



Mater Ecclesiae

Catholic Multi Academy Trust

'One Family in Christ'

FINANCIAL REGULATIONS HANDBOOK



Document Control

This document has been approved for operation within:	All Trust Establishments
Approved by:	Full Trust Board of Directors
Owner:	CFO
Publication date	October 2024
Review date	November 2025
Version	3

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1 Core Diocesan Principles

1.1 There are core principles that underpin all Academies within the Diocese of Lancaster.

1.2 The key areas of the distinctive nature of Catholic education are recorded in Principles, Practices and Concerns (Bishops' Conference 1996) and can be considered as underlying principles:

- The search for excellence as an integral part of the spiritual quest;
- The uniqueness of the individual made in God's image and loved by him;
- The education of the whole person based on the belief that the human and divine are inseparable;
- The education of all with the particular duty to care for the poor and disadvantaged;
- Moral principles put into practice within a Christian community.
- And, the following principles recorded in 'The Common Good in Education' (Bishops' Conference 1996) also apply:
- Subsidiarity – which means decisions being taken as close to the grass roots as good government allows;
- Solidarity – which means we are all responsible for each other, with a willingness to see others as self.
- The Church also promotes the principle of Community Cohesion;
- Thus, Catholic Academies must continue to look outwards and work in partnership with all other Academies in the wider community, to the benefit of all children in society.

2 Introduction

2.1 The purpose of this handbook is to ensure Mater Ecclesiae Catholic Multi Academy Trust ("the Trust") maintains and develops systems of financial control which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE), and the requirement of the Memorandum of Understanding with the Diocese of Lancaster.

2.2 The **Memorandum of Understanding (MoU)** sets out the understandings and conditions that apply to the development and functioning of the Catholic Education Trusts (referred to generally by others as Multi Academy Trusts or MATs) established by the Bishop for the Diocesan Academies. The MoU makes clear that the Trust Board has full responsibility for managing the financial affairs of the Trust including all the constituent Academies. No guarantees or assurances in respect of the financial affairs of the Trust will be provided by the Bishop or the Diocesan Trustee.

2.3 The Trust must comply with the principles of financial control outlined in the Academies Guidance published by the Education and Skills Funding Agency (FUNDING BODY), which is an executive agency of the DfE, primarily the Academy Trust Handbook (ATH). This document expands on this and provides detailed information on the Trust's accounting procedures and systems. It should be read by all Trust staff involved in financial systems, who are required to comply with the Trust's financial regulations and procedures in this handbook.

- 2.4. The Trust will apply the principles of best value to all financial decisions, to secure the most effective, economic and efficient use of resources as well as compliance with legislative requirements.

3 Principles

- 3.1 The Trust will manage its affairs in accordance with the high standards detailed in the 'Guidance on Codes of Practice for Board Members of Public Bodies' and in line with Lord Nolan's 7 Principles of Public Life:

Selflessness

- 3.2 Holders of public office should take decisions solely in terms of the public interest.

Integrity

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

Objectivity

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

Accountability

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

Openness

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

Honesty

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

Leadership

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

4 Organisation and Responsibilities

Role of Members

- 4.1 The Members of the Trust oversee the Board of Directors (the "Trust Board"), holding the Directors to account and ensuring that the values and ethos of the Trust are upheld and the distinctiveness of the Academies is preserved. Their functions include:

- appointing Directors;
- removing Members and Directors, under certain circumstances;
- receiving the annual accounts;
- overseeing the achievement of the objectives of the Trust;
- amending the Articles of Association, subject to restrictions;
- appointing the Trust Auditors.

Role of Trust Board of Directors

4.2 The Trust Board of Directors are the Accountable Body for the operation of the Trust, and has overall responsibility for the administration of the Trust's finances. The Directors are held to account by the Members and the Secretary of State, although the Trust Board delegates certain powers to the CEO. As Directors the key responsibilities are:

- managing the financial affairs to ensure regularity, propriety, effective control and value for money;
- ensuring compliance with funding agreements and receive information regarding and consider financial performance;
- securing the Trust's financial sustainability and operation as a going concern;
- ensuring that the Trust's funds are used in accordance with charity and company law;
- designating in writing a named individual as the Trust's Accounting Officer.

