



## **Financial Procedures Manual** *for adoption by all CDAT schools*

This document is informed by the Christian values which are the basis for all of CDAT's work and any actions taken under this policy will reflect this.

*'Blessed are those who act justly, who always do what is right'*

*Psalm 106:3*

<b>Approved by</b>	<b>Date</b>	<b>Review Schedule</b>	<b>Date of next review</b>
Trust Board	03/10/2024	Annually	July 2025

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### Appendices

- **CDAT Procurement Template**
- **CDAT Requisition Form for One Card Purchasing**
- **CDAT Requisition Form for Tradepoint Card Purchasing**

*In this document the term 'Principal' has been replaced with 'Headteacher' which is more commonly used terminology in our schools.*

*'Pupils', 'Students' and 'Children' are used inter-changeably within this document.*

*Where School Business Manager or SBM is used, also include school administrative staff who carry out some or all of the tasks.*

*Where Director is used, this means Trustee Directors of Chester Diocesan Academies Trust whose company number is: 08451787*

## 1. CDAT's Vision

CDAT schools will have a distinctive ethos that is clearly rooted in the Gospel. Christian values will impact on every area of their work and be communicated and shared in such a way that all members of the school community can clearly articulate them. These are more than general moral values which people of different faith backgrounds or no faith might share. Rather they are distinctively Christian values, based on the Bible and centred on the example of Jesus Christ.

It is important that all those engaging with CDAT have a clear appreciation of its distinctively Christian vision.

CDAT will seek to be a successful family of church schools providing distinctive and loving environments founded on Christian beliefs which ensure effective education for all children, through excellent teaching, innovation and the sharing of good practice as schools work together across the Trust. We will:

- build a thriving community of schools with common moral purpose rooted in Christian values and ambition for children, but encouraging each school to develop in the best way to serve its community;
- provide a culture of healthy dialogue and listening between CDAT and its schools;
- provide mutual support and improvement to develop the practice of all our professional staff so that all can improve;
- empower effective school leaders and local governance committees to take courageous decisions in the best interest of young people;
- provide systems and services that aim to reduce the administrative burden and support school leaders with the professional management of their schools;
- provide purposeful and supportive early intervention for schools that would benefit from accelerated school improvement.

## 2. Introduction

Chester Diocesan Academies Trust (CDAT) is a multi-academy trust established by the Chester Diocesan Board of Education (CDBE). It is a church organisation that is committed to ensuring that all children achieve their potential and are provided with a distinctly Christian environment in which to grow.

CDAT has overall responsibility for its schools with a local governance committee (LGC) established with delegated powers in order to manage each individual school on a day-to-day basis.

CDAT continues to develop and maintain sound systems of financial and internal control which meet the requirements of probity and of good financial management, which is the overriding purpose of this manual. CDAT must, additionally, comply with DfE/ESFA guidance, notably that set out in the Academy Trust Handbook, which is a condition of the funding agreements with the Secretary of State.

This manual applies to CDAT and all its schools. The document should be read and understood by all staff who have an involvement in financial matters, systems and accountability. This document should be read in conjunction with other related CDAT policy documentation as follows:

- Whistle Blowing Policy
- Governance Manual
- CDAT Scheme of Delegation

The manual will be kept under constant review and submitted to the F&O Committee and main board on an annual basis for continued endorsement. In those instances where staff have not complied with the contents of this manual, the nature of non-compliance will be reported, in the first instance, to the Director of Finance (DoF) or the Chief Executive Officer (CEO), dependent on the nature of the non-compliance. The CEO will determine whether individual areas of non-compliance should be reported to CDAT's F&O Committee.

## 3. General Principles

Accountability is a fundamental part of the academies programme and of public life. For the CDAT Directors this brings specific duties to safeguard CDAT's resources, to avoid potential conflicts of interest and to promote transparency through the publication of accounts. The Academy Trust Handbook is clear that good governance is best served in accordance with the high standards detailed in the seven principles of public life (the Nolan Principles). The Directors and those members of staff who use this manual will therefore adopt those principles:

- Selflessness – Holders of public office will take decisions solely in terms of the public interest
- Integrity – Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties
- Objectivity – In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merit
- Accountability – Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office
- Openness – Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands
- Honesty – Holders of public office have a duty to declare any private interests to their public duties and to take steps to resolve any conflicts arising in a way which protects the public interests
- Leadership – Holders of public office should promote and support these principles by leadership and by example.

CDAT is a registered company (No. 8451787) limited by guarantee. Its primary objective is the provision of education with distinctively Christian values for young people. It is an exempt charity under the provisions of the Academies Act 2010.

The structure of the accounts complies with the requirements of the Education Funding Agency (ESFA). Reporting of the accounts complies with company law as set out in the Companies Act 2006 and charity law as required by the Charity Commission and the appropriate statement of recommended practice (SORP).

All financial transactions are recorded on either the central financial accounting system or individual school's accounting system, which links to the central system through Access's Education Finance for multi-academy trusts. Access to the financial system is limited to those staff who have an operational need to access it. Access to the accounting system is approved by the Central Finance Team or Director of Finance.

## 4. Organisation and Responsibilities

The responsibilities of each person involved in the administration of its finances have been defined to avoid either omission or duplication of function and to provide a framework of CDAT's accountability for Directors and staff.

### 4.1 Members

The Members are responsible for appointing the Board of Directors and ensure that the aims of CDAT are upheld. They consist of:

- The Diocesan Board of Education acting corporately;
- Two individual members of the Diocesan Board of Education nominated by the Board;
- The Chair of the Board of Directors of CDAT;
- With the written consent of the Diocesan Board of Education, the Members may appoint additional Members.

### 4.2 The Board of Directors

The Board of Directors has overall responsibility for oversight of CDAT's finances and governance arrangements. It is responsible for its strategic direction and are accountable for the all the schools in the trust to the Secretary of State for Education. It must ensure funds are spent reasonably and in a way that commands broad public support. Specific duties of the Board of Directors include:

- Ensuring that any school it operates meets the requirements as specified in section 1a of the Academies Act 2010
- Conducting any school it operates within the terms of the requirements of the Articles, any relevant legislation, the Academy Trust Handbook, the master funding agreement and supplementary funding agreements.

