

THE CHALLENGE ACADEMY TRUST
FINANCIAL REGULATIONS
(Including Tendering Procedures)

Member Academies:	Beamont Collegiate Academy Bridgewater High School Great Sankey Primary School Padgate Academy Penketh High School Penketh South Primary School Priestley College Sir Thomas Boteler Church of England High School
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1	20 th June, 2018	Approved by Finance, HR and Operations Committee
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3	12/12/19	Broomfields Junior School and Meadowfields Community Primary added as member academies.

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THE CHALLENGE ACADEMY TRUST

Financial Regulations

1 General

- 1.1 Nothing in this document shall contradict or modify any requirements of the Secretary of State for Education; the relevant funding agency/agencies; or the provisions made in the Memorandum of Articles and Association of each individual member of the The Challenge Academy Trust (TCAT). In the event of conflict, the requirements of the relevant funding agency/agencies will take priority over the contents of this document and procedures. The Memorandum of the Articles and Association between the relevant funding agency/agencies, and TCAT sets out the terms and conditions on which each member's grant is made. The Local Governing Board (LGB) of each individual member of the TCAT is responsible for ensuring that conditions of grant are met.
- 1.2 It is the overall responsibility of the Trust Board to control the finances of TCAT. This responsibility remains ultimately with the Trust Board, even though some aspects of monitoring and day to day control within the approved budget may be delegated to either a committee, to the Chair of the LGB Governing Board, to a group of specified Governors or to the Principal of an individual member (and the local Senior Management Team (SMT)). References to the agreement or the approval of the Trust Board should therefore be taken to refer also to agreement or approval given by the LGB, committees, the Chair, a group of specified Governors or the Principal of an individual member, where authority to act has been delegated. All delegated action should be reported to the Trust Board at its next meeting.
- 1.3 The Finance Director is responsible for annual review of and making recommendations to the Trust Board for amendments to the Financial Regulations and shall immediately give notice to the Trust Board in the event of any conflict, inconsistency or other ambiguity between the Financial Regulations and any requirements of the Secretary of State for Education, and/or the relevant funding agency/agencies.
- 1.4 Copies of the Financial Regulations are available to all staff. More detailed financial instructions and procedures support them. Financial and administrative functions within the TCAT and the individual Trust Academies must ensure an adequate segregation of duties, wherever possible, to protect against any misappropriation.
- 1.5 Compliance with the Financial Regulations is compulsory for all staff connected with TCAT. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under TCAT's Disciplinary Procedures. The Trust Board and where appropriate the LGB will be notified of any such breach through the Audit Committee. It is the responsibility of the Principal of an Individual Academy Trust (and the local SMT) to ensure that staff are made aware of the existence and content of TCAT's Financial Regulations.
- 1.6 The Financial Regulations should be read in conjunction with all the other TCAT Policies, and in particular, Fee Policy, Fixed Asset Policy, Policy on Prevention, Detection and Reporting of Fraud, Irregularity and Corruption, Travel & Hospitality Policy and Whistleblowing Policy.

2 Budgets

- 2.1 The LGB Governing Board via the local Finance, HR & Operations Committee (F,HR&OPC) set the overall budget parameters and financial objectives. The Senior Management Team (SMT) draft an initial budget (including a best Value Statement), within the parameters, set at least two months before the start of the new financial year. The local F & GPC discuss the proposed budget. The SMT make revisions as requested and the budget is then presented to the LGB for approval. Once approved it is submitted to Trust Board for final approval

before the start of the new financial year. Failure to approve a budget at Trust Board level could lead to sanctions imposed on the LGB under the scheme of delegation.

- 2.2 The LGB budget must be approved by the Trust Board before the commencement of the financial period to which it relates.
- 2.3 Any estimates of income and expenditure should include comparatives for at least one previous period, where applicable.
- 2.4 Any report to the LGB and / or Trust Board recommending expenditure shall indicate whether or not such expenditure has been provided for in the approved estimates.
- 2.5 The designated budget controller or equivalent shall be responsible to the Principal for controlling expenditure against approved estimates. Budget Controllers are responsible for monitoring the delegated budgets under their remit and may vire between delegated budgets under the Major Heading in their control. Delegated Budget Holders may incur no expenditure that is in excess of uncommitted approved budget provision without the prior consent (written/e-mail) of the relevant Budget Controller. The Principal will review all variances in Major Headings and may determine virement as appropriate up to a maximum of £20,000 per Major Budget Heading. Virements must be notified to the F,HR&OPC at its next meeting. Where variance is such that virement is not appropriate (i.e. the total budget will be exceeded), the following shall apply:
 - i) up to £5,000 may be reviewed by the Designated Chief Budget Controller.
 - ii) from £5,000 to £10,000 must be reviewed by the Principal
 - iii) above £10,000 must be brought to the attention of the LGB (except where the Principal directly has authority to vire from Contingency.)

Provided overall spending is contained within the total delegated budget, the LGB may approve transfers of budget between budget heads to facilitate a more effective deployment of resources and thereby aid their budget management. Budget virement should not however be undertaken merely to match budgets to actual expenditure and income.

The LGB should establish and approve a document to record all budget virements. The document should state which members of staff have authority to undertake virement and at what financial level, and that the LGB's approval is necessary for any virement in excess of a specified amount. The LGB shall inform the Trustees of any need for significant unplanned expenditure and will discuss with the Trustees, and others as the Trustees shall require, options for identifying funding.

- 2.7 The principles above apply to supplementary estimates and such estimates for additional expenditure should be balanced by the availability of additional income from accumulated reserves.
- 2.8 Budget holders will be required to carry forward into the next financial year any overspend on their revenue budgets unless the LGB agrees otherwise.
- 2.9 The Principal will promptly notify the LGB and Trust Board of any matter that may result in material adverse effect on the finances of the Trust Academy / TCAT.
- 2.10 The F,HR & OPC and Senior Management Team will receive a report on each period, except periods 1 and 12, within 4 weeks of the period end and for periods 1 and 12 within 8 weeks. The period reports will be discussed at the next F, HR & OPC meeting and then forwarded to the LGB at the next Governing Board meeting. Following on from this meeting the reports will be forwarded to the Trust Board.

3 Accounts

- 3.1 The CEO (Chief Executive Officer) shall keep true accounts of TCAT's income and expenditure in such forms as the Secretary of State, the relevant funding agency/agencies and the Trust Governing Body /shall require. The CEO shall be responsible for completion of financial returns to the relevant funding agency/agencies.
- 3.2 TCAT's normal accounting practices will take cognizance of and follow the pertinent Company Acts.
- 3.3 The individual Trust Academy's Finance Department, is accountable to the Appointed Head of Finance , will retain the following documents for a period of seven years:
 - official orders
 - paid invoices
 - accounts raised
 - bank statements
 - copies of receipts

4 Staffing and Related Costs

- 4.1 In preparation of the Annual Budget, staffing cost estimates shall be prepared by the Principal for the individual Academy Trust in consultation with senior staff as appropriate, for the consideration and approval of the LGB.

- 4.2 Remuneration policy

All institution staff will be appointed to the salary scales approved by the Trust Board and in accordance with appropriate conditions of service. All letters of appointment must be issued by the relevant person for Human Resources.

The Trust Board will determine what other benefits, such as medical and life insurance, are to be available, the basis of their provision (contributory or not) and the staff to whom they are to be available.

Salaries and other benefits for members of the individual SMTs will be determined by the Trust Board.

- 4.3 Appointment of staff

All contracts of service shall be concluded in accordance with TCAT's approved human resources practices and procedures and all offers of employment with the individual Trust Academy shall be made in writing by the relevant person for Human Resources.

All casual and part-time employees will be included on the payroll.

The Finance Director shall be responsible for keeping all records relating to payroll including those of a statutory nature.

All payments must be made in accordance with TCAT's detailed payroll financial procedures and comply with HM Revenue & Customs regulations. Staff should be aware that TCAT could incur penalties for non-compliance with such regulations.

- 4.4 Superannuation schemes

The LGB is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

The Director of Finance of the Trust is responsible for day-to-day superannuation matters including:

- paying contributions to various authorised superannuation schemes
- preparing the annual return to various superannuation schemes

- administering the institution's pension fund.

The relevant person for Human Resources of Personnel is responsible for administering eligibility to pension arrangements and for informing the Finance Director of the Trust when deductions should begin or cease for staff.