Role of Finance, Audit, Risk & Resources Committee

4.3 Finance, Audit, Risk and Resources (FARR) Committee operates in accordance with its Terms of Reference under the Scheme of Delegation, with its primary purpose being to assist the decision making of the Board of Directors. This is achieved through more detailed consideration of financial operations and strategy. The finance and resources functions of this committee include:

- oversight of the Trust's finances, the overall Trust budget and those of the individual Academies, the management of funds against the budget, the benchmarking of financial performance, expenditure levels, budget headings and the way funds are utilised (including value for money) and the way monies are secured;
- monitoring the production, timeliness and accuracy of key financial statements in response to both statutory and local requirements;
- supporting (recommending and advising) the Trust Board in developing and then implementing a reserves policy and to consider the impact of strain in individual Academy budgets;
- supporting (recommending and advising) the Trust Board in developing and then implementing the Financial Regulations Handbook and associated procurement procedures within it;
- reviewing tenders for major contracts as specified in the Financial Regulations Manual. To approve or reject tender proposals or, where required, make recommendations to the Trust Board;
- recommending any changes in the Financial Policy, where significant, to the Trust Board. To review the operations of the Trust and the Academies in relation to the procedures shown in the Finance Policy;

- monitoring key financial and accounting systems and reviewing any audits of these or the general finances of the Trust and make recommendations to the Trust Board and/or the Local governing bodies as appropriate.

4.4 The audit functions of this committee include:

- advising and reporting to the Directors in relation to any organisational risks which might impede the development and implementation of a long-term strategy for the success of the Trust;
- supporting the Directors in the formulation of financial and risk management policies for the Trust and the Academies for achieving the aims and objectives set out in the Trust's Development Plan or long-term strategic vision;
- advising the Directors on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness (value for money);
- reviewing any financial and risk report submitted by the Academies and advising the Directors on any issues arising from it as well as making recommendations for future reports to sustain the integrity of the financial and risk management systems;
- advising the Directors on the appointment, reappointment, dismissal and remuneration of auditors (both external auditors and internal audit);
- agreeing the work programme of internal audit including the checking of financial controls, systems, transactions and risks;
- considering the reports of the auditors and, when appropriate, advise the Directors and the Academies of material control issues and monitor the implementation of agreed audit recommendations;
- advising on policies for the securing of the funds and assets of the Trust including by the prevention of loss through fraud and irregularity;
- ensuring that all allegations of fraud and irregularity are appropriately investigated and control weaknesses addressed, working with the Directors and the Headteachers of the Academies, as appropriate;
- recommending the annual financial statements to the Directors for approval.

Role of Accounting Officer

4.5 The Trust's Chief Executive (CEO) holds the position of Accounting Officer. The Accounting Officer has personal responsibility (that cannot be delegated) for assuring the Trust Board that there is compliance with the Academies Handbook, the Funding Agreement and all relevant aspects of company and charitable law. The role of Accounting Officer includes a personal responsibility to Parliament, and to the FUNDING BODY's Accounting Officer, for the financial resources under the Trust's control.

4.5 The Accounting Officer must:

- assure the Trust Board that there is compliance with the Academy Trust Handbook, the Funding Agreement and all relevant aspects of company and charitable law;
- ensure that bank accounts, financial systems and financial records are operated effectively with segregated and separation of duties;

- ensure that all the Trust's property is under the control of the Directors, and that measures are in place to prevent losses or misuse, including maintenance of adequate fixed asset registers;
- keep full and accurate accounting records.

Role of Chief Financial Officer (CFO)

4.6 The Academy Trust Handbook states that the board is required to appoint a "chief financial officer" (CFO), who is employed by the Trust unless approved by the FUNDING BODY. The board will ensure that the accountancy qualifications of the CFO are considered in conjunction with the size of the Trust. The main CFO responsibilities are:

- oversight and control of day to day management of financial operations including the establishment and operation of a suitable accounting system;
- the management of the Trust's financial position at a strategic and operational level within the framework for financial control determined by the Trust Board;
- meeting all external reporting deadlines;
- implementation and operation of rigorous and robust audits and control and liaison with auditors to achieve efficient financial processes;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying records of the Trust;
- preparation of annual budgets and making recommendations to Directors on financial plans;
- oversight and control of preparation of monthly management accounts and performance of Academies against budgets;
- oversight and control of payments made, ensuring they are prepared and authorised by authorised signatories;
- oversight of the central finance team to ensure effective financial oversight of the Trust.

4.7 The CFO does not discharge all of their responsibilities personally and is supported by a Central Finance team to whom specific functions may be delegated.

Role of Central Finance Team

4.8 The Central Finance Team functions include:

- setting deadlines and providing support to Academies to ensure these are met;
- preparing management accounts on a monthly basis and supporting reconciliations;
- monitoring of Academy performance against budgets and providing support to Academies;
- bank reconciliations;
- payroll and employer/employee deductions accounts;
- sales control account;
- purchases control account;
- childcare voucher account;
- VAT accounting and returns;
- preparation of annual financial statements;
- generation of Bacs payment runs for creditor payments;

- maintenance of FMS system including chart of accounts, fixed asset accounting and creditors Masterfile;
- journal transactions relating to cash and virements;
- monthly review of creditors and debtors accounts;
- Treasury Management.

4.9 The Central Finance Team will lead on all non-academy specific finance matters including central Trust functions, teaching Academy, trading companies etc.