### 4.3 The Finance and Operations Committee

CDAT has established a Finance and Operations Committee (F&O), whose financial remit is to monitor and review income and expenditure on a regular basis and ensure compliance with The Academy Trust Handbook and funding agreements, drawing any matters of concern to the attention of the Board of Directors. Its delegated responsibilities are listed in its Terms of Reference and in terms of finance these are to:

- Ensure financial compliance, sound monitoring, scrutiny and compliance of CDAT's finances and resources and investigate and report on any financial irregularities, including whistleblowing in accordance with the Whistleblowing Policy;
- Give guidance to officers and make recommendations so as to constantly improve the management of the CDAT's resources and ensure legal compliance;
- Safeguard the assets and investments of CDAT and its educational establishments;
- Review the financial schemes of delegation and making recommendations to the Directors about any changes;

- Formulate and maintain a three-year financial plan (MTFP) by considering CDAT's indicative funding as notified annually by the ESFA, monitoring student intake numbers, curriculum and staffing costs and capital expenditure requirements;
- Agree the level of funding required for central services as a percentage of each school's funding and recommend this to the Board;
- Consider any exceptional costs that may require a form of pooled funding to meet individual school needs;
- Agree the annual central budget for approval by the Board;
- Ensure each school LGC has agreed its annual budget for make recommendations about approval by the Board by the 1<sup>st</sup> of July of each year;
- Receive a termly budget report from the DoF and make recommendations as necessary;
- Review monthly management accounts and monitor monthly expenditure against approved budgets, and make reports to the Board, drawing matters of merit and concern to their attention;
- Determine the financial delegation to be made to the CEO, DoF, Central Finance Team, Headteachers, Local Governance Committees and local School Business Managers;
- Authorise the orders, contracts, virements, disposal of assets, write off of bad debts and procurements as required in the Financial Scheme of Delegation for each school;
- Review and make recommendations to the Board about any subsidiary trading companies, joint ventures, letting and leasing arrangements;
- Maintain a Register of Business Interests of all Directors, staff and members of local governance committees;
- Ensure all areas of insurance are adequately covered annually and assist with asset registers if required;
- Support schools and follow ESFA guidelines in applying for grants;
- Secure the attendance or advice of external, professional advisers as and when required.
- Consider and recommend acceptance / non-acceptance of CDAT's budget and those of individual schools.
- Agree the annual accounts and recommend the approval of the audited financial statements prior to submission to the Secretary of State by 31 December;
- Review the Charging and Remissions Policy from time to time.

#### **4.4 The Audit and Risk Committee**

- Observe and comply with the Trust's trustee code of conduct at all times.
- Appoint a professional clerk to advise and guide the committee of their duties and responsibilities, and to record minutes of all committee meetings.
- Recommend to the Trust Board terms of reference for the audit committee and review these on an annual basis.
- Deal with all matters relating to auditing, internal scrutiny, and risk management that may be referred by the Trust Board.
- Keep up to date with any relevant legislation and advise the Trust Board when policies or procedures need to be revised.
- Minute all meetings and report all decisions to the Trust Board as a confidential item.
- Seek professional advice as necessary.
- Attend relevant training when appropriate.
- Report to the Trust Board on the proceedings, recommendations and decisions of the committee.
- Make reports to the Trust Board on the adequacy of the trust's financial controls.
- Direct the Trust's programme of internal scrutiny and ensure this is informed by risk.
- Oversee individuals that undertake internal scrutiny.
- Deliver internal scrutiny in a way most appropriate to the Trust's circumstances, which could include employing an in-house internal auditor or buying-in internal audit services.
- Advise the Trust Board on the internal scrutiny programme of work.
- Ensure those carrying out the programme of internal scrutiny are suitably qualified and experienced.
- Report findings from internal scrutiny activities to the Trust Board.
- Assess year on year progress using the short annual summary report that outlines areas that have been reviewed, key findings, recommendations and conclusions.
- Keep the approach to internal scrutiny under review.
- Ensure the internal scrutiny approach the trust uses is confirmed in the governance statement, which accompanies the annual accounts.
- Advise the Trust Board on the need for and, where appropriate, the appointment, re-appointment, dismissal and remuneration of an internal auditor or other assurance provider.
- Advise on the adequacy of the management response to issues identified by audit activity.

- Monitor the progress made against audit recommendations.
- Ensure the appropriate cooperation and coordination of the work of the external auditor and accounting officer.
- Advise the Trust Board on the appointment, re-appointment, dismissal and remuneration of the external and regulatory auditor.
- Receive reports (including the annual accounts and management letters) and consider any issues raised, the associated management response and action plans, and report necessary actions to the Trust Board.
- Review the external auditor's annual planning document and approve the planned audit approach.
- Consider any additional services delivered by the external auditor or other assurance providers and ensure appropriate independence is maintained.
- Consider the quality of external auditors and those carrying out internal scrutiny.
- Ensure the ESFA is provided with any requested internal scrutiny reports.
- Developing and maintaining a risk management policy.
- Ensuring the development and maintenance of a risk register for the Trust.
- Ensuring familiarisation across the Trust with the concept and requirements of risk management.
- Acting as a catalyst for risk management activity across the Trust and ensuring that Members, Directors, and Local Governing Boards have a clear understanding of how risk is managed across the Trust and the sources of assurance that are available to support this knowledge.
- Ensuring appropriate audit work on risk management is performed.
- Considering the due diligence documentation of schools joining the Trust, making recommendations to the Trust Board as appropriate

#### **4.5 The Role of the Accounting Officer**

The CEO is the Accounting Officer for CDAT and has overall responsibility for the following:

- If the CEO, CFO, or any members/Directors leave or join, then the ESFA must be notified within 14 days.
- Regularity, Propriety and Compliance and reporting to DfE on these;
- Ensuring ESFA requirements are met;
- Maintaining oversight of all financial affairs;
- Advising the board that there is compliance with the Academy Trust Handbook and the funding agreements.

#### **4.6 The Director of Finance**

The DoF works closely with the CEO to ensure the strategic vision and operational leadership relating to financial management are provided. The main responsibilities of the DoF are to:

- Liaise with Headteachers to develop a business support strategy which responds to national and local priorities;
- Develop financial systems, activities and functions in line with the requirements of ESFA, the Charity Commission and Companies House;
- Lead the development of longer-term financial forecasts;
- Manage the central CDAT budget and expenditure;

#### **4.7 The Director of Operations**

- Undertake strategic leadership on operational matters including estates, health and safety, ICT, HR, information management, and governance;
- Ensure that all schools meet statutory compliance requirements in all areas of their operation;
- Work closely with the DoF in ensuring best value across the trust;
- Ensure that the trust follows a robust approach to risk management.