- 4.5 Maintenance of the payroll system is the responsibility of the relevant person for Human Resources and in each period the Appointed Head of Finance for each individual Trust Academy will also check the database payroll records for accuracy.
- 4.6 Staff Appointments are made in line with the Trust's' Recruitment and Selection Policy and the Staff Secondment Policy. For teachers the national conditions of service determine job descriptions. Job descriptions for holders of TLR's are held in each Academy Trust's Personnel office.

Job descriptions for support staff are evaluated by the Trust's HR provider to ensure consistency and compliance with equal pay regulations. All master copies are kept in a file in each Academy Trust's personnel office.

- 4.7 Annual Assessment of Salary
The annual assessment of Leadership Group, Teachers and Support Staff salaries are undertaken by the LGB Performance Review and Personnel Committees. The CEO and any other senior post holder within the Trust salary will be reviewed by the Trust Board and passed to the Trust Governing Body for approval.

- 4.8 Completion of Forms for Payroll
All staff appointments, leavers and notification of change forms are authorised by the Principal and or Vice Principal of the individual Trust Academy. The Appointed Head Of Resources and the Appointed Business Support Officer are responsible for forwarding all the details via the payroll portal. Upon receipt of the pre pay report the Appointed Resources Manager or the Finance Manager will check and sign the report prior to submitting for processing.

- 4.9 Overtime
The line manager is responsible for authorising overtime payments. Overtime is authorised and recorded on relevant forms. Copies of overtime forms claimed are kept in the relevant monthly Payroll file in the Personnel Office. Overtime for payment of recorded hours worked and claimed is submitted to the Personnel team for processing via the payroll portal.

- 4.10 Supply Cover & Teachers' Additional Hours
The Appointed Cover Manager is responsible for arranging supply cover/teachers additional hours and the completion of the claim form. The Appointed Cover Manager authorises claim forms and passes them to the Finance Department for onward processing.

Copies of supply/teachers additional hours are kept in the relevant monthly payroll file. The Appointed Cover Manager also keeps an electronic record of supply with external agencies The Appointed Head of Resources monitors supply cover against budget and reports any variations to the Principal.

- 4.11 Salaries
The standard procedure is to pay by BACS , however in extreme circumstances payment may be authorised by other means.

5 Control of Notes and Coins

- 5.1 The Appointed Head of Finance shall be responsible for the custody and disbursement of individual Trust Academy's cash. Monies held on behalf of the Trust Academy shall not be used to cash personal or other cheques.
- 5.2 The individual Trust Academy's shall operate a petty cash facility which will be maintained on an imprest system. Requests for reimbursement via petty cash must be made on the official form and be accompanied by receipts or other vouchers.
- 5.3 Staff will not be allowed to 'self authorise' any payment but must refer to another specified signatory, usually the budget controller or a member of SMT.
- 5.4 See appendix D for details of maximum withdrawals, authorisation required and imprest limit for each Trust Academy. In exceptional circumstances the Appointed Head of Finance can authorise payments above the maximum limit set.
- 5.5 Any member of staff granted a float is personally responsible for its safe keeping.

6 Orders for Work and Goods

- 6.1 Expenditure on goods or services shall be in accordance with the estimates authorised by the LGB and Trust Board (where appropriate).
- 6.2 Manual Orders
 - 6.2.1 Orders shall be made out on official forms consecutively numbered and clearly setting out the quantities, prices, discounts and terms in relation to packing and delivery. Official orders shall not be required in those instances where formal contracts or annual subscriptions/licences already exist. Payment in such instances will be made following authorisation of the invoice by the Budget Holder.
 - 6.2.2 Orders shall normally be authorised and signed by the Appointed Head Of Resources or, in their absence, any member of the SMT based on requests by designated budget holders.
 - 6.2.3 Where in exceptional circumstances orders are given over the telephone, they must be confirmed by an official order to be dispatched the same day.
 - 6.2.4 Copies of all manual orders must be retained by the Finance Department.
- 6.3 Electronic Orders
 - 6.3.1 Raise and Approve Requisitions
 - 6.3.1.1 Raise Requisition(s) the Web Portal in the Resource Financial System. All requisitions shall be subjected to the following checks (as appropriate) before final approval –
 - Receipt of three quotes (based on the Tenders and Contracts for Procurement provisions, see section 9)
 - Sufficient budget available
 - Budget Holder Approval
 - Second approver – which can be set to up to be one of three people based on the value of the order.
 - 6.3.1.2 Approval Process

The above checks will result in one of the following outcomes –

 - Requisition fully approved.
 - Returned to the originator if it fails check on required quotes or is rejected at any of the approval stages.
 - Returned to the originator if it fails check on required quotes or is rejected at any of the approval stages.
 - Returned to the budget holder if there is insufficient funds. The budget holder can then return it to the originator or forward to the first of the two designated approvers of an overspend.

Note if a requisition requires further attention the appropriate person will be sent an e mail.

6.3.2. Convert Requisitions to Purchase Order.

The Finance department will be responsible for importing requisitions from the web portal and converting them to purchase orders, which will be sent out to suppliers either by e mail or printed and posted out.

6.4 Internet Orders/Corporate Card Orders.

These will follow the process of raising a requisition and on approval converting it to a purchase order.

The Finance department will be responsible for the final approval and processing of internet orders.

7 Delivery of Goods and Inventories

The delivery note should be used by the subject (or other as appropriate) department for checking against goods and returned to the Finance Department and returned to the finance office once the invoice has been approved.

8 Invoices

8.1 The supplier shall quote on any invoice the number of the order, the place where the work was done or goods delivered, and the delivery note number. Payment in advance (other than under 6.4) is made only in exceptional circumstances and must be approved by a member of the SMT.

8.2 Every invoice which is received by the budget holder direct from a supplier must be passed to the Finance Department for processing.

8.3 Invoices received by the Finance Department will be sent out for approval using the on-line invoice approval system. Every invoice submitted to the Finance Department will be stamped, entered on to the system and linked electronically to the purchase order number where one has been raised. The scan reference will be noted on the invoice. The invoice will then be scanned using the reference to enable it to be viewed during the various stages of approval.

Note hard copies of invoices will no longer be sent out for approval.

8.4 The system will pick up the invoice and send the appropriate e mails to seek approval to pay.

8.5 **Invoices with no purchase order** will be sent to the budget holder for approval. The budget holder can either approve the invoice or place in it query.

Approved invoices will then be forwarded for approval by Finance and in the case of large value invoices a further approval stage will be required before passing the invoice for payment. At any stage during the approval process an invoice can be placed in query with a reason for the query and passed back to the Finance Department. Finance will contact the supplier to have the invoice corrected or a credit note issue as appropriate.

8.6 **Invoices with a Purchase Order** will be sent out to the originator for approval. Where the invoice quantities and value match the purchase order, the originator can receipt in the line(s) of the purchase order and pass the invoice for payment.

Where the invoice does not match the purchase order it can be put into query and sent back to Finance Department or forwarded to the budget holder for approval. The budget holder can approve then either approve the invoice for payment, query it with Finance or query it with the originator.

Invoices with a large variance to the purchase order will be sent for a final approval stage. note issued as appropriate.

- 8.5 The signature on the invoice signature grid shall be taken to mean that payment may properly be made, that the goods have been received and approved as to quantity and quality or the work done satisfactorily, that the expenditure is within the approved estimates, that credits for adjustments, returns or packages have been taken into account, that prices and the arithmetical accuracy of the invoice are correct, that the full trade discounts due have been deducted and that an invoice for the same debt has not previously been certified.
- 8.6 Invoices which include payment for work not provided for in the terms of the order on any relevant contract shall not be certified without the approval of the Principal.
- 8.7 Senior Managers, budget controllers and budget holders shall be entitled to make enquiries about accounts for payment and to receive such information and explanations as they may reasonably require.
- 8.8 All direct debit invoices/statements must be checked and signed by budget holders and any discrepancy reported immediately to a member of the Finance Team. These will be processed as cash book payments from the main bank account.

9 Tenders and Contracts for the Procurement of Goods and/or Services

No exceptions from the following provisions shall be made otherwise than by direction of the TCAT Governing Body.