Role of Budget Holders

4.10 All budget holders within the Trust will ensure the integrity of the accounting, budget monitoring and reporting arrangements for delegated functions. Key responsibilities of budget holders include:

- the delegation of non-staffing budgets as appropriate by Headteachers;
- reviewing monthly management accounts, querying transactions where appropriate, and ensure timely returns to the Central Finance Team within published deadlines;
- ensuring expenditure is controlled within approved budgets;
- identifying potential overspend and discuss corrective action with the central finance team - any potential overspend identified against budget must be approved in advance by the CFO / CEO, and by the Finance, Audit, Risk and Resources Committee if this means drawing on reserves;
- ensuring staffing structures are both affordable and within the authorised established Scheme of Delegation;
- ensuring the correct application of policies and procedures within each Academy;
- ensuring the Chief Financial Officer is provided with any financial information requested in a timely manner and is also notified immediately of any situation likely to significantly impact on the financial position of the Academy;
- authorising contracts, orders and virements up to the amounts delegated in these procedures;
- in conjunction with Central Finance Support staff ensure that all transactions are correctly authorised and approved and that a full audit trail exists that complies with these regulations.

Role of Local Governing Bodies (LGBs)

4.11 The Trust's Scheme of Delegation provides each Local Governing Body with their delegated authorities.

Role of Internal Assurance

4.12 The Trust has determined that this function will be undertaken by the appointment of an internal assurance provider. A programme of checks for Internal Assurance will be agreed and approved by the Audit Committee. The programme will be based on an assessment of risk across the Trust and will address all key financial transactions and systems.

4.13 The CFO may also direct the Trust's Central Finance Team and auditors to undertake unannounced spot checks on a periodic basis at the Trust's academies to provide additional assurance that these procedures are being complied with.

Role of Support Staff

4.14 Support staff in Academies and in the wider Trust team will work in close collaboration with the Central Finance Team. Their main responsibilities will include:

- cash collection and banking;
- order and invoice and debtor account administration;
- providing all financial information required by the Central Finance Team to complete a monthly bank account reconciliation and produce management accounts in line with published deadlines;
- be responsible for any budget delegated to them and support budget holders in the fulfilment of their responsibilities;
- comply with the Trust financial regulations;
- management and monitoring of the individual Academy payment cards;
- maintenance of inventories in line with limits set out in these financial procedures;
- payroll processing/checking in line with published deadlines;
- inputting of any staffing changes/leavers/starters/ amendments to the payroll system and checking that these changes have been processed correctly;
- ensure internal controls are adhered to and that required records are maintained and kept up to date with regular reviews.

4.15 Where detailed Operating Procedures are in place in an Academy for all the above, these will not be amended without the approval of the CFO.

All staff

4.16 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.

Register of Interests and Related Parties

4.17 It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise, all members, directors, leadership team 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. Close family relationships within the Trust are also declared as per the Academy Trust Handbook requirements. The register is open to public inspection and published on the website.

4.18 It is the role of the Clerk to the Board of Directors to ensure the Register of Business Interests is up to date and that all meeting agendas have a declaration of interests item at the start of every meeting. Registers will be open to public inspection and published on the Trust's website.

4.19 An up to date copy of the register will be held by the Trust's Central Finance Team and published online as required by the Academy Trust Handbook.

4.20 The existence of a register of business interests does not, of course, detract from the duties of Directors and staff to declare interests whenever they are relevant to matters being discussed at committee and is a standard item on every agenda. Where an interest has been declared, Directors and staff should not attend that part of any committee or other meeting.

- 4.21 Related Party transactions will only be entered within the restrictions of the Academy Trust Handbook and the not for profit requirements.
- 4.22 All related party transactions must be approved in advance of entering any contract or commitment by the CFO and then by the Trust Board. The CFO will verify the arrangement meets the restrictions and will notify/seek approval from the funding body as required.
- 4.23 The funding body must be notified in advance of all transactions with related parties and the Trust must obtain funding body's prior approval for contracts for the supply of goods or services to the Trust by a related party agreed on or after 1 September 2023 where any of the following limits arise:
- a contract exceeding £40,000;
 - a contract of any value that would take the total value of contracts with the related party beyond £40,000 in the same financial year ending 31 August;
 - a contract of any value if there have been contracts exceeding £40,000 individually or cumulatively with the related party in the same financial year.

Gifts, Hospitality & Inappropriate Expenditure

- 4.24 Staff, Governors and Directors will comply with the Gifts and Hospitality Policy. All offers over the value of £30 will be recorded in a Register of Gifts and Hospitality. The Register is maintained by School Business Managers and submitted to the Central Finance team for review and inclusion in audits and statutory reports. Acceptance of gifts must be approved by the CEO. The Registers will be monitored by the CFO.