#### **4.8 Central Finance Team**

Members of the Central Finance Team are responsible to the CEO/DoF to help ensure the delivery of financial and administrative support across CDAT. The main responsibilities of the post are to:

- Provide assistance to school staff with responsibility for finance in the use of accounting software and procedures;
- Support school staff with responsibility for finance in providing regular financial reports and advice to Headteachers and Local Governance Committees as required;

- Support school staff with responsibility for finance in the processes of ordering, coding and authorisation of goods and services;
- Support the preparation of management accounting reports and other finance reports for the DoF to present to the F&O Committee as required;
- Assist school staff with responsibility for finance with planning, monitoring and evaluating individual school budgets and ensuring the proposed annual budget is forwarded to the DoF in time to be approved by the Board by the 1<sup>st</sup> of July each year;
- Support the production of financial returns as required;
- Support the DoF in the production of year-end accounts;
- Ensure that the principles of Best Value are upheld.
- Maintain financial regulations, internal control procedures including related party transaction policies and other key financial governance frameworks;
- Ensure that accurate and timely financial information is provided to the Board of Directors, F&O Committee and the central leadership team as required

#### 4.9 Clerk to the Board

The Clerk must be a person who is not a Director or the accounting officer, and is responsible to the Board of Directors to give:

- Administration and organisational support;
- Guidance to ensure the boards works in compliance with the appropriate legal and regulatory framework, and understands the potential consequences of non-compliance;
- Advice on procedural matters relating to operation of the Board

## 5. Financial Management

### 5.1 Medium Term Financial Plan (MTFP)

CDAT recognises the importance of longer-term financial planning, linked to its key objectives in the strategic plan and associated development and improvement plans. To that end, it will, for each academic year, ensure that a financial plan is prepared for the year of account plus the ensuing two academic years (i.e., a three-year financial plan).

To facilitate the preparation of the MTFP, the DoF will propose an annual planning cycle to the Board and F&O Committee. As a minimum, the planning cycle will take account of:

- Forecasts of pupil numbers and the amounts of ESFA grant available;
- Past and prevailing academic performance within schools;
- Past and prevailing financial performance within schools and the Trust;
- Forecasts and trends in key lines of expenditure, especially the costs of employees;
- The potential and likelihood for financial efficiencies and productivity gains within the period of the forecast.

The DoO will also maintain an Estates Strategy including estimated costs and benefits associated with Good Estates Management in Schools (GEMS) which will be reflected in the MTFP.

The MTFP will identify material risks within the plan and these will be incorporated within CDAT's Risk Management arrangements and Risk Register. It will attempt to deal with financial uncertainty by incorporating a sensitivity analysis to highlight the financial impact of different assumptions for key parts of the forecast and ascertain the appropriate level of contingency funds. As a minimum, the analysis will cover the following areas of the budget:

- Estimates of grant income, with specific regard to the estimates of pupil numbers and schools over the period of the forecast;
- Forecasts of future employments costs, including, where relevant, changes to employers National Insurance and pension costs;
- The general assumptions of pay and price inflation over the period of the forecast;
- In the specific event that CDAT contemplates external borrowing over the period of the forecast, and has sought and received ESFA approval, the cost of finance on those funds.

A draft MTFP will be presented to the F&O Committee, for revision and approval. It will then be presented to the Directors for final approval, which, in accordance with the requirements of The Academy Trust Handbook, will be formally minuted.



## 5.2 Planning and Agreeing an Annual Budget

The Annual budget is derived from and will form part of the MTFP. The DoF is responsible for overseeing the budget process, taking account of relevant advice provided by the CEO. The DoF will co-ordinate the production of a timetable which ensures that a budget can be agreed in good time to meet the various needs of the Directors, Local Governance Committees and Headteachers of individual schools and the DfE / ESFA.

Individual schools and their Headteachers will be responsible for providing any relevant information to CDAT, in support of their annual budget, in accordance with the annual budget timetable.

Initial drafts of the annual budget will be presented to the F&O Committee in accordance with the agreed timetable. After revision and approval by the Committee, the budget will be presented to the Directors for final approval, which, in accordance with the requirements of The Academy Trust Handbook, will be formally minuted. Any significant changes to this annual budget will require the approval of the Directors.

As required by The Academy Trust Handbook, CDAT will set a balanced budget for the academic year, which can draw on unspent funds which have been brought forward from previous years. In the event that it is unable to set a balanced budget, taking into account surplus funds from previous years, CDAT will notify ESFA within 14 days of any proposal to set a deficit budget. Similarly, in the event that, during the academic year, a budget deficit emerges which cannot be recovered, it will notify ESFA within 14 days of having made that decision.

The ESFA gives academy trusts the ability to amalgamate a proportion of GAG for its constituent schools to form a central fund. This fund can then be used to meet normal running costs at any of those schools. However, CDAT does not intend to use this power other than in extreme circumstances and all schools will be carefully consulted before such powers are used. In those circumstances the Board will give individual consideration to the funding and resource needs of each of its schools and will have an appeal process in place which schools can utilise. In the event that the Headteacher of a school believes they have been unfairly treated, they will have the right, in the first instance, to appeal to the Directors. If the appeal is unsuccessful, a further appeal can be made to the Secretary of State via ESFA, whose decision is final and who has the authority to require CDAT to undo any pooling arrangements made under the provisions of The Academy Trust Handbook. As CDAT does not currently operate a pooling scheme, no appeals policy is in place.

Once agreed, the budget will be submitted to the Secretary of State in a form and by a date which the Secretary of State will notify (currently 31 July).

At the end of each academic year, CDAT may carry forward surplus General Annual Grant (GAG), subject to any limit which may be set out in The Academy Trust Handbook or which the Secretary of State may impose. Individual schools normally will be allowed to retain any surpluses they have generated, but if any of the schools has a substantial surplus (greater than 8% of GAG or £50,000, whichever is higher) it must form a clear plan, approved by the Directors setting out how it will be utilised for the benefit of pupils within the relevant school.

The annual budget for an individual school will reflect and be managed in accordance with the Trust's Scheme of Delegation.

## 5.3 Monthly Management Accounts

- Accounts must be prepared and presented each month;
- They must include an income and expenditure account, variations to budget report, a cashflow statement and balance sheet;

## 5.4 Capital Expenditure

Capital expenditure is spending on buying, constructing, replacing or installing a fixed asset. A fixed asset is one which will have a useful life of more than one accounting year, including land and buildings, plant and machinery, equipment, vehicles and furniture and fittings. Capital expenditure can also include the costs of enhancing an existing asset, if the life or value or function of the asset is increased.

CDAT has established a 'threshold' or 'de minimis' levels, below which expenditure can be treated as revenue as £2,000.

Outline plans to incur capital expenditure will be identified in the MTFP. This will identify capital items independently and separately from revenue costs within the plan and each capital item must be accompanied by a statement of the benefits which would flow from such investment.



In reviewing the MTFP, the F&O Committee will determine whether such outline plans provide benefits, are affordable and offer Value for Money. The F&O Committee has sole responsibility for recommending suitable capital items of capital expenditure for consideration by the Directors.

Schools wishing to make a bid for funding from the Condition Improvement Fund must inform the Chief Executive and work with their buildings consultant to develop the bids. These bids must be submitted to CDAT for scrutiny and approval by its officers prior to submission to ESFA. The F&O Committee will be kept informed of any bids made to the Condition Improvement Fund.

Individual schools have delegated authority to pursue capital expenditure plans using Devolved Formula Capital (DFC) monies. An application form must be completed and authorised by the LGC to enable capital spend to be allocated. This form gives the following details:

- overview of project outputs
- value of DFC funding to be utilised
- value of additional match funding for project.