- 9.1 Before entering into any tender the LGB should take heed of the requirements under the Scheme of Delegation and in particular the provisions in section 4.1.2.
- 9.2 Tenders shall normally be invited from a minimum of three suppliers for the supply or sale of goods or materials or for the execution of any works or services costing £50,000 or more over the period of the contract and below Official Journal of the European Union (OJEU) threshold unless ordered through a purchasing consortium which has pre-tendered solutions such as the Government Procurement Service (GPS.) Quotations for all work costing more than £3000 are to be obtained in writing or via e-mail, quotes from 3 suppliers are required unless agreed by the Director of Finance.
- 9.3 All tenders offered over £25,000 must be advertised on the Contracts Finder website (<https://www.gov.uk/contracts-finder>) in accordance with The Public Contracts Regulations 2015. The individual Trust Academy shall firstly look at known frameworks to identify whether or not there are suitable compliant procurement opportunities in place. This would remove the need to advertise on the Contracts Finder website.
- 9.4 In addition to those respondents via the Contracts Finder website, the individual Trust Academy may select companies to tender for contracts with the aim to ensure the pool of suppliers tendering will provide effective competition and be representative of interested and capable contractors. Tenderers will be selected on the basis of relevant experience and appropriate expertise (including safety). If the Trust Academy is uncertain of its precise needs in relation to the above it may be necessary to engage the services of a specialist consultant.
- 9.5 All tenders are to be opened on a designated date. This should be done in the presence of at least one member of the SMT and either the Chair, Vice-Chair, Chair of Finance & General Purposes or the Clerk to the Governors. Who attends the opening of the tenders should be agreed in advance and approved by the Chair of the LGB and Chair of Local Finance & General Purposes Committee.
- 9.6 A tender other than the lowest tender (if payment is to be made by the Trust Academy or TCAT) or other than the highest tender (if payment is to be received by the Trust Academy or TCAT) shall not be accepted until the LGB and /or Trust Board has considered a written or oral report, the substance of which shall be entered in the Minutes.

- 9.7 If no tenders fully meet the required specification price, amendments should be given to those tendering and a retendering process take place unless within the European Legislation limit in which case amendments may be requested from the lowest two tenderers.
- 9.8 Every contract shall be in writing.
- 9.9 Any LGB or Trust Board member who has any financial interest in
- (i) the supply of work to a member of TCAT, or the supply of goods for the purposes of a member of TCAT;
 - (ii) any contract or proposed contract concerning TCAT; or
any other matter relating to the TCAT; or has any other interest of a type specified by the LGB / Trust Board in any matter relating to a member of TCAT must
 - (a) disclose to the LGB & Trust Board the nature and extent of the interest; and
 - (b) if present at a meeting of the LGB and / or Trust Board, or of any of their committees, at which such supply, contract or other matter to be considered, not take part in the consideration or vote on any question with respect to it and not be counted in the quorum present at the meeting in relation to a resolution on which that member is not entitled to vote; and
 - (c) withdraw, if present at a meeting of the LGB and /Trust Board, or any of their committees, at which such supply, contract or other matter is to be considered, where required to do so by a majority of the members of the LGB and / or Trust Board or committee present at the meeting.
- 9.10 A member of the LGB / Trust Board may give a general notice of any financial interest to the Clerk to the Board(s) and it shall be recorded in the register of interests.
- 9.11 Every contract where circumstances render it desirable shall provide for a payment of liquidated damages by the contractor in case the terms of the contract are not duly performed. The LGB shall not require contractors to provide security for the due performance of contract work unless the Principal and / or Trust Board or officer designated by him or her, having regard to all the circumstances, considers it to be necessary.
- 9.12 In every written contract a clause shall be inserted to secure that the LGB and / or Trust Board shall be entitled to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if the contractor shall have offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of the contract or any other contract with the LGB and / or Trust Board, or for showing or forbearing to show favour or disfavour to any person in relation to the contract, or any other contract with the LGB and / or Trust Board, or if the like acts shall have been done by any person employed by him or acting on his behalf (whether with or without the knowledge of the contractor) or if in relation to any contract with the Governing Body the contractor or any person employed by him or acting on his behalf shall have committed any offence under the Prevention of Corruption Acts, 1889 to 1916, or shall have given any fee or reward the receipt of which is an offence.
- 9.13 Contracts for which tenders are required shall not be placed unless prior sanction has been obtained by resolution of the LGB and / or Trust Board. This may include delegation to a named committee of the LGB and / or Trust Board or to two specified Governors.
- 9.14 The Principal will ensure that under Construction Design Management regulations a Project Manager is identified before the start of any building contract. The Project Manager will report to the Vice Principal - Resources on a monthly basis or more frequently as required.
- 9.15 Contracts shall, where possible, be specific.
- 9.16 Any amendments to a contract must comply with the following approval structure:

- (i) Amendments estimated to cost less than £10,000 approved by one member of the Senior Management Team.
- (ii) Amendments estimated to cost between £10,000 and £50,000 approved by two members of the Senior Management Team or one member of the Senior Management Team and the Finance Manager
- (iii) Amendments above £50,000 approved by the Governing Body or the Committee/Governor with delegated authority.

9.17 The contractor must produce satisfactory evidence when required to do so to show that he is insured against any claim in respect of employer's liability against the contractor by any worker employed by the contractor or sub-contractors in the execution of works.

9.18 TCAT is required to comply with European procurement legislation, contracts above the limits laid down by European legislation should be advertised in the European Journal.

9.19 Further guidance on tendering procedures is given in Appendix "A" below.

10 Income

10.1 Fees such as for adult education, training work for local companies, lettings, etc. shall be determined by the individual Trust Academy's Principal on the advice of the members of the SMT. Fees will be determined in line with the Fee Policy which is reviewed annually by the LGB. Body.

10.2 All work performed by the individual Trust Academy / TCAT will be subject to advance written agreement with the third party. The written agreement will specify work to be undertaken, time periods and charges, etc.; and method of payment.

10.3 Invoices to debtors will normally be raised in arrears if the work/service has been performed. There may be exceptions to this rule at the discretion of the Trust Academy's Principal when fees may be required in advance. Overseas students will be required to pay for an academic year in advance, but exception will be made for returning students who have already enjoyed payment terms of a term in advance. Normal method of payment will be within 30 working days. Payments by instalment may be authorised at the discretion of the Principal. Arrangements for paying tuition fees by instalment are governed by the Fee Policy.

10.4 In the case of tuition fees and Full Cost Recovery, fees from students will be required normally towards the start of the course and an instalment scheme is reviewed annually within the Fee Policy. Payment can be made via credit or debit card.

10.5 Individual Trust Academies may charge for:
 The cost of entering a pupil for public examination not prescribed in regulations and for preparing the pupil for such an examination outside school hours.
 Re-sits of prescribed public examinations including the costs of invigilation where no further preparation has been provided by the school.
 The Trust Academy may on occasion make available for purchase by students items such as revision guides and equipment which are additional to statutory requirements.
 Resit fees where students have already had one exam funded by the individual Trust Academy.
 The cost of educational trips and visits. Any payment plan by installments must be agreed by the relevant persons within the organisation.

10.6 Write-off of debts will be permitted as follows:-

Up to £500	Permission granted by the local Head of Finance
Up to £1,000	Permission granted by Principal
Items over £1,000	LGB permission required.
Need to consider TCAT permission	

10.7 The section below has been extracted from the Academies Financial Handbook 2017.
10.7.1 The academy trust **must** obtain ESFA's prior approval for the following transactions beyond the delegated limits of the two categories set out below:

- writing-off debts and losses
- entering into guarantees, letters of comfort or indemnities

10.7.2 The delegated limits, subject to a maximum of £250,000, are:

- 1% of total annual income or £45,000 (whichever is smaller) 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 audited accounts for the previous two financial years. This category includes new academies that have not had the opportunity to produce two years of audited accounts 32
- cumulatively, 5% of total annual income in any one financial year per category of transaction for any academy trusts that have submitted timely, unqualified audited accounts for the previous two financial years

10.7.3 In relation to these limits:

- the trust should always pursue recovery of amounts owed to it, overpayments, or payments made in error, irrespective of how they came to be made. In practice, however, there will be both practical and legal limits to how cases should be handled
- the trust should only consider writing-off losses after careful appraisal of the facts, including whether all reasonable action has been taken to effect recovery from the debtor, the trust's insurers, or the risk protection arrangement, and should be satisfied that there is no feasible alternative
- the amounts for write-offs are before any successful claims from an insurer or the risk protection arrangement
- total annual income is defined as grant income as disclosed in the trust's last set of audited accounts. ESFA should be contacted if the trust has not yet published their first set of audited accounts

10.7.4 Before accepting any liabilities by:

- issuing specific guarantees, or
- providing a letter of comfort, or
- providing indemnities

the trust should secure value for money by appraising the proposal through an assessment of the costs and benefits of relevant options. The trust **must** ensure that the value of any liability is within its delegated authority to commit.