5 Financial Planning and Medium-Term Financial Plan (MTFP)

- 5.1 The Central Finance Team will co-ordinate the production of annual budgets and medium-term financial plan for the Trust overall. The Central Finance Team will work with individual Academies in understanding their budgets and supporting them in accurately achieving their delegated tasks in the process. These plans are prepared to inform the Trust's strategic development planning processes for the next 5 years. The Trust's Strategic Plan identifies the development plan priorities over the medium term and the expected level of resources available to meet these and any other cost pressures
- 5.2 Annual budgets should reflect the priorities in each Academy's School Improvement Plan (SIP). SIPs should include cost estimates where practical and be associated with the achievement of each objective, including success criteria against which achievement can be measured. The Central Finance Team must be fully involved in the development of such plans.

6 Developing and Approving the Annual Budget

- 6.1 The Trust Board must approve a balanced budget for the forthcoming financial year and must minute this approval.
- 6.2 The budget process follows an annual planning cycle. A timetable for budget setting will be established by the CFO in advance of each year's process, and will include delegated tasks and responsibilities allocated to colleagues both in Academies and the Central Finance Team. The timetable will allow reasonable time for each stage of the process and will ensure that the budget information is ready for submission to the funding body by the required deadlines.
- 6.3 The annual budget will reflect the best estimate of the resources available to the Trust for the forthcoming year to operate on a business-as-usual basis, i.e. revenue income and expenditure excluding exceptional or uncertain income or expenditure. The budget will detail how resources will be utilised to establish clear links to supporting objectives identified in the Academy Improvement Plans for each Academy.
- 6.4 If a shortfall is identified, the Academy will be supported by the Central Finance Team to review income and expenditure and produce a plan to achieve a balanced revenue budget. This will include exploring opportunities to increase income, review of any areas that are operating at a net deficit, reviewing benchmarking, and reviewing any current projects.
- 6.5 If there is any doubt that a balanced budget can be maintained/set, the Board along with the CFO and CEO must discuss immediately and make appropriate plans to take action to ensure this can be achieved. Consideration of the action plan to be given by the Trust Board for discussion and eventual ratification.
- 6.6 If the Board approves an in-year deficit, clear reasons will be recorded along with a plan to recover the position. Please refer to the Trust's Financial Reserves Policy for more detail in this area.

7 Financial Management - Monitoring & Reporting

- 7.1 The CFO will ensure that monthly management accounts are promptly prepared setting out the Trust's financial performance and position, comprising budget variance reports and cash flow forecasts with sufficient information to manage cash, debtors and creditors. These reports will be prepared at an individual Academy and at a consolidated Trust level.
- 7.2 Management accounts will be shared each month with the Trust Chair and the CEO and with the other Directors at least six times a year. The Trust Board must consider these when it meets. The Trust Board must ensure appropriate action is being taken to maintain financial viability including addressing variances between the budget and actual income and expenditure.
- 7.3 Management accounts for each Academy will be shared with Headteachers on a monthly basis and delegated budget-holder reporting will be accessed at Academy level as appropriate. Reports will include key performance indicators and commentary on performance. Headteachers will confirm review of the monthly reports within the deadlines set by the CFO.

- 7.4 The CFO will have oversight of deadlines set that ensure accurate and timely management accounts can be produced and subsequently approved by the Trust Board.

8 Financial Accounting System

- 8.1 The Trust uses the Access Accounting System and all financial transactions must be recorded using this system. Access rights are defined by the CFO for each user with a unique ID and password. Authorisation and supervisory controls, alongside segregation of duties of the Central Finance Team will be adequate to ensure transactions are properly recorded and authorised and that errors are identified and rectified without delay.
- 8.2 It is the responsibility of the Central Finance team to maintain the integrity of the system parameters, master-files and chart of accounts.

9 HR Establishment Controls and Payroll

Staff Appointments and Contractual Changes

- 9.1 Any changes to the staffing structure of the Trust may only be approved in line with the Trust's Scheme of Delegation.
- 9.2 Working together with the Academy colleagues and Payroll provider, the Central Finance team staff are responsible for ensuring that the staff database on the budget planning software reconciles to the current budget.

Payroll Administration

- 9.3 The Trust's payroll processing is administered through a contractual arrangement with an external payroll provider.
- 9.4 The CFO will set monthly deadlines for the input and review of draft pay reports, and have oversight of the processes and steps that support accurate and efficient pay. Supported by Central Team Finance staff, Academy colleagues will:
- ensure that all pay changes are authorised by the appropriate Budget Holder;
 - input all pay changes relating to the month ahead by the deadline set;
 - ensure that draft reports are reviewed and queries submitted to the Central Finance Team by the deadline set, ensuring that all pay changes including all starters and leavers have been processed correctly and all other colleagues pay remains at correct grades and allowances;
 - check final pay reports to ensure queries identified have been addressed;
 - retain evidence that checks have been completed for inclusion in monthly returns to the Central Finance Team.
- 9.5 The Central Payroll Team will:
- act as the main point of contact for Academies and the pay provider;

- ensure that pay reports are received and issued to Academies in line with deadlines;
- liaise with the pay provider and support Academies to understand and resolve queries;
- ensure segregation of duties;
- manage and monitor pay for absences such as parental leave and sickness;
- manage all emergency payments and any overpayments;
- maintain all overarching pay reports, reconciliations, BACS, HMRC and pension administration and returns.