### **5.5 Financial Delegation**

CDAT has a Scheme of Delegation for each school setting out the responsible decision makers over a range of functions including governance and financial matters. The level of delegation will be dependent on the banding of each school with schools deemed to meet Band 2 or Band 3 potentially being subject to restricted levels of delegation, as outlined in the Scheme of Delegation – Authorisation Levels appendix.

### **5.6 Budget Management**

The Directors and F&O Committee must ensure good financial management and must receive and consider information regarding financial performance at least three times in each academic year. When receiving and considering such financial information, they must, where necessary, take appropriate action in order to ensure ongoing financial viability.

Schools must monitor their budgets on a regular basis, to ensure the agreed financial plans are adhered to. The Scheme of Delegation requires schools within CDAT to monitor expenditure and to report performance against the agreed budget on a monthly basis, to their Local Governance Committees.

The DoF will prepare a report to the F&O Committee on a monthly basis, setting out the financial position of each school together with CDAT's central costs. As a minimum, budget monitoring reports will include the following information, for each major budget area, as follows:

- The approved budget;
- The budget profile for the month of the report;
- Expenditure to date;
- The end of year projection.

Any variance of more than the higher of 5% or £5,000 shall be accompanied by a note explaining how the variation has occurred and whether the variation is of a 'one off' nature or is likely to be a permanent change.

As soon as a school believes that it will overspend its annual budget, it must alert the DoF in the first instance, setting out the circumstances which have given rise to the position together with an outline plan to address the deficit.

### **5.7 Accounting Systems**

CDAT uses the Access accounting system, and schools joining CDAT will be translated onto this system.

The system is overseen by the DoF and Central Finance Team, who will ensure that:

- All financial and other relevant transactions are recorded within the system according to the systems requirements;
- In recording financial transactions within the accounting system, there is a clear audit trail from the original documentation to the accounting records;
- Financial records are maintained for a period of 7 years, or any other period required by the Companies Act;
- Only authorised staff are permitted to process financial transactions and to have access to accounting records, which must be stored securely when not in use;
- The system of authorisation and supervision controls is adequate to ensure that transactions are accurately recorded;
- All records are protected against unauthorised alteration, destruction or loss, whether by accident or intention;
- The finance system is protected by regular and robust back up procedures.

Access to the financial system will be controlled by the DoF and Central Finance Team, who will authorise access to named school and CDAT employees according to business needs. They will maintain a schedule of responsibilities for processing the various categories of transaction within the accounting system. The current responsibilities are as set out in the table below and will be reviewed on a regular basis to ensure they remain fit for purpose. Specific limitations may be placed on individual schools where financial concerns exist.

Function	Responsibility for processing	Responsibility for authorising (where appropriate)
Orders – up to £1,000	School Business Manager*	School Business Manager * (if delegated)
Orders – up to £10,000	School Business Manager	Headteacher
Orders – between £10,000 and £20,000	School Business Manager	Director of Finance
Orders over £20,000	School Business Manager	CDAT Board
Payroll information	School Business Manager	Headteacher
Pupil Income	School Business Manager	Headteacher
Cash	School Business Manager	Headteacher
Budgetary information	School Business Manager School Business Support Officer	Headteacher CEO

- *The SBM is allowed to act up to this £1,000 threshold if the Headteacher wishes to delegate this level of responsibility to the SBM and has written confirmation from the CEO that this additional delegation is approved.*
- *For central transactions the DoF (or other person to which the task is delegated) will carry out the transactional authorisation following confirmation from the appropriate member of the central team who has responsibility for a particular area that the goods/services have been agreed.*

The DoF will ensure that the appropriate reconciliations are undertaken on a monthly basis so as to maintain the integrity of the information within the accounting system. **It should be noted that a number of transactions, particularly higher value transactions, require ESFA authority. Details of these types of transactions can be found in Part 5 of The Academy Trust Handbook.**

All reconciliations will be evidenced as having been undertaken and will be reviewed by the DoF on a regular basis.

## 6. Personnel Matters

Personnel related expenditure represents a high proportion of the total costs of CDAT's operation and it is therefore essential that suitable financial procedures are in place and internal controls are properly controlled. The key personnel matters, regarding these regulations are:

### 6.1 Appointment of Staff

The staffing structure for each school and for CDAT's central staff are agreed by the Directors. Changes to the staffing structure can only be made by the Directors or any person or group to whom delegated authority has been given. Any changes to an authorised establishment can only be made by the responsible group or person after they have ensured that budgetary provision exists to meet the costs of any change and after any required consultation with unions and staff.

CDAT is responsible for the appointment of Headteachers, and as necessary, other senior leaders in schools where there is cause for concern. Appointment of School Business Managers should be supported directly by CDAT, through representation on the interview panel. Headteachers are authorised to appoint other staff within the authorised staffing structure for their school. The CEO is authorised to make appointments within the authorised structure for CDAT's own staff.

Headteachers are responsible for maintaining personnel files for their staff, which will include contracts of employment. The CEO will maintain personnel files for central staff within the Trust.

### 6.2 Payroll Processes and Administration

CDAT has contracted with an external service provider – 'Working with Schools' (WwS) to provide a range of personnel related services which includes managing the payroll service. In relation to payroll, the provider is specifically responsible for:

- Producing all HMRC reports and returns;
- Dealing effectively with all starters and leavers;
- Processing monthly payroll including all statutory deductions, in accordance with relevant legislation;
- Providing annual pension scheme information;
- TP/ LGPS data.
- Providing annual pay letters.

All forms of payroll payments to staff employed by CDAT must be processed through the payroll process and system.

### 6.3 Payment of Salaries

All salary payments are made by BACS and are the responsibility of WwS. Each school's Business Manager must supply the provider with details of any changes to the payroll for monthly paid staff and details of any time sheets for any additional hours worked. WwS will produce a schedule of proposed salary payments which should be checked against source data by the school's Business Manager and authorised by the Headteacher prior to final payment.

In the case of the Executive Pay calculations, it must be noted that this must not only include salary, but also other benefits too (e.g. pensions) which should be factored into expenditure. In addition, 'Pay Gap' information (where applicable) should be reported on the government's website, and Directors must approve a Whistleblowing policy and procedures.

WwS produces individual payslips which show a calculation between gross and net pay, with all deductions individually highlighted. Payslips will, in addition, show cumulative deductions made during the tax year.

After the payroll has been processed, the school's Business Manager must update the finance records. Checks should be undertaken to ensure that the total monthly payroll cost has been properly allocated.

### 6.4 Payment of Expenses

Relevant travel and subsistence expenses incurred in the course of official duties by Directors, staff and LGC members can be reimbursed on submission of a claim form, properly authorised by the Headteacher or CEO. Payment will be paid by Faster Payment. Mileage will always be reimbursed at a rate in line with HMRC guidelines to avoid any personal liability to taxation.

Other relevant expenses incurred in the course of official duties will be reimbursed at cost, if a claim is submitted in accordance with the Expenses Policy on a proper expense form and it is authorised by the Headteacher or CEO.