All proposed write-offs must be reported to the Trust Director of Finance to ensure the cumulative is not reached

10.8 Transferring money between bank accounts

Funds can be transferred between the school fund and the main Trust Academy account. A 'Transfer between bank accounts' form is completed with relevant evidence and authorized by two bank signatories in accordance with the authorisation levels. The transfer is then processed by the relevant authorised personnel on the online banking system and then entered on the appropriate finance system.

Appendix F contains details of main income streams, method of notification to the Trust Academy / TCAT and responsibility for checking against budget.

11 Subsistence, Travel Allowances, Hospitality and Reimbursement of Expenditure by Petty Cash

- 11.1 Subsistence and travel allowances for staff and governors on official individual Trust Academy / TCAT business will be reimbursed according to the allowances reviewed by the TCAT Finance and General Purposes Committee in line with Inland Revenue guidelines, approved by the Trust Board and published by the Finance Director.
- 11.2 All claims must be made on the appropriate form, obtainable from the Finance Departments.
- 11.3 Staff and Governors should not accept or give hospitality from or to known actual or prospective clients or suppliers that could be construed as an inducement. Hospitality should therefore not be capable of creating a sense of obligation.
- 11.4 Any reimbursable expenditure for entertaining guests is to be in accordance with staff subsistence allowances as set out in the Travel and Hospitality and use of TCAT Equipment Policy Document.
- 11.5 If a personal gift of an estimated value of more than £20 is offered to a member of staff, it should be tactfully declined and the Principal and / or Trust Board Member should be notified that the offer was made.
- 11.6 Purchase cards must not be used for personal purchases.

12 Internal and External Audit

- 12.1 It is the responsibility of the Trust Board to ensure that TCAT and the individual Trust Academies have a sound system of internal control. TCAT will set up an Audit Committee, independent of all other committees, independent of the CEO and the Finance Director, with at least **four** members who will meet at least twice each year and co-operate with the TCAT's external and internal auditors.
- 12.2 The Trust Board, LGB's of the Trust Academies and the staff of all members of TCAT shall provide those engaged in internal audit with whatever information, explanations and access to official documents and records that is required to enable them to fulfil their responsibilities.
- 12.3 The Financial Statements Auditor shall submit to the Trust Board annually a balance sheet and revenue account according to relevant funding agency/agencies' requirements, together with an auditor's certificate stating that proper records have been maintained and audited in respect of all TCAT funds.
- 12.4 TCAT accounts are the responsibility of the CEO (see 3.1).
- 12.5 In accordance with the relevant funding agency/agencies' requirements, the annual accounts of the TCAT are subject to external audit.
- 12.6 External audit staff will have access to TCAT and the individual Trust Academies staff and information similar to that of the internal auditors.
- 12.7 The above regulations apply to audit or investigation by the relevant funding agency/agencies, Her Majesty's Revenue and Customs inspectors and other relevant national bodies.
- 12.8 Where fraud or irregularity are identified or suspected the reporting and investigation procedures and whistleblowing procedures must be followed as detailed in the Trust Whistleblowing policy

13 Approval of Arrangements

- 13.1 A member of each SMT shall be responsible for arranging the following as approved by the trust Board:
- a) the preparation of the necessary information to service the payroll, the payment of all salaries, wages and invoices and the preparation of the final accounts;
 - b) all matters relating to insurance for fire, motor, accident, engineering and other risks;
 - c) collection of cash receipts and other amounts due to the individual Trust Academies, and the issue of invoices for such receipts due;
 - d) banking arrangements, including the prompt and complete banking of cash receipts;
 - e) petty cash imprests and sales of scrap;
 - f) disposal of financial records
- 13.2 The opening and closing of bank accounts can be effected only by the Principal together with another member of the Senior Management Team, the LGB and Trust Board must be informed of this action within the next financial period.

14 Control of TCAT Assets

- 14.1 The LGB is accountable for maintaining proper security of all buildings, furniture, equipment, plant, stores and other assets of the individual Trust Academies.
- 14.2 For day to day control, this responsibility is delegated to the Principals.
- 14.3 For general security of Trust premises and equipment the Appointed Head of Resources is accountable to the Principal and is the line manager for premises. The Appointed Head of Estates and Facilities has day to day responsibility for security.
- 14.4 All staff are understood to have a responsibility to inform the Appointed Head of Resources where they are aware of a security problem of any nature.
- 14.5 All individual Trust Academies tangible fixed assets are to be clearly marked with security coding.
- 14.6 The individual Trust Academy's Fixed Assets Register will be maintained and updated by the Finance Team.
- 14.7 The value of assets to be included in the register is as detailed in the TCAT's Fixed Assets Policy as approved by the Trust Board from time to time.
- 14.8 All new assets must be entered onto the Fixed Asset Register within one month of payment.
- 14.9 The TCAT scheme for the depreciation of different types of assets is as detailed in the TCAT's Fixed Assets Policy as agreed with TCAT external auditors and approved by the Trust Governing Body from time to time.
- 14.10 Disposal of land and buildings will require approval of the Governing Body. The Trust will not dispose of any land or building assets, the acquisition of which may have involved the use of public funds, without reference to the relevant funding agency/agencies.
- 14.11 Approval for disposal of other fixed tangible assets will be delegated from the LGB to the Appointed Head of Resources; and the Appointed Head of Finance must be notified of any such disposal.
- 14.12 Maintaining security and privacy of information on the computer networks is the responsibility of the Network and Systems Manager and any breach of security is to be reported to the Appointed Head of Resources who will lead an investigation. The findings of any investigation are to be reported to the Principal.

14.13 Staff must ensure the security of their "passwords" and abide by the Computer User Policy which is updated annually to meet changes in legislation.

14.14 Access to computer areas is restricted to authorised persons through the use of passwords. TCAT / individual Trust Academies recognise that accessing a computer system identifies the user. TCAT / individual Trust Academies recognise the use of e-mail communications when the TCAT / individual Trust Academies e-mail system is used and therefore e-mail communication is accepted as evidence of correspondence between individuals using e-mail addresses.

15 Borrowing

TCAT would only be allowed to enter into a borrowing agreement under exceptional circumstances.

Approval for any borrowing must be sought from the Trustees of TCAT and the Secretary of State.

16 Funds Held on Trust

16.1 The Appointed Head of Finance will prescribe the format for recording the use of student welfare funds. Records of access funds will be maintained according to funding body requirements.

16.2 Monies received in respect of trips or for other items will be recorded by the Finance Department. Costs will be recorded and expenditure paid over in line with the Trust Financial Regulations. The individual Trust Academies will not seek to make a surplus on trips etc. and the refund policy will be decided by the LGB.

16.3 **Voluntary funds** - The Appointed Head of Finance shall be informed of any fund, not being an official fund of the Trust, which is controlled wholly or in part by a member of staff in relation to their function in the Trust.

17 Insurance

17.1 TCAT's insurance strategy will be considered as and when renewal of contracts take place by the Governing Body. Any amendments to 'cover' are to be reported to the Finance & General Purposes Committee.

17.2 Individual Trust Academies will be included in the TCAT insurance policy on termination / renewal of their individual insurance cover .

17.3 The Company Secretary of TCAT is responsible for the arrangement of all TCAT insurance and will oversee the insurance of individual trust Academies where appropriate. The Finance Director will be responsible for provision of advice on the types of cover available.

17.4 All insurance issues are to be dealt with through TCAT's Company Secretary.

17.4 The Appointed Head Of Resources for each Trust Academy has delegated powers to authorise additional insurance for further risks, including special events.

17.5 Settlement of claims will be agreed between the individual Principals and / or the CEO of TCAT and the Company Secretary. The necessity for approval by the Governing Body will be at the discretion of the CEO.

17.6 The Appointed Head of Estates is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.

17.7 All staff using their own vehicles on behalf of TCAT / individual Trust Academies shall maintain appropriate insurance cover for business use.

18 Investment

- 18.1 The Treasury Management Policy is to be formally reviewed annually.
- 18.2 Investment of any available funds must have the delegated approval of the CEO and must be in the name TCAT.
- 18.3 The Finance Director is responsible for maintaining a record of the requirements for each trust fund and for advising the trust board on the control and investment of fund balances.