9.6 The payroll system automatically calculates the deductions due from salaries to comply with current legislation. The payroll provider is authorised to make BACS payments from the Trust's Bank Account by direct payment for the amounts due in statutory and voluntary deductions.

Payments to individuals and IR35

9.7 The Trust will operate the following rules when engaging any "off payroll" staff.

9.8 Senior employees will always be paid through the payroll in order for the Trust to ensure that tax obligations are fully met and not open to question.

9.9 All workers, including consultants and those operating through personal service companies, and self-employed basis who are not on the Trust's payroll must be passed to the central team to determine the correct treatment.

9.10 The Central Finance Team will review each case and complete the government's Employment Status Indicator tool (ESI).

9.11 The results of the test will be printed off, reviewed and signed by the CFO, who will ensure that the correct employment status is implemented.

9.12 Any anomalies must be discussed with the Central Finance Team prior to engaging that individual's services.

Special staff severance payments

9.13 Non-contractual payments at the end of employment would only be paid if the Trust has concluded that the payment represented the best value for money compared to other options. The business case for such payments would be fully documented and the guidance issued by the funding body will be followed.

9.14 The CEO in conjunction with the Trust Chair shall be informed of any proposal to make a non-contractual payment up to £50,000 and may stipulate that their consent is obtained before any payment is made; the calculation of payments will be verified by the CFO to ensure compliance with the AFH.

9.15 Non-contractual payments over £50,000 require approval in advance from HM Treasury via the funding body and no request for approval must be sent without the express approval of the CEO and Trust Chair.

Mileage Payments to Staff

9.16 Mileage will be approved and paid in accordance with the Trust's Travel and Expenses Policy.

Mobile Phones

- 9.17 Where a mobile phone is essential in carrying out a job role the Trust may enter into an appropriate mobile phone contract and lend the phone to the member of staff for usage. New phone contracts must be approved by the CFO.
- 9.18 Statements and/ or invoices will be reviewed to ensure that any usage is reasonable and in line with expectations. Contracts will represent good value, include allowances reasonable for expected use, and not allow extra spending over allowances set.

10 Competitive Purchasing Requirements and Limits

- 10.1 The Trust will aim to achieve best value for money for all its purchases ensuring that services are delivered in the most economical, efficient and effective way, within available resources, and with independent validation of performance achieved wherever practicable.
- 10.2 The value of purchases is calculated as the value, excluding VAT, for the full duration of the contract including any extensions or options.
- 10.3 In purchasing all goods and services, budget holders should ensure that they review the use of existing resources and consider the cost, quality, reliability and availability. Fixed prices should be obtained for all purchases before orders are placed. Value for money should be demonstrated.

Process for placing orders

- 10.4 Purchase orders must be produced and authorised before orders are placed with suppliers. For routine expenditure of significant value that can vary, such as energy or catering, prior approval of orders is not essential, however agreement to contracts should form part of invoice checks prior to purchase order approval and subsequent invoice payment.
- 10.5 In Academies, orders for goods and services can only be placed with suppliers by designated staff such as the Academy Business Manager.
- 10.6 In the Central Team, orders for goods and services can only be placed with suppliers by designated staff such as the Transactional Finance Partner.

Orders up to £10,000

- 10.7 In Academies, Headteachers may approve an order up to £10,000. Routine purchases up to £3,000 can be authorised without the need for quotes. For orders between £3,001 and £10,000, where these are for a single item, or are not routine, these must not be placed until three written quotations have been obtained. A designated member of the Central Finance Team, usually the Finance Business Partner, will provide additional supporting approval of these orders.

Orders over £10,000 but less than £30,000

- 10.8 Three written quotations must be obtained for all orders between £10,000 and £30,000 to identify the best source of the goods/services and frameworks considered wherever possible. Written details of quotations obtained should be attached to the order placed

and available for audit purposes. Orders will require authorisation by the CFO, who will consult the CEO prior to making a decision.

Orders over £30,000 but less than £75,000

10.9 The CFO must be consulted before the procurement process begins.

10.10 A specification of requirements and evaluation criteria will be drawn up in advance. All potential contractors invited to submit quotations shall be provided in all instances with identical information and instructions. Quotes will be evaluated by more than one individual and approved by the CFO/CEO and Finance Audit Risk and Resources Committee.