- In all cases where the Headteacher is the claimant, the claim form must be authorised by the DoF.
- In all cases, where the CEO is the claimant, the claim form must be authorised by the DoO.

## 7. Trading with Related Parties

CDAT will not pay more than the actual cost of goods or services provided to it by any of the following persons:

- Any Member, Director or Local Governance Committee member (MDLGC);
- A close family relative of MDLGC;
- A company in which MDLGC holds more than 5% of the share capital or is entitled to exercise more than 5% of the voting power in that company;
- An organisation which is controlled by MDLGC;
- An individual or organisation given the right under CDAT's articles of association to appoint a Member of Director.

The requirement to pay 'at cost' for goods and services with a related party applies to payments which cumulatively exceed £2,500 in CDAT's financial year. Any agreement with a related party must be supported by a statement from that individual or organisation which confirms that their charges do not exceed the cost of goods and services and is on the basis of an 'open book' agreement which includes a requirement for the supplier to demonstrate, if requested, that charges do not exceed the costs of supply.

For the purpose of trading with related parties, the definition of cost shall include the following:

- all direct costs such as labour and materials used in producing the goods and services;
- a reasonable share of overheads;
- no element of any profit.

If a related party is based in or works from any accommodation of CDAT, a suitable charge for the use of that accommodation must be agreed except on those occasions when the related party is working for CDAT.

- CDAT must report all contract and other agreements with related parties to ESFA in advance of the contract or agreement commencing, using ESFA's related party on-line form.
- CDAT MUST obtain ESFA's prior approval, using ESFA's related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party agreed on or after 1 April 2019 where any of the following limits arise:
  - A contract or other agreement exceeding £20,000
  - A contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continue to exceed, £20,000 in the same financial year ending 31 August
- For the purposes of reporting to, and approval by, ESFA contracts and agreements with related parties, do not include salaries and other payments made by the trust to a person under a contract of employment through the trust's payroll.

## 8. Purchasing, Procurement and Tendering

### 8.1 Purchasing

CDAT will actively pursue Value for Money across all areas of expenditure and spend its limited resources as efficiently and effectively as possible. It will seek to follow the principles of integrity, accountability and objectivity in all its transactions with third parties.

### 8.2 Normal Purchasing Processes

Other than in exceptional circumstances, formal Purchase Orders are required for all transactions where an order is placed. They must be entered on the finance system by those who are authorised to do so. Before an order is placed, there must be a check that there are sufficient funds within the relevant budget line to meet the costs of the payment. If necessary, approval to vire funds from other lines should be sought from the DoF.

Appropriate arrangements must be made for the safe delivery of the goods and services to the workplace. On receipt of the requested goods, they must be checked and a record made of any discrepancies, which must be raised with the supplier immediately.

### 8.3 Payment of Invoices

Payments for goods and services are made upon receipt of an original invoice from the supplier and when:

- Goods and services are of the quantity and quality required;

- The invoice content and its pricing are correct;
- The invoice has a VAT registration number and the correct amount of VAT has been added.

Payment should not be made in respect of faxed or photocopied invoices, although invoices sent by email are acceptable. CDAT operates a policy of aiming to pay invoices by the suppliers' due date.

## 9. Competition Requirements and Thresholds

CDAT requires all its transactions with third parties to comply with the contents of the table below. In doing so, it believes that it will demonstrate integrity in its use of public funds.

Value	Competition requirement
Up to £1,000	Need to consider the best use of limited resources and to ensure that the procurement represents good VFM.
Between £1,000 and £5,000	Two oral quotations are required, details of which must be recorded on the CDAT Procurement Template and a copy of which must be uploaded to the official PO on Access.
Between £5,000 and £10,000	Three written quotations are required, the details of which must be recorded on the CDAT Procurement Template and a copy of which must be uploaded to the official PO on Access alongside the quotations. If there is insufficient space on Access, the quotes must be retained by the school for scrutiny if required.
Between £10,000 and £20,000	Three formal written tenders to be submitted by a specified date and time based on a written specification and evaluation criteria produced by School Business Manager (or equivalent) or Headteacher in conjunction with the DoO for recommendation by the DoF to the CEO.. Copies of the paperwork must be retained by the school for scrutiny if required.
Between £20,000 and the EU Competition threshold Find a Tender (FTS) (UK e-notification service) (FTS)	Three formal written quotes to be submitted by a specified date and time based on a written specification and evaluation criteria produced by School Business Manager (or equivalent) or Headteacher in conjunction with the DoO for recommendation by the DoF to the F&O Committee for approval. Copies of the paperwork must be retained by the school for scrutiny if required.
The EU competition threshold Find a Tender (FTS) (UK e-notification service)	Compliance with EU public procurement Compliance with UK public procurement <a href="https://www.find-tender.service.gov.uk/Search">https://www.find-tender.service.gov.uk/Search</a> Successor to OJEU/TED from 01.01.21

Where quotations are sought but are not received in accordance with the table above, the F&O Committee, DoO or Headteacher if delegated to them will determine which quotation will be successful. Additionally, in those instances where the Directors, DoF or DoO has previously agreed that a preferred supplier exists for specific services, that service shall be exempt from the above requirements.

More information and general guidance regarding compliance with Find a Tender Competition requirements and thresholds can be found at <https://www.find-tender.service.gov.uk/Search>. The threshold amounts do change on a regular basis and the link should be used if needed to give the latest figures.

Larger orders must not be broken into multiple smaller ones with the intention of evading CDAT's competition requirements. Any attempt to do this will be reported to the CEO who will determine what action should be taken in the circumstances.

## 10. Tendering

There are three types of normal tender – open, restricted and negotiated. They are each suited to different procurement circumstances:

- **Open Tender** – where all potential suppliers are invited to tender. When choosing this route, schools should discuss with the DoO the best means of advertising the procurement to bring about the best response to the invitation. In most circumstances, this represents the best procurement method as it is most conducive to competition and VFM.
- **Restricted Tender** – CDAT places a ceiling on the number of bids it will invite. Restricted tenders are more appropriate where:
  - A large number of suppliers may come forward creating an imbalance between the contract value and the costs of administration;
  - The nature of the supply is such that only specific suppliers can be expected to meet the Trust’s requirements.
- **Negotiated Tender** – CDAT negotiates with one or more chosen suppliers. This is a suitable procurement method where:
  - The methods above have resulted in poor or no responses;
  - Very few specialist suppliers exist for the goods and services required;
  - A situation of extreme emergency.

Tendering of contracts for capital works will be delegated to the consultants working on behalf of the schools, using the formal process adopted by them. CDAT may at any point in time ask for information and proof of tendering process to meet ESFA requirements, or to participate within the tendering process.

### 10.1 Invitation to Tender

In preparing a tender invitation, the following areas should be fully considered:

- The aims of the project;
- The technical skills needed to complete the project;
- The overall requirements of the project;
- Any after sales service requirements;
- The form of contract.