19 Taxation

- 19.1 The Finance Director shall make proper arrangements for the prompt payment of taxes due together with appropriate tax returns within the due dates, ensuring that TCAT does not incur penalties for the incorrect treatment of VAT and other taxes.
- 19.2 Value Added Tax - TCAT is registered for VAT purposes and is, therefore, entitled to reclaim any VAT charged by suppliers of goods and services but is also required to charge VAT on certain items of income. VAT paid on invoices can be reclaimed as long as the claim is supported by an invoice which complies with HM Revenue and Customs Regulations. Where a supplier issues a non-VAT invoice for a regular payment, e.g., hire of equipment payable monthly on a maintenance contract, the schedule of VAT will be issued to cover the whole year. This practice is acceptable to HM Revenue and Customs if a copy of the schedule is attached to each invoice paid.

Petty cash purchases should be, wherever possible, supported by a VAT receipt from the supplier so that the VAT element can be reclaimed.

Individual Trust Academies and / or TCAT must determine whether VAT should be charged on income. and are recommended to seek advice from the Finance Director when circumstances are unclear.

It is a statutory requirement that Academies retain invoices with VAT paid, for subsequent inspection by HM Revenue and Customs inspectors.

20 Signature of Cheques/authorisation of payments by BACS

- 20.1 The members of the Trust Board, LGBs and Officers of TCAT who are authorised to sign cheques or payment by BACS are listed in appendix G.

21 Project Management

- 21.1 Any specific project will be managed by a member of the local Senior Management Team. Any project involving a budget in excess of £50,000 must be reported separately to the Central Executive Team, Trust Director of Finance and the F,HR & Governing Board.

22 Corporate Credit Cards/Purchasing Cards/Travelex Cash Passport

- 22.1 In the case of Corporate Credit Card and Purchasing Cards, the local Finance and General Purposes Committee shall approve the cardholders. FairFX Prepaid Mastercards will be approved by the individual trust Academies Appointed Head of Finance or a member of the Senior Management Team.
- 22.2 For the purposes of clarification, a Credit Card which is used solely for the purchase of goods and services, and is retained permanently in the Finance Office or held by designated purchase cardholder, shall be regarded as a Purchasing Card. The FairFX Prepaid Mastercard

is a prepaid currency card for use by staff on Trust Academy business or study trips. In the case of study trips it should be noted that the funds uploaded are those paid into the Trust Academy by students and, as such, remain the property of those students and should only be spent on costs properly incurred and authorised for the trip. The initial 'upload' will be authorised by the Appointed head of Finance.

22.3 For details of individual trust Academies credit card limits see appendix H. The FairFX is prepaid and therefore does not have a credit limit as such, but funds applied to the card will be applied as follows:

- There will be a limit of £1,000 on initial uploads of currency.
- The initial 'upload' will be authorised by the trip organiser/budget holder and a member of the Senior Management team. Where the trip organiser/budget holder is one and the same person as the card holder, this will be countersigned by the Appointed Head Of Finance.
- In the event of an emergency, the Appointed Head of Finance, or in his/her absence the Finance Manager, can authorise an upload of currency to meet the needs of the organising teacher but should seek authorisation by the Principal, or in his absence the Deputy or Vice Principal, as soon as is reasonably possible. An emergency is defined as a situation where funds are required to resolve medical matters or where the trip cannot continue without the provision of additional funds.

22.4 The authorised prepaid card, purchase or credit cardholder must obtain receipts to support all purchases. No cash advances are to be made using a corporate purchase or credit card. Expenditure must be within the agreed budget.

22.5 Copies of monthly statements and associated receipts must be passed to the Finance Manager within two weeks of receipt.

22.6 The person holding the credit card/purchasing card upon its loss must immediately notify the credit card company and the Appointed Head of Finance..

23 Travel outside the UK

23.1 Where staff are required to travel abroad in the course of their Trust duties, prior approval must be obtained from a member of the Senior Management Team and / or Trust Board.. All proposals should include a detailed costing for the trip and the sources of funding.

23.2 Proposals for overseas visits that are directly linked to the curriculum must be submitted via the appropriate Curriculum Manager.

23.3 Proposals for travel outside the UK not linked directly to the curriculum ("business trips") must be supported by a clear rationale and a comprehensive itinerary and should be considered by the Senior Management Team prior to approval by the Principal unless less than £500 per person and 2 days. Where the Principal or a Governor is involved in the travel outside the UK, the prior approval of the LGB shall be required.

23.4 Travel outside the UK must be in accordance with individual Trust Academy's objectives and relevant policies approved by the LGB. Expenses will be reimbursed within TCAT's limits and policies approved by the Turst Board.

23.5 A report on each business trip will be considered by the local Finance and General Purposes Committee at the first meeting following the trip.

23.6 All expenditure on travel outside the UK and hospitality must be reported in the Trust's annual accounts.

24 Anti-Bribery Measures

- 24.1 TCAT has a zero-tolerance for bribery and corruption. TCAT and the Trust Academies reputation with the community it serves and with other stakeholders is underpinned by ethical behaviour, financial probity and honesty.
- 24.2 TCAT and the Trust Academeis will limit its exposure to bribery by
- 24.2.1 Setting out a clear anti-bribery policy (see Appendix B below) which is proportionate to the risks that TCAT / Trust Academies are exposed to;
 - 24.2.2 Embedding awareness and understanding of TCATS anti-bribery policy amongst all employees, "associated persons" (ie., any person performing services for or on behalf of TCAT / Trust Academies), and external persons/organisations with whom the TCAT / Trust Academies have commercial relations;
 - 24.2.3 Training staff as appropriate so that they can recognise and avoid the use of bribery by themselves and others;
 - 24.2.4 Encouraging staff to be vigilant and to report any suspicion of bribery, providing them with suitable channels of communication such as the Whistleblowing Policy and ensuring sensitive information is treated appropriately;
 - 24.2.5 Rigorously investigating instances of alleged bribery and assisting the Police and other appropriate authorities in any resultant prosecution;
 - 24.2.6 Taking firm and vigorous action against any individual(s) involved in bribery.

25 Money Laundering

- 25.1 TCAT / Trust Academies will takes all steps to satisfy themselves with the identity of the party involved in any transaction with TCAT / Trust Academies which falls under Money Laundering Regulations, for further information, read the Money Laundering Policy (see Appendix C).
- 25.2 Checks will be carried out before the acceptance of any monies from an unknown party – refer to Guidance Note at the end of the Money Laundering Policy (see Appendix C).
- 25.3 Where concern exists regarding a transaction, the Money Laundering & Proceeds of Crime Reporting Officer (MLRO) should be notified.

26 Intellectual Property Rights.

In the event of TCAT deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the intellectual property procedures issued by TCAT and contained in TCAT's detailed financial procedures.

27 Free School Meals

The names of all pupils entitled to a free school meal are received on a monthly basis from the Local Authority. It is the responsibility of the Appointed Head of Finance or Director of Facilities within each Trust Academy to process this information promptly to ensure all pupils receive their entitlement.

28 Banking

This should be carried out on a weekly basis at minimum. All cash and cheques should be kept in a secure cabinet / safe prior to banking.
Appendix H details staff responsible for preparation of all monies for banking, frequency of banking and staff responsible for banking.

29 Security

Keys to safes or other similar containers must be kept securely at all times. The loss of such keys must be reported to the Appointed Head of Resources and / or Appointed Head of Finance immediately.

Within each Trust Academy an officer shall be responsible for maintaining proper security and privacy of information held on the institution's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs, together with restricted physical access to network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act. A data protection officer shall be nominated to ensure compliance with the Act and the safety of documents.

The company secretary of TCAT is responsible for the safekeeping of official and legal documents relating to the institution. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the company secretary. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

The custody and transit of all monies received must comply with the requirements of the institution's insurers.

30 Student welfare and access funds

The Appointed Head of Finance for each Trust Academy will prescribe the format for recording the use of student welfare funds.

Records of welfare funds will be maintained according to funding body requirements.

31 Assets

Heads of department are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc. under their control. They will consult the director of business and finance in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Assets owned by the individual Trust Academies and TCAT shall, so far as is practical, be effectively marked to identify them as institution property.

31.1 Personal use

Assets owned or leased by the institution shall not be subject to personal use without proper authorization from the Appointed Head of Resources.

31.2 Asset disposal

Disposal of equipment and furniture must be in accordance with procedures agreed by the Trust Board and contained in the individual Trust Academies detailed financial procedures.

Disposal of land and buildings must only take place with the authorisation of the Trust Board. Funding body consent may also be required if exchequer funds were involved in the acquisition of the asset.