Orders over £75,000

10.11 All goods/services ordered with a value over £75,000, or for a series of contracts which in total exceed £75,000 must be subject to formal tendering procedures, detailed below, and will be managed by the CFO. Approval obtained and the CEO and Orders must also be approved the Finance, Audit, Risk and Resources Committee prior to proceeding with successful tenderer.

Procurement Thresholds from 1st January 2024 (inclusive of VAT)

10.12 Procurement above UK PUBLIC CONTRACTS REQUIREMENTS thresholds must be carried out in accordance with the appropriate EU Procurement Directives, which the UK enforces through the Public Contract Regulations 2015.

10.13 In the first instance the National Deals signposted by the funding body and existing EU compliant framework agreements established by public sector buying organisations, including the Church Marketplace when appropriate, will be explored and will be used where appropriate. When a framework is not a suitable option legal advice on the procedure is likely to be necessary.

10.14 For purchases above the threshold a procurement plan identifying the key tasks, responsibilities and authorisation routes must be approved by the Board of Directors before the procurement commences and progress will be monitored and reported to Directors throughout the process. Where this is a procurement that is not from an existing framework this process is likely to draw on external procurement, technical and legal advice.

10.15 Rules of aggregation must always be determined, which are either:

- Regular in nature: the goods or services ordered are sought more than once within a 12 month period or there is a discernible pattern as to when the goods or services will be sought;
- Intended to be renewed within a given period: the goods or services are contracted for a fixed period with either an obligation or an intention to be renewed for a further period (fixed or otherwise).

11 Tendering Procedures (below UK PCR thresholds)

11.1 Tenders within a PSBO framework will follow the framework guidance.

11.2 Staff will refer to and follow the additional DfE guidance 'buying for Academies'.

11.3 There are two main forms of tender procedure: open and restricted and the circumstances in which each procedure should be used are described below. The Trust must seek tenders on the most appropriate basis.

11.4 Open Tender: This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Director of Corporate Services how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical.

11.5 Restricted Tender: The Trust will normally invite at least four bidders. This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where there is a need to maintain a balance between the contract value and administrative costs.

Preparation for Tender

11.6 Full consideration should be given to: objective of project; overall requirements; technical skills required; after sales service requirements; form of contract terms and conditions.

11.7 The award criteria which are to be applied in evaluating tenders must be recorded in writing before the tenders are invited and must be stated in the documents sent to suppliers. It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

11.8 If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

11.9 An invitation to tender will normally be issued to at least four suppliers, and may include the following:

- scope and objectives of the project;
- technical requirements;
- selection criteria;
- implementation of the project;
- terms and conditions of tender and form of response;
- technical/Suitability and qualifications of the contractor;
- relevant experience of the contractor;
- certificates of quality/conformity with standards;
- quality control procedures;
- details of previous sales and references from past customers.
- financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to commission a credit report.

Tender Acceptance Procedures

11.10 The invitation to tender should state the date and time by which the completed tender document should be received by the Trust. Tenders should ordinarily be submitted electronically clearly marked to indicate they contain tender documents. Tenders received after the submission deadline should not normally be accepted.

Tender Opening Procedures

11.11 All tenders submitted should be opened and reviewed at the same time and the tender details should be recorded. Tenders should be opened in the presence of the CFO (or other designated officer).

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

Tendering Evaluation Procedures

11.13 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.

11.14 Full records should be kept of all criteria used for evaluation of contracts.

Exemption from Trust Tendering Requirements (Applies to purchases above PCT threshold only)

11.15 These procedures do not apply to the following types of expenditure;

- exam fees;
- payroll transactions;
- academy trips and other purchases where the Trust is acting as an agent processing funds received on the behalf of others;
- Risk Protection Arrangement;
- any Diocesan levy or contribution to Diocesan costs.

11.16 Instances of all other types purchases that do not comply with the competitive purchasing requirements, for reasons such as sole supplier, specialist services etc. will require documenting and reporting for approval through the appropriate route depending on the value of the contract.

12 Delegated Responsibility levels for approval of expenditure

12.1 The following limits apply to budgeted spend only and subject to the competitive purchasing requirements above.

- Headteachers – up to £10,000 (with additional supported approval from a designated Finance Business Partner for non-routine purchases between £3,001 and £10,000);
- CFO - over £10,000 less than £30,000 in consultation with the CEO;
- CEO and CFO and Finance, Audit, Risk and Resources Committee - Over £30,000 less than £75,000;
- Finance, Audit, Risk and Resources Committee and Trust Board above £75,000.

13 Signing of Contracts

13.1 When a tender is accepted and a contract is entered into in behalf of the Trust only the officers as nominated in the Scheme of Delegation have the authority to sign a legally binding contract or agreement on the Trust's behalf.