The award criteria which will be applied in evaluating a tender must be recorded in writing before a tender is invited and must be set out in tender documents.

An Invitation to Tender (ITT) should incorporate the following:

- An introduction / general background;
- A description of the scope and objectives of the project;
- Any technical requirements of the project;
- Terms and conditions of the tender;
- The award criteria;
- Form of response;
- Deadline.

In considering a submitted tender, officers will take account of the following areas:

Financial Considerations	Technical considerations	Other considerations
Total costs over period of contract	Qualifications and experience of supplier	Experience in delivering similar contracts to other organisations
Like for like comparisons – does lower price reflect lower service / quality	Certificates of quality management and conformity to standards	Quality of after sales service
Hidden extras	Quality control systems	Financial status of supplier

Ability to negotiate on price	References from other customers	
	Description of technical and service standards	

### 10.2 Acceptance of Tender Procedures

The Invitation to Tender process must state the date and time by which completed tender documentation should be received by the Trust/ school. Tenders should be submitted in plain envelopes, clearly marked to indicate that they contain tender documents. The envelopes should be marked to indicate the date and time of arrival and stored securely prior to the tender opening. Tenders received after the deadline should not normally be accepted, unless the CEO/Headteacher is satisfied that the tender was dispatched in good time but that the delivery was prevented by an event beyond the control of the tenderer and that other tenders have not been opened.

### 10.3 Tender Opening Procedure

- All tenders submitted must be opened at the same time and the tender details should be recorded in a contract register, maintained by the DoO for central CDAT or School Business Manager for each school. Tenders should be opened in the presence of two people from the following groups:
- One from either The DoO or The DoF and one from either The Headteacher or the School Business Manager.

Both officers present at the tender opening should certify that the details entered in the contract register are correct.

### 10.4 Tender Evaluation Procedures

The tender evaluation process must involve two people, one of whom should be the Business Manager or Headteacher for school tenders. Officers involved in the evaluation process should disclose all relevant business and other interests which might affect their objectivity. If there is a potential or perceived conflict of interests, then that person should withdraw from the evaluation process. The evaluation must be based on the evaluation criteria in the tender documents. Full records must be kept of the evaluation scores, comments and judgements which give rise to the contract award.

For contracts over £20,000, a report should be prepared for the F&O Committee setting out the respective evaluation scores together with a recommendation for members to approve.

Where specific grant conditions require it, ESFA approval must be obtained before a tender can be accepted.

All tenderers should be informed of the intention to award the tender to a preferred supplier. A period of 10 days shall then be allowed before the actual contract award to allow time for unsuccessful tenderers to challenge the decision.

## 11. Income and Debtors

CDAT has overall responsibility for ensuring that all sources of income due are properly accounted for. Day to day responsibility is delegated to the DoF. The main sources of income are grants from ESFA. The DoF is responsible for ensuring that all grants due to CDAT are paid in full. We also receive income from students and their families, mainly in respect of meals, activities, before and after school clubs and trips. CDAT, in addition, may receive income from the general public, notably via donations and from the hire of facilities.

For residential and other trips, the following procedure is used to deal with income:

- A designated teacher will be responsible for each trip;
- A record shall be maintained of each student attending the trip and the payments received;
- The accounting system shall be used to record sums due and received from pupils;
- Separate financial records must be kept of individual trips identifying surpluses and deficits.

For hire of facilities each school will set up and operate its own hire agreement and charging rate which will ensure that:

- Adequate records are maintained of bookings made;
- Charges made reflect both the value of the facilities used together with any costs incurred in making the facilities available;



- Any damage caused during the hire is made good by the hirer;
- Payments should be made in advance wherever possible;
- Invoices are raised properly through the accounting system;
- Approval to write off debts up to £100 rests with the Headteacher of each school;
- Hirers with outstanding debts should not be permitted to re-hire facilities.

Income from school meals must be collected efficiently. Procedures must ensure that:

- Income due from pupils is promptly recorded in the accounting system and families are invoiced as soon as possible;
- Payments are monitored regularly and debts chased up where necessary;
- Approval to write off debts of up to £50 per customer, per financial year rests with the Headteacher.

### 11.1 Custody and Banking of Income

The Trust will maintain effective procedures to ensure the secure and prompt banking of income collected. As a minimum, the following must be completed:

- All cash and cheques must be kept securely, prior to banking;
- Official receipts should be issued for all cash and cheques received where requested;
- Holders of keys must ensure that they are kept secure at all times;
- Banking should take place on a regular basis as required;
- For each banking a paying in slip should be completed and a breakdown of the income banked against relevant accounting codes processed onto the accounting system;
- Cheques and cash must be banked in their entirety in the appropriate bank account;
- A reconciliation between the sums collected, the sums banked and the amount posted to the accounting system must be undertaken on a regular basis.

## 12. Treasury and Cash Management

### 12.1 Banking Arrangements

The opening of all new bank accounts must be authorised by the F&O Committee who should set out the arrangements for the operation of any account. All monetary transactions within CDAT’s operations must pass in or out of a designated bank account. CDAT currently holds its accounts with NatWest.

### 12.2 Cashflow Forecasts and Investments

The DoF is responsible for ensuring that regular cashflow forecasts are prepared, so as to ensure that CDAT has sufficient funds to meet the costs of day-to-day operations. In the event that significant future balances can be foreseen, these will be invested in higher interest accounts, until needed to meet day-to-day expenses. Any transfer of amounts to an interest-bearing account must be authorised by the DoF.

In the event that cashflow forecasts show a shortage of future cash, a report shall be prepared for the CEO setting out the circumstances which have given rise to the situation together with options to redress the position.

CDAT is not permitted to borrow funds without the prior consent of the ESFA, who will only grant borrowing permission in exceptional circumstances.

### 12.3 Day-to-Day Operations

Payment by cheques from CDAT’s accounts must be authorised by two signatories in accordance with bank mandate. BACS payments must be processed by two separate individuals. The individual importing the BACS payment may not authorise their own import.

Signatories for cheques <i>Use of cheques is strongly discouraged and should only be used in situations where no other option is available.</i>	Up to £30,000	Any two of DoF / DoO / CEO only
	Over £30,000	DoF and Board Member
Authorisation of Bankline payments (BACS and other bank transfers) Cumulatively within a 5 working day period	Up to £20,000	Headteacher
	Over £20,000	DoF

## 12.4 Petty Cash Accounts

No new Petty Cash Accounts will be opened, all reimbursements and payments will be treated as invoices and payments will be via BACS.

Existing Petty Cash Accounts will be closed and the balance of any funds returned to the school bank account.