31.3 All other assets

Heads of departments are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the institution, whether tangible (such as stock – see above) or intangible (such as intellectual property – see paragraph 19), including electronic data.

32 Donations

32.1 Gifts, benefactions and donations

The Appointed Head of Finance of the Individual Trust Academy or TCAT is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the institution and initiating claims for recovery of tax where appropriate.

32.2 Donation of equity shares

When shares are offered by a donor, the Company Secretary is responsible for the same due diligence they would normally undertake for a donation of cash.

In addition, they should ensure:

- the donor is the rightful owner of the donated shares
- the company holding the shares complies with the institution's ethical policies.

At the time of the donation, the development office should obtain in writing the purpose of the donation.

All share certificates should be held in the safe.

APPENDIX "A"

TENDERING PROCEDURES

1.0 Strategy

1.1 TCAT / Trust Academies must have mechanisms for ensuring that the purchase of supplies and services are achieved at a competitive price, without bias, without unfair or illegal influence and within the scope of European Union Directives, The Public Contracts Regulations 2015 and other statutory requirements. TCAT / Trust Academies have to be able to demonstrate that it has achieved the best value for money by the fairest of means. Through the tender process the TCAT / Trust Academies can demonstrate its accountability for and good stewardship of the funds at its disposal.

2.0 Inclusions and Exclusions

2.1 Scope of the Tendering Procedure

Tenders shall normally be invited from a minimum of three suppliers for the supply or sale of goods or materials or for the execution of any works or services costing £50,000 or more over the period of the contract unless ordered through the Office of Government Commerce Buying Solutions or any other agency offering pre-tendered solutions. These amounts are inclusive of any VAT.

2.2 Inclusions

A formal tendering procedure must be initiated for all goods and services which are likely to total over £50,000 including VAT.

2.3 Exclusions

The tendering process, as detailed within this document, is not necessary in the following circumstances:

- a) The items required are subject to an EU contract which has already been entered into by the College and where compliance is mandatory.
- b) The items required have been ordered through the Office of Government Commerce Buying Solutions, Crescent Purchasing Consortium or any other agency offering pre-tendered solutions.

3.0 General Regulations

3.1 The tendering procedure must be consistently applied and all staff involved with tendering must be able to verify that, during their involvement, the tendering procedure has been adhered to.

3.2 Any person involved in the tender process who has a personal interest in any tender must declare this at the start of the procedure. Failure to do so will result in disciplinary action.

3.3 During the tendering procedure, the details of any tender from a contractor or supplier are confidential and must not be disclosed to anyone outside the organisation..

3.4 At the end of the tendering procedure, a contract will be let. However, details of the successful tender must remain confidential to TCAT / Trust Academies and the supplier unless the senior management and supplier decide otherwise.

3.5 Under no circumstances should any member of staff take action to deviate from the stated tendering procedure without the express approval of the Principal and / or CEO. Any breach of

the procedure must be reported to the Principal/ CEO and the staff concerned may be subject to disciplinary action.

3.6 Will need looking at to take into account TCAT level.
For all tenders over £50,000, at least 3 suppliers must be included on the tender list unless agreed by the Governing Body or the Finance and General Purposes Committee. Exceptionally, where a lesser number of suppliers are in a position to supply the required goods or services, all such suppliers must be placed on the tender list.

3.7 The closing date for returned tenders must be strictly adhered to. All tenders received after the specified time must be returned to sender unless the tender envelope is postmarked prior to the closing date. Tenders received before the specified time must be held unopened in a secure place.

4.0 Advice on the Commercial Appraisal of Tenders

4.1 The following guidelines should be used where appropriate in assessing from the commercial angle all tender returns received. All form part of a process entitled "cradle to grave" costing.

- a) Delivery and installation cost.
- b) Set up costs.
- c) Maintenance costs.
- d) Spare/replacement part cost
- e) Eventual disposal and replacement cost.
- f) Running/energy costs.
- g) Training costs.
- h) Refurbishment costs (associated with any building work).
- i) Labour costs (i.e. variations in costs of labour between systems or operating the equipment).
- j) Any evaluation possible of the difference in cost and capability of adding to, at a later date, each system or piece of equipment/software being evaluated.
- k) Any check possible to ensure that a selected supplier has the capability to both supply and effectively maintain the system. A financial check, together with an exercise to obtain references from nominated users, is advised.
- l) A thorough breakdown of the stated cost of the equipment/service from each tenderer.
- m) A thorough appraisal of the environmental impact of the equipment service being offered by each tenderer. This appraisal could take into account: source of material construction, energy usage, harmful emissions, working practices, materials used in maintenance or operation etc. etc.
- n) Health and Safety issues.
- o) The terms and conditions of contract offered by each bidder ensuring areas such as warranty, equipment performance or service level guarantees, payment terms, spares availability and delivery insurance are covered.

4.2 The examples given above cover the majority of aspects involved in making the purchasing decision and plainly the decision to place business with any bidder would be based upon which offer represents best value for money taking into account all factors.

4.3 Dependent on the value of the contract, it may be necessary for TCAT / Trust Academy to conduct a formal risk analysis and financial investment appraisal. Queries regarding this matter should be placed with the Finance Director.

5.0 A Step by Step Guide to the Tendering Procedure

5.1 EU Tender

The Trust is required to comply with European procurement legislation. Contracts above the limits laid down by European legislation should be advertised in the European Journal. Allowing at least three months for this process, contact must be made with the Director of Finance who will be able to provide guidance and assistance through this process.

5.2 Tenders over £50,000 (including VAT)

The full procedures are as follows:

5.2.1. Specification

Many products which TCAT / Trust Academiies wishes to purchase should be straightforward in their description. It is, however, noted that the specification of a product which is complex will be difficult and time consuming. Description of a "service" will similarly not be easy. The guiding principle is the provision of an equitable specification covering expected quality and workmanship standards, service level standards and functionality which allows all tendering suppliers to start, as much as possible, on a "level playing field". Brand naming, where possible should be avoided.

5.2.2. Responsibility for Specification

Specification is an integral and important part of the tendering process and the ultimate responsibility for writing and signing off the specification lies solely with the budget holder responsible for the user department/section. Either the budget holder or an authorised and selected deputy should be regarded from this point as the "project leader", and will be responsible for compliance with all aspects of the tendering procedure.

5.2.3. Selection of Suppliers

Once the specification is written and approved, the next stage is the selection of prospective tenderers. Once a contract is valued above £25,000, the College must comply with The Public Contracts Regulations 2015 and advertise the opportunity on the Contracts Finder website – <https://www.gov.uk/contracts-finder>. It is possible to advertise the requirement further although this may not be a viable proposition. In addition to advertising, the Trust may select as many suppliers as is practicable who are known to be able to supply against the requirement.

Where only a very small number of suppliers are known, it is expected that an in-depth search will be conducted of the relevant market place to ensure that suppliers are not missed. Where there are a large number of suppliers it is permissible to select a reasonable number but the selection should be based on justifiable knowledge or criteria. A supplier should not be excluded if there is no knowledge of pricing, product or operation. Please note the general regulations relating to supplier selection in section 3.6.

5.2.4. The Invitation to the Tender Document

Once the specification is written and the suppliers have been selected, the invitation to tender document must be prepared. This should include:

- a) The specification and any drawings
- b) Form of tender
- c) The terms and conditions of the tender (with expected terms of contract).

d) Full selection criteria

e) Any special instructions from the tenderer (i.e. date and time of tender returns, etc.).

5.2.5. Despatch of the Invitation to Tender

The prospective tenderers must return the tender by the advised time and date addressed to the Clerk to the Governing Body in an envelope which should be marked "Official tender for the provision of (insert name of project or product)". The outside of the envelope should not indicate the name of the tenderer or any other indication of who the tenderer may be e.g. branded product names.

5.2.6. Return of the Supplier Tender

All tender envelopes are to be logged unopened on receipt and kept under lock and key. Any tenders which arrive late are to be logged but to be discounted from tender evaluation. Please see general regulations relating to tender return on section 3.7.

5.2.7. Tender Opening : The Panel

Prior to the tender return date, a panel should be organised by the Clerk to the Governing Body to open tenders. This should normally include the budget holder/project manager and must include the Chair, Vice Chair or Clerk of the Governing Body with a member of the senior management team.