Register of Contracts

13.2 The Central Finance Team will maintain a contracts register which is to be updated on a continuous basis. This will aid with the planning and delivery of procurement decisions and obtaining value for money.

14 Payments

14.1 All payments and other instruments authorising withdrawal from the Trust's bank accounts must bear two authorised signatures in line with the bank mandate. This provision applies to all accounts operated by or on behalf of the Board of Trustees of the Trust.

14.2 Direct Debits may be set up in certain circumstances, subject to the advance approval of the CFO.

14.3 BACS and direct transfer payments are organised and directed by the Central Finance Team, who will ensure amounts due to Trust suppliers are paid promptly and within reasonable timescales.

14.4 Invoices are only paid if they are:

- allocated to orders and goods received notes;
- if the description is valid, in that the goods and services provided are specific including the quantity;
- are correctly addressed and arithmetically correct;
- VAT where applicable is correct;
- have been authorised in line with delegated limits.

15 Other Purchasing

Petty Cash

15.1 Petty Cash imprests will only be issued in exceptional circumstances and must be approved by the Central Finance Team. Petty cash must be stored securely.

Purchasing Cards

15.1 Purchasing cards have been issued for the purposes paying for goods and services only when the normal ordering processes are not possible.

15.2 All purchasing cards will be subject to prior approval of the CFO and register of cardholders will be maintained by the Central Finance Team.

- 15.3 Each Cardholder will be responsible for the safe and security of the card.
- 15.4 Expenditure using cards will be authorised prior to use by the Headteacher in the case of an Academy, or by the CFO in the case of the Central Trust Team.
- 15.5 Card statements will be promptly checked and reconciled to receipts or invoices by designated Academy staff. Statements will then be subject to appropriate final authorisation by the Headteacher in the case of an Academy. Where the Headteacher is the card holder, the statement will be authorised by the Chair of Governors. In the case of the Central Team, the statement will be authorised by the CFO. If a card is held by the CEO, this will be authorised by the Chair of Board.

16 Income

- 16.1 The main source of income for the Trust are the grants from the funding body. The receipt of these funds is monitored by the Central Finance team who are responsible for ensuring all grants due to the Trust are collected.

Other Grants

- 16.2 Prior to any grant/ funding bids being prepared and submitted to any funder, the grant should be discussed with the CFO and Central Finance Team who will support and co-ordinate the bid and grant bids across the Trust and this will be notified to the Finance, Audit, Risk and Resources Committee.
- 16.3 Approved grants may need to be built into budget assumptions and budgets loaded in terms of both income and expenditure. The grant control file should be retained by Central Finance Team with copies of the initial bid, the offer letter and the terms and conditions that need to be complied with.

Other Income collected by the Trust

- 16.4 Examples of income that the Trust collects income from parents or the public include:

- academy transport;
- academy meals;
- trips and residential visits;
- book bags and uniforms;
- nursery places;
- breakfast and after academy club fees;
- lettings.

- 16.5 The Trust may also receive donations from parents and other members or organisations within the community. The Trust also may obtain additional grant funding from funding bodies / Ofsted to fund the following operational supporting activities:

- Teaching Academy Alliance;
- NLE Grant income;
- DfE Hub or MAT growth funding;
- Academy Improvement;
- Ofsted inspection income.

- 16.6 The Trust may also set up separate legal entities/Trading Arms in order to generate additional funding for the benefit of the Trust. The funding will be 'gifted back' to the Trust.

16.7 Each Academy will ensure that all income is adequately controlled and safeguarded. Headteachers and the CFO will ensure that there is a clear segregation of duties to prevent one individual being able to undertake a complete transaction in isolation.

17 Bank Reconciliations

17.1 Each bank account is reconciled on at least a monthly basis.

17.2 Bank reconciliations will be completed and documented by the Central Finance Team and then reviewed and approved by the CFO.

Debtors and liabilities

17.3 Writing off debt:

- Headteachers up to £50 in relation to pupil debt only.

17.4 Finance, Risk, Audit and Resources Committee must approve all commercial debt write-offs and pupil debt above £50. The Trust may perform the following financial transactions up to the limits set out below:

- writing off debts and losses, including any uncollected fines; and
- entering into guarantees, indemnities or letters of comfort, excluding those relating to borrowing by the trust.

17.5 Limits:

- £45,000 per single transaction;
 - cumulatively, 2.5% of total annual income in any one financial year per category of transaction for any Academy Trusts that have not submitted timely, unqualified financial returns for the previous two financial years. This category includes new academies that have not had the opportunity to produce two years of financial statements; and
 - cumulatively, 5% of total annual income in any one financial year per category of transaction for any Academy Trusts that have submitted timely, unqualified financial returns for the previous two financial years.

17.6 Beyond these limits the Trust must seek and obtain explicit and prior approval of the Secretary of State, through the funding bodies, for the transaction.