## 12.5 Purchasing Cards

The CEO may authorise the issuing of a purchasing card for the purpose of making payments, including purchases over the internet. In doing so, limits will be set on the types and value of transactions which are permitted with the card. Any employee who uses a purchasing card must:

- Ensure that use of a purchasing credit card is by exception, when normal purchase orders won't work;
- Ensure that any purchase card use follows the CDAT policy;
- Ensure transactions are within the limitations placed on the card;
- Keep the card and PIN details private at all times;
- Supply VAT receipts for every transaction completed;
- Report the loss or unauthorised use immediately to the DoF.

The DoF will ensure a proper reconciliation is carried out to the card statement and will report any details of unauthorised transactions or losses to the F&O Committee.

# 13. Taxation

CDAT is responsible, like all organisations, for ensuring its tax affairs are in order. Taxation issues can be complex, and it is important that employees seek advice, via CDAT, where necessary.

All employees will be employed by CDAT for the purpose of income and other relevant personal taxes. The DoF will work with the Trust's payroll provider to ensure that all relevant information and returns are made to HMRC by the due date and to the proper standard. All employees will support this requirement where necessary, by providing any relevant data not in the possession of CDAT or the payroll provider.

CDAT is not registered for VAT as its business income is below the threshold where VAT registration is required. It utilises Section 33(b) of the VAT Act 1994, which allows Academies and Multi Academy Trusts to pursue a simplified system to reclaim VAT on non-business inputs. The Central Finance Team are responsible for ensuring that reclaims are made on a regular basis and in an efficient way using form VAT 126. The DoF will monitor business income across the MAT to ensure the VAT threshold is not exceeded and make sample checks on VAT 126 claims.

# 14. Audit

## 14.1 External Audit

Directors appoint an external auditor to meet its legislative obligations, who must certify whether the accounts present a 'true and fair' view of the annual performance and position at the Balance Sheet date. The contract for the external audit is in the form of an engagement letter and only covers external audit services.

The engagement letter also provides for the removal of auditors, before the normal expiry of the term of office, in exceptional circumstances. Any proposal to remove the external audit provider requires a majority vote of the CDAT's Board of Directors, who must provide a rationale for their proposal. The engagement letter also requires the auditor to provide an explanation to Directors if they choose to resign before the end of their normal term.

Directors must advise the ESFA if the auditor resigns or is removed before the end of the term of office. In the event of resignation, it must supply a copy of the auditor's explanation. In the event of removal, it must set out the reasons for the decision.

## 14.2 Internal Audit

Directors will ensure compliance with Internal Audit requirements by receiving specific reports which provide independent assurance, set against the annual 'Internal Audit Plan', at Full Board Meetings and Finance and Operations meetings held in each academic year. Directors will appoint a suitable, external adviser to undertake appropriate, planned internal audit activities throughout the year – providing additional internal assurance and ongoing response to the findings of the external audit.

## 15. Value for Money (VFM)

Value for Money is a key priority for CDAT. It is determined to ensure that resources are used to the best effect and deliver the best outcomes for its schools and their pupils. To that end, we will develop and maintain a Value for Money strategy, which will drive VFM in a number of ways, including:

- Striving to improve academic performance and other outcomes at all times;
- Benchmarking activities, processes and costs both internally within CDAT and externally with other well performing Trusts and schools so that best practice can be adopted and shared where necessary;
- Standardising some procurements across all schools within CDAT so as to gain better economies of scale;
- Adopting an ongoing competitive approach to procurement;
- Looking for additional opportunities to generate additional income;
- Looking to adopt quality-based systems where appropriate.

## 16. External Reporting

### 16.1 Budget

CDAT must submit the prescribed budget forecast to ESFA by 31 July each year. When new schools join, supplementary forecasts will be submitted as required by the ESFA. The DoF is responsible for ensuring budgets are submitted by the due dates. Any budget submission is formally signed off by the CEO.

### 16.2 Statutory Accounts

As a charitable company limited by guarantee CDAT must comply with company law as set out in the Companies Acts. This includes a requirement to prepare a set of accounts in line with the Statement of Recommended Practice (SORP) for Charities, for each year ended 31 August. When complete and after external auditors have completed their review, these are submitted to the ESFA by 31 December each year and made available on the CDAT website by the end of January each year. CDAT must also file its accounts with Companies House no later than 31 May after the year of account.

### 16.3 Value for Money Statement

A Value for Money (VFM) statement is included in the Statutory Accounts for the period to 31 August each year so as to demonstrate to parents and the public that CDAT has provided good VFM during the year and has identified opportunities for potential improvement.

### 16.4 Self-Assessment of Governance and Management

When additional schools join CDAT the CEO confirms with the ESFA that the systems of financial management and governance within the new school are the same as previously notified.

### 16.5 Regularity, Probity and Compliance

Within the annual report is included a statement on regularity, propriety and compliance by the CEO.

### 16.6 Annual Accounts Return

CDAT must submit to the ESFA an annual accounts return by 31 January on the Excel template provided annually in June. The external auditors must provide an assurance report on the preparation of the accounts return.

CDAT must submit fully audited accounts to Companies House for each financial year ending on 31 August by 31 May of the following year.

The DoF will co-ordinate the collection of any information required in support of these processes.

## 17. Fixed Assets and Other Equipment

Fixed assets are those assets which have a useful economic life of more than one year. Fixed assets normally fall into the following categories:

- Land and Buildings;
- Fixtures and Fittings;
- ICT Equipment;
- Furniture and Equipment;
- Vehicles and Plant.

This can, in theory, apply to all assets, although CDAT has determined that assets with an initial cost of £2,000 or more will be capitalised. Fixed assets will be depreciated in accordance with the table below:

Asset type	Assumed Useful Life	Depreciation method
Land and Buildings	50 years (applies to building only)	Straight line method
Long leasehold	125 years	Straight line method
Improvements to property	50 years	Straight line method
Fixtures	5 years	Straight line method
Fittings	10 years	Straight line method
ICT equipment	3 years (33% - financial statements)	Straight line method (on cost fin stat)
Furniture and Equipment	3 years	Straight line method
Vehicles	3 years	Straight line method

The DoF will ensure that a Fixed Asset Register is maintained and keep under review a threshold, above which, items will be deemed to be capital and therefore need to be entered into the register. The register will seek to ensure that:

- Independent checks can be made on the safe custody of an asset, as a deterrent against theft or misuse;
- Staff can take responsibility for assets;
- The use of fixed assets is well managed with effective planning for their replacement;
- Information for CDAT’s statutory accounts is available including to aid the work of external auditors in reviewing those accounts;
- Information is provided in support of any loss and subsequent insurance claim.

The fixed asset register will hold the following data:

- Date of purchase;
- Description;
- Cost and funding sources;
- Planned economic life;
- Annual depreciation;
- Current book value;
- Location;

All assets in the ownership of CDAT must be marked in a permanent way, which shows the ownership of the asset to the school concerned or CDAT. A check should be made, at least annually, by someone other than the person who maintains the asset register. Any discrepancy between the checked assets and those in the register should be investigated immediately and the outcome reported to the LGC initially or CEO or the F&O Committee dependent on the scale of the discrepancy.

