- Financial status of supplier and review of submitted accounts on public record. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service.

Tender Procedures

A3.15 The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest, then that person must withdraw from the tendering process. Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Opening and Evaluating Procedures

A3.16 All tenders submitted should be opened at the same time and the tender details should be recorded in the presence of two people, one being the tender issuer.

A3.17 A separate record should be established to record:

- the nature of the goods or materials to be supplied or the works or services to be provided;
- the name of each supplier or sub-contractor quoting/tendering;
- the date and time of receipt of each quotation/tender;

- the date and time of opening of the quotations/tenders;
- the amount of each quotation/tender;
- evaluation criteria and results
- the name of all persons present at the opening of the quotations/tenders.

This record must be signed by two people present at the tender opening.

A3.18 Tenders will be evaluated on both price and quality to determine the most advantageous offer. The scoring methodology will be determined by the tender issuer and bespoke to the contract required. This may include using a weighted percentage or evaluation based on criteria such as:

- Total cost
- Resourcing
- Implementation
- Relevant experience and expertise.

Awarding Procedures

A3.19 For contracts over £50,000 a Tender Analysis and Recommendation report will be submitted to the Chief Finance & Operating Officer and Chief Executive which outlines the recommended appointment. The report will include the following items;

- Background of Project
- Breakdown of Procurement Strategy
- Returns received
- Recommendations

A3.20 Contracts will be approved by the designated authority as set out in the Tender limit table above. Full records should be kept of all criteria used for evaluation and decisions made. Depending upon tender authorisation thresholds, the Tender Analysis and Recommendation report will be prepared for the Trust Finance, Audit and Risk Committee, or Board of Trustees, highlighting the relevant issues and decisions made or recommending a decision for Committee approval.

A3.21 Dependent upon the service required, once a decision is made there may be a standstill period for a short (at least 10 calendar day) pause between the point when the contract award decision is notified to bidders and the final contract conclusion, during which time suppliers can challenge the decision.