5.2.8. Tender Opening : The Procedure

Each tenderer shall be logged on the tender recording document together with the total of the bid. A date stamp shall be placed immediately under the final bid to ensure that further bids cannot be added at a later date. Each panel member shall place a signature next to the date stamp to officially certify the bids listed. All tenders are to be opened on a designated date. This should be done in the presence of at least one member of the Senior Management Team and either the Chair, Vice-Chair, Chair of Finance & General Purposes or the Clerk to the Governors. Who attends the opening of the tenders should be agreed in advance and approved by the Chair of Governors and Chair of Finance & General Purposes Committee.

5.2.9. Tender Appraisal : Technical

It is suggested that responsibility for technical evaluation of tenders lies with the budget holder responsible and for making recommendations based on technical criteria only. Because knowledge of price can influence the objectivity of the technical evaluation, this must take place separately from the commercial evaluation. It may be necessary to set up, at this stage, supplier presentations to assist in the evaluation process.

5.2.10. Tender Appraisal : Commercial

The commercial appraisal should involve consideration of all points raised in section 4.1 of this document.

5.2.11. Selection of the Supplier

The successful suppliers should be selected based upon a careful examination of all technical and commercial criteria. The supplier selected will obviously be the one that satisfied the greatest number of the important criteria. A tender other than the lowest tender (if payment is to be made by the Trust) or other than the highest tender (if payment is to be received by the Trust) shall not be accepted until the Governing Body has considered a written or oral report, the substance of which shall be entered in the Minutes. If only one tender is received, it shall not be accepted until the Board has considered a written or oral report the substance of which shall be entered into the minutes.

5.2.12. Re-tendering

It is perfectly permissible to re-tender a contract or prospective purchase if it is impossible to select a winning tenderer from the offers received. Only the leading suppliers should be selected for this process and each of those selected should be given equal treatment. There must be no advantage given to any supplier requested to re-tender although it is permissible to advise the supplier of the general reasons for the re-tender. It is also not permissible to re-

tender if there is a clear winner, purely in the hope of driving down the price. All processes carried out in tendering must be followed in the case of re-tendering. If no tenders fully meet the required specification price, amendments should be given to those tendering and a re-tendering process take place unless within the European Legislation limit in which case amendments may be requested from the lowest two tenderers.

5.2.13. Post Tender Negotiation

Save in relation to tenders where the open and restricted procedures of the EU procurement rules apply and once the winning tender has been selected, it is permissible to enter into post tender negotiation with that supplier only. Post tender negotiation can cover all or any aspects of the prospective contract including price, delivery, and payment terms, terms and conditions of contract. It is suggested that the Director of Finance is involved in these negotiations.

5.2.14. Finalising the Contract

Once post tender negotiations are complete, the terms and conditions must be scrutinised by the Vice Principal - Resources. This may involve further negotiation with the supplier, as the Vice Principal - Resources will be looking to protect the Trust on the purchase and will ensure that terms and conditions provide this facility.

5.2.15. The Contract

Once terms and conditions are agreed, the contract is ready for signature. The only authorised signatories to a contract are the Principal and the Vice Principal - Resources. The purchase order will be raised and sent with a copy of the agreed terms and conditions.

5.2.16. De-briefing Unsuccessful Suppliers

It is mandatory that the Principal or the Clerk write to unsuccessful tenderers advising them of the award of contract elsewhere and offering them a full statement of reasons for the decision to award elsewhere. The full statement should be approved by the Principal, but, in anticipation of detailed or technical follow-up questions or requests for more information, delivery of the full statement may be delegated to an external project manager whose services have been retained by the Trust for guidance on the tendering process. Delivery of the full statement should not, in any event, reveal the price or the name of the successful tenderer.

5.2.17. Document Retention

All documentation relating to the tender should be kept for a period of up to seven years for audit purposes.

APPENDIX "B"

ANTI-BRIBERY POLICY

This Policy applies to all employees and anyone acting for, or on behalf of, TCAT ("associated persons"), including governors, Trustees, other volunteers, temporary workers, consultants and contractors.

All employees and associated persons are responsible for maintaining the highest standards of business conduct and are expected to behave honestly and with integrity. Any breach of this Policy will constitute a serious disciplinary offence, which may lead to dismissal and may become a criminal matter for the individual.

TCAT prohibits employees and associated persons from offering, giving, soliciting or accepting any bribe. The bribe might include cash, a gift or other inducement, to or from any person or organisation, wherever they are situated, and irrespective of whether or not they are a public official/body or private person or company, by any individual governor, employee, agent or other person or body acting on TCAT's behalf. The bribe might be made in order to:

- Gain any commercial, contractual or regulatory advantage for an individual Trust Academy and/ or TCAT in a way which

is unethical;

- Gain any personal advantage, pecuniary, or otherwise, for the individual or anyone connected with the individual.

This Policy is not intended to prohibit appropriate corporate entertainment and/or hospitality undertaken in connection with an individual Trust Academy's and / or TCAT's business activities, provided the activity is customary under the circumstances, is proportionate, and is properly recorded/disclosed to the individual Trust Academy and / or TCAT in accordance with its procedures for gifts and hospitality which is set out in the TCAT's Travel and Hospitality Policy.

Employees and associated persons are requested to remain vigilant in preventing, detecting and reporting bribery. Employees and associated persons are expected to report any concerns regarding any suspected bribery in accordance with the TCAT's procedures contained in the Whistle Blowing Policy.

APPENDIX "C"

ANTI-MONEY LAUNDERING POLICY

In response to the Proceeds of Crime Act 2002 and Money Laundering Regulations 2003 this policy aims to ensure that TCAT and its employees comply with the legislation and that the highest standards of due diligence are applied in relation to 'know your customer' principles. Legislation has broadened the definition of money laundering and the range of activities where this can apply. So it is not just a concern for banks and the financial sector but now applies to all companies and institutions including Academies. This policy therefore sets out the procedure to be followed if money laundering is suspected and defines the responsibility of individual employees in the process.

What is money laundering?

The legislation defines money laundering as:

- Concealing, disguising, converting, transferring criminal property or removing it from the UK.
- Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person.
- Acquiring, using or possessing criminal property.

TCAT / Trust Academies obligations

The TCAT / Trust Academies have a responsibility to:

- Appoint a Money Laundering Reporting Officer (MLRO) to receive, consider and report as appropriate, disclosure of suspicious activity reported by employees.
- Implement a procedure to enable the reporting of suspicious activity.
- Maintain customer identification procedures to 'know your customer', in relevant circumstances.
- Maintain adequate records of transactions.

Employee obligations

Money laundering legislation applies to ALL employees. Potentially any member of staff could be committing an offence under the money laundering laws if they suspect money laundering or if they become involved in some way and do nothing about it. If any individual suspects that money laundering activity is or has taken place or if any person becomes concerned about their involvement it must be disclosed as soon as possible to the MLRO. **Failure to do so may result in you being personally liable to prosecution.** Guidance on how to raise concerns is included in this policy document.

Relevant circumstances

Money laundering regulations apply to cash transactions in excess of 15,000 euros, over £10,000 in the UK. However, the Proceeds of Crime Act applies to all transactions and can include dealings with agents, third parties, property or equipment, cheques, cash or bank transfers.

Particular rules apply to foreign students and the immigration service needs to be notified if a student or employer with a visa discontinues and Revenue & Customs need to be notified with details of all foreign students studying at an individual Academy Trust, Fees paid in advance by foreign students who have subsequently been refused a visa are only refundable providing appropriate documentary evidence is available to demonstrate the circumstances. Where appropriate, refunds should only be made to the person making the original payment.

Precautions should also be taken in respect of refunds requested following a payment by credit card or bank transfer. In these cases, refunds should only be made by the same method to the same account. In the event of an attempted payment by credit card or debit card being rejected, the reason should be checked with the Trust Academy / TCAT card authorising supplier prior to accepting an alternative

card. If in any doubt about the identity of the person attempting to make a payment, the transaction should not be accepted in the first instance.

'Know your customer'

It is important that controls are in place to identify the student, customer or other party dealing with the Trust Academies / TCAT. Satisfactory evidence of identity must be obtained. Examples include passport, visa, birth certificate, correspondence with students at their home address and for third parties, letters or documents proving name, address and relationship. If an organisation is not known to the Trust Academy and / or TCAT look for letter-headed documents, check web-sites, request credit checks or aim to meet or contact key sponsors as you feel appropriate to verify the validity of contact. Cheques drawn on an unexpected or unusual source should always be verified with regard to validity of the source.