18 Treasury Management

Trust Banking Arrangements

18.1 The Trust has appointed Lloyds as their bankers for all current banking needs. The opening of all bank accounts must be authorised by the Trust's Finance, Risk, Audit and Resources Committee.

Cash Flow Forecasts

18.2 The Central Finance team is responsible for preparing monthly cash flow forecasts to ensure that the Trust has sufficient funds available to cover day-to-day operations and where possible allow the investment of surplus funds in line with the Trust's Treasury Management & Investment Policy.

Borrowing

18.3 In line with funding agreements, the Trust must seek funding body's prior approval for borrowing (including finance leases and overdraft facilities) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, and regardless of the interest rate chargeable. It is noted however that it is unlikely that such approval will be given. Purchasing cards must only be used for business (not personal) expenditure, and balances cleared before interest accrues.

18.4 Any transaction that may involve a form of borrowing or delayed repayment must be reviewed and approved by the CFO.

Leasing

18.5 There are two types of lease:

- Operating leases - these do not represent borrowing;
- Finance leases: these are a form of borrowing and the Trust must obtain funding body's prior approval before they are entered into. It is unlikely that such approval will be given.

18.6 Academies must seek approval from the CFO before entering any form of lease agreement. The consent of the Diocesan Directors is needed before any lease agreement can be entered into in line with the Scheme of Delegation.

Fixed Assets

18.7 The treatment of Fixed Assets is detailed in the Trust's Assets & Disposals Policy. The Central Finance Team will maintain the Fixed Asset register.

18.8 Academy trusts must seek and obtain prior written approval from the Secretary of State, via the funding body, for the following transactions:

- acquiring a freehold of land or buildings;
- disposing of a freehold of land or buildings; and
- disposing of heritage assets beyond any limits set out in the trust's funding agreement in respect of the disposal of assets generally;
- 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.
- The consent of the Diocesan Directors is needed before any purchase or disposal of freehold or leasehold property.

Inventories

18.9 It is the responsibility of each Academy to maintain an inventory of any portable item of equipment with an initial cost value of £200.

Reporting responsibilities for disposals, write offs, leases and assets

18.10 In all transactions, irrespective of whether the Secretary of State's approval is required, the Trust will:

- obtain relevant professional advice where appropriate, including that of their external auditor where necessary;

- ensure that the decision represents value for money, and is justified as such;
- agree internal delegation levels within the Trust; and
- disclose aggregate figures for transactions in each of the relevant categories as a note to their annual accounts. In addition, separate disclosure is required in the annual accounts of each transaction at 17 above £5,000.

Novel, contentious and repercussive transactions

- 18.11 Novel and contentious transactions must always be referred to the FUNDING BODY for explicit prior authorisation.
- 18.12 Novel payments or other transactions are those in which the Trust has no experience, or are outside the range of normal business activity for the trust.
- 18.13 Contentious transactions are those which might give rise to criticism of the Trust by the public or the media.
- 18.14 Repercussive transactions are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.
- 18.15 The FUNDING BODY consider that it is for trusts to use their judgement about when they should seek the prior advice of the FUNDING BODY. Public money must always be spent prudently and in ways that command broad public support.
- 18.20 If there is any doubt whether a transaction could be seen as novel, contentious or repercussive academies must seek advice from the CFO.

19 Finance related policies

19.1 A suite of Trust wide policies have been created to support the effective financial management across the Trust. Following is a list of finance related policies that should be referred to as part of the Financial Regulations Handbook:

Anti-fraud policy

19.2 It is important to ensure that all colleagues understand what to do when actual or potential problems involving fraud, corruption, theft or irregularities are identified. This policy is to protect all parties and outlines the roles and responsibilities of staff, Governors and Directors. This policy outlines the procedures to be followed in reporting and investigating any detection of fraud, corruption, theft and irregularities.

Gifts and Hospitality policy

19.3 The purpose of this policy is to outline the approach for the acceptance by staff, Governors and Directors, of gifts and hospitality of whatever nature from outside the Trust, whether from individuals or organisations. The policy also outlines the approved approach to the offering of gifts and hospitality by the Trust.

Reserves policy

19.4 Directors of the Trust are responsible for effective and efficient use of available resources, ensuring that funds are used to ensure pupils receive the benefit of funding received. Directors should also ensure that the funding is used appropriately and that holds reserves at the levels specified in the policy. This will ensure that the Trust is sustainable,

can meet day to day operational demands, invest in future strategy, refresh capital elements of buildings, fixtures and equipment, and to be able to respond to unforeseen events.

20. References

Academies Handbook [Academy trust handbook 2024 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/854447/academy-trust-handbook-2024.pdf)

Academies Accounts Direction [Academies accounts direction 2023 to 2024 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/854447/academies-accounts-direction-2023-to-2024.pdf)

Charity Law [Charity purposes and rules - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/charity-purposes-and-rules)