The Money Laundering & Proceeds of Crime Reporting Officer (MLRO)

The Appointed Head of Finance and Resources is the the officer nominated to receive disclosures in respect of suspected transactions or activity within the individual Trust Academies and the Finance Director in TCAT.

Disclosure procedure to be followed by employees

Where you know or suspect that money laundering activity is taking or has taken place, or you become concerned that your involvement in a transaction may amount to a breach of the regulations, you must disclose this immediately to your line manager. If in consultation with the the Appointed Head of Finance and Resources, reasonable suspicion is confirmed a disclosure report must be made to the MLRO. The disclosure should be made on the proform report attached to this policy and should be completed the same day the information came to your attention. Should you not do so you may be personally liable to prosecution under the regulations.

Your report should include as much detail as possible including:

- Full available details of the people, companies involved including yourself and other member so staff if relevant.
- Full details of the transaction and nature of each person's involvement in the transaction.
- Suspected type of money laundering activity or use of proceeds of crime with exact reasons as to why you are suspicious.
- The dates of any transactions, where they were undertaken, how they were undertaken and the likely amount of money or assets involved.
- Any other information that may help the MLRO judge the case for knowledge or suspicion of money laundering and to facilitate his/her report to the Serious Organised Crime Agency (SOCA).

Once you have report your suspicions to the MLRO you must follow any instructions provided. You must not make any further enquiries unless instructed to do so by the MLRO. At no time and under no circumstances should you voice any suspicions to the person(s) you suspect of money laundering. If appropriate, the MLRO will refer the case to the SOCA who will undertake any necessary investigation. This may include consent to continue with a particular transaction and care should be taken not to 'tip off' the individuals concerned, otherwise you may be committing a criminal offence.

Action and disclosure by the MLRO

On receipt of a disclosure report the MLRO will:

- Note the date of receipt and acknowledge receipt of it.
- Assess and advise the individuals concerned when a response can be expected.
- Consider the report, any other relevant information and undertake any further necessary enquiries to decide if a report should be made to the SOCA.

Once the MLRO has evaluated the case, a timely determination will be made as to if:

- There is actual or suspected money laundering taking place.

- There are reasonable grounds to know or suspect that is the case.
- Consent is required from SOCS for a particular transaction to proceed.

Where the MLRO concludes that the case should be disclosed to SOCA, this needs to be done in a timely and prescribed manner on a standard report format provided by SOCA.

Record keeping procedure

All disclosure reports and relevant documents will be retained in a confidential file by the Appointed Head of Finance and Resources for a minimum of six years. Departments conducting relevant transactions must maintain records for at least six years of:

- Student/customer identification evidence
- Details of financial transactions carried out.

In practice, departments will routinely create and retain records in the course of normal business and these will be sufficient for this purpose.

Summary

Instances of suspected money laundering are likely to be rare given the nature of the services provided by TCAT and the individual Trust Academies. However, staff must be aware of the legislative requirements as failure to comply would have serious implications for both the TCAT and individual staff concerned. Prompt action with reference to the guidance in this policy and consultation with the MLRO about any suspicions or concerns will ensure that the TCAT and staff meet their legal requirements in respect of money laundering.

SUSPECTED MONEY LAUNDERING – REPORT TO THE MLRO

From:	Department:
E-mail:	

DETAILS OF SUSPECTED OFFENCE

Name of Student/Customer	
Address	
Relationship with Trust Academy / TCAT e.g Student, customer	
Nature of suspicions regarding such activity	
Provide details of any investigation undertaken to date	
Have you discussed your suspicions with anyone and if so, who and on what basis	
Is any aspect of the transaction(s) outstanding and requiring consent to progress?	
Any other relevant information that may be useful	

Signed:

Date:

MLRO REPORT (to be completed the the MLRO)

Date Report Received:	Date Report Acknowledged:
CONSIDERATION OF DISCLOSURE	

Further Action Required(delete as appropriate) If NO, Confirm reason for non-disclosure, and date consent given to staff	YES/NO
If YES, please complete the following:	
Date of report to SOCA	
Notice Period	to
Moratorium Period	to
Any further details	
Is consent required from SOCA to any on-going transactions? If Yes, confirm details and instructions	YES/NO
Date Consent Received	
Date Consent Given to Staff	

Signed

Date

GUIDANCE NOTE
POSSIBLE SIGNS OF MONEY LAUNDERING

It is not possible to give a definitive list of ways to spot money laundering or how to decide whether to make a report to the MLRO. The following are types of risk factors which may, either alone or collectively, suggest the possibility of money laundering activity.

- A new customer, business partner or sponsor not known to the Trust Academy / TCAT.
- A secretive person or business e.g. that refuse to provide requested information without a reasonable explanation.
- Payment of any substantial sum in cash (over £10,000)
- Concerns about the honesty, integrity, identity or location of the people involved
- Involvement of an unconnected third party without a logical reason or explanation
- Overpayments for no apparent reason
- Absence of any legitimate source for the funds received
- Significant changes in the size, nature, frequency or transactions with a customer that is without reasonable explanation
- Cancellation, reversal or requests for refunds of earlier transactions
- Requests for account details outside the normal course of business
- A history of poor business records, controls or inconsistent dealing.

Any other facts which tend to suggest that something unusual is happening and give reasonable suspicion about the motives of individuals.

APPENDIX "D"

PETTY CASH IMPREST

Trust Academy	Description	Imprest	Maximum Withdrawal	Authorised by
Priestley College	Acedemy Trust Fund	£500	£50	Budget Holder unless over £25 then the Appointed Head of Resources or Finance
Priestley College	Learner Support Funds	£1000	£100	Appointed Officer / Budget Holder
Priestley College	'School' Fund			
Penketh South CP School	Acedemy Trust Fund	£200	£50	Office Manager
Penketh South CP School	'School' Fund	£200	£50	Office Manager
Penketh High School	Acedemy trust Fund		£50	Budget Holder
Penketh High School	Acedemy trust Fund		Over £50	Budget Holder and Vice Principal
Beamont Collegiate Academy	Acedemy Trust Fund	£100	£100	Finance Manager

APPENDIX "E"

AUTHORISATION LEVELS FOR ORDERS FOR WORKS AND GOODS

Trust Academy	Value	Budget Holder	Appointed Head Of Resources	Principal
Priestley College	Any Value	Yes	Yes	
Pristley College	£1000 or over	Yes		Yes
Beamont Collegiate Academy	Up to £5000	Yes	Yes	
Beamont Collegiate Academy	Over £5000		Yes	Yes
Penketh High School	Up to £2000	Yes	Yes	
Penketh High School	Over £2000	Yes		Vice Principal Yes

APPENDIX "F"

DETAILS OF MAIN STREAMS OF INCOME

Trust	Funding Agency	Notification	Receipt Checked By
Priestley College	EFA	Via e mail to Director of Finance	Director of Finance
Priestley College	SFA	Via e mail to Director of Finance	Director of Finance
Beamont Collegiate Academy	EFA	Via e mail to Finance Manager	Finance Manager
Penketh High School	EFA	Via e mail to Finance Officer	Resources Manager

APPENDIX "G"

AUTHORISED SIGNATORIES FOR CHEQUES AND BACS

All payments must be authorised / approved by to signatories

Trust	Method of Payment	Prepared By	Authorisers / Approvers
Priestley College	Cheque under £10,000	Finance Department	Members of SMT and Head of Personnel
Priestley College	Cheque for £10,000 and over	Finance Department	Principal plus Member of SMT or Head of Personnel
Priestley College	BACS	Finance Department	Members of SMT and head of Personnel
Beamont Collegiate Academy	Cheques under £5000	Finance Department	Any 2 of Finance Manager, Director of Facilities, Principal, Vice Principal
Beamont Collegiate Academy	Cheques over £5000	Finance Department	Finance Manager and Principal
Beamont Collegiate Academy	BACS runs up to £50,000	Finance Department	Any 2 of Finance Manager, Director of Facilities, Principal, Vice Principal
Beamont Collegiate Academy	BACS runs over £50,000	Finance Department	Finance Manager and Principal
Penketh High School	BACS payments	Finance Department	
Penketh High School	Cheques	Finance Department	

APPENDIX "H"

DEAILS OF CREDIT CARD / CHARGE CARDS LIMITS

TRUST	Card Type	Limit	Name on Card
Priestley College Main Account	Credit Card	£10,000	D G McGuire
Penketh High School Main Account	Charge Card	£5000	L Atherton
Penketh High School Main Account	Charge Card	£2500	J Carlin
Penketh High School Fund Account	Charge Card	£4000	