Assets should not be removed from their designated location without the authority of the relevant Headteacher or the DoF. Any approved loans should be recorded both when the asset is loaned and when it is returned. Longer term loans should be kept under regular review as they may give rise to HMRC’s definition of a taxable ‘benefit in kind’, for the person being loaned the asset.

All fixed assets will be depreciated over a defined period, dependent on their type. Assets purchased or sold part way through an academic year will be depreciated on a pro-rata basis in that year.

### 17.1 Leased assets

From September 2024, arrangements surrounding leases for academies changed.

To ensure compliance no leasing arrangements may be entered into without the express authorisation of the DoO in collaboration with the DoF. All potential leases must be discussed with and will be signed by the DoO.

### 17.2 Disposal of Fixed Assets

Disposal of Fixed Assets should at all times aim to achieve the best price in accordance with the requirements of the Academy Trust Handbook. Assets should normally be disposed of by competitive tender, unless the DoF or the DoO believes that an alternative method would produce a better return, in which case, outcome of that method would be reported to the F&O Committee.

The Authority to dispose of Fixed Assets shall be in accordance with the limits in the table below:

Original Cost	Authority to Dispose
Up to £1,000	School Business Manager^ (if delegated)
Up to £10,000	Headteacher
£10,000 to £20,000	CEO following recommendation from DoF or DoO
Over £20,000	CDAT Board following recommendation from DoF or DoO

CDAT is required, when requested, to repay a proportion of any sales proceeds, where the sold asset was purchased with the support of capital grant. If CDAT sells an asset which was transferred to it for no consideration by the Local Authority, it is required, if requested, to pay all or part of the proceeds to the DfE or the LA, after taking account of the proceeds to be reinvested by CDAT.

Disposals of Fixed Assets to staff, employees or Directors is not normally undertaken, as this may be more difficult to demonstrate that Value for Money has been achieved.

### 17.3 Other Equipment

Items of equipment which fall beneath the threshold to be recognised as a Fixed Asset must be recorded in a small items register.

## 18. Insurance

CDAT will purchase insurance cover through the Risk Protection Arrangement (RPA) for each of its schools and central business. Insurance will form a key element of CDAT's Risk Management arrangements.

Headteachers are responsible for ensuring that risk assessments take place within their schools. The DoO ensures that risk assessments relating to central activities are undertaken.

Additionally, individual schools may make their own arrangements for insurance risks which are not covered by RPA- Any such insurance premiums will be from within schools' individual budgets.

All claims will be made by the individual schools concerned after notifying the DoO, or by the DoF for central activity. Any loss caused by malicious damage should be reported to the police and a crime reference number sought at the earliest opportunity.

RPA policy documentation will be held both centrally and locally. Policy documentation for those policies agreed by the schools will be held locally.

## 19. Offers of Gifts and Hospitality

The giving or receipt of gifts or hospitality is not prohibited, if the following requirements are met:

- it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- it complies with local law;
- it is given in CDAT's name, not in an individual's name;

- it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- it is appropriate in the circumstances. For example, it is customary for small gifts to be given at Christmas time;
- taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
- it is given openly, not secretly;
- gifts should not be offered to, or accepted from, government officials or representatives without the prior approval of the CEO or DoF of CDAT or Headteacher of the school.

The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

If employees are uncertain about accepting offers of gifts, they should seek advice from their Headteacher. The DoF will provide advice to other Trust employees. Local registers maintained by individual schools must be made available for inspection by the DoF or nominee.

Expenditure on hospitality should only be incurred if it can be demonstrated that the expenditure meets the principles of probity, accountability and VFM. Any hospitality within schools should only be provided in the workplace and should be limited to modest types of food and drink – e.g. tea / coffee / soft drinks / biscuits / sandwiches. Headteachers should maintain a register of hospitality other than for the modest types outlined above, provided which details the hospitality, the recipients and the costs. The register should be made available for inspection by the DoF or nominee.

More detailed arrangements are set out in the Gifts, Hospitality and Anti-Bribery Policy.

## 20. Special Payments

Special payments are those transactions which fall outside CDAT's range of normal activities. They require greater control and oversight than other more normal payments. These regulations cover the following types of special payment.

### 20.1 Staff Severance Payment

If CDAT is proposing to make a severance payment above the statutory amount due, it will consider the following:

- whether the proposed payment to be in the interests of CDAT;
- whether a payment is justified and value for money, based on a legal assessment of the case; and
- review the level of settlement, which must be less than the legal assessment of what the relevant body (e.g. an employment tribunal) is likely to award in the circumstances.

CDAT can make any non-contractual/non-statutory element of a staff severance payment of up to £50,000 but must seek ESFA approval prior to the payment of any sum above this amount.

### 20.2 Compensation Payments

Compensation payments are normally made to provide redress for injury or loss. If CDAT is considering making such a payment, it must appraise the relevant facts, take legal advice where relevant and ensure that VFM is obtained.

CDAT can make any non-contractual/non-statutory compensation payment of up to £50,000 but must seek ESFA approval prior to the payment of any sum above this amount.

### 20.3 Ex Gratia Payments

An Ex-Gratia payment occurs where there is no legal obligation to make the payment. It is often referred to as a 'goodwill' payment. All proposed Ex-Gratia Payments must be referred to ESFA for authorisation.

## 21. Appendices

### CDAT Procurement Template

Please ensure your procurement meets the Competition Requirements and Thresholds as laid out in the Financial Procedures Manual and record your evidence into the table below. This document must be uploaded to Access to support the order along with copies of the quotations. Where space on Access does not allow uploading of the quotations, these must be retained by the school for inspection by the trust or auditors in line with the trust's Retention Policy.

Value	Requirement	Evidence
Single Item up to <b>£1,000</b> Headteacher Limit	Value for Money	
<b>£1,001 - £5,000</b> Headteacher Limit	Two Oral Quotes	Supplier: Quote:
<b>£5,001 - £10,000</b> Headteacher Limit	Three Written Quotes <i>Upload quotes to Access</i>	Supplier: Quote:
<b>£10,001 - £20,000</b> Director of Finance Limit	Three Formal Written Tenders <b>Seek Advice from DoO</b>	Supplier: Quote:
<b>£20,001 and over</b> Trust Board Limit	<b>Seek Advice from DoO</b>	Supplier: Quote:
Please ensure that you comply with the authorisation limits within the Scheme of Delegation. Separating elements of a procurement in order to circumvent the Competition Requirements and Thresholds or Authorisation Limits is not acceptable and will be reported to the CEO who will determine the action to be taken in the circumstances.		



## Nat West One Card – Requisition Form

Please remember, the Nat West One Card should only be used where a Purchase Order/Invoice cannot be

Date:	
Requested by:	
Supplier to be used:	
Item requested:	
Reason for non-PO/Invoice route:	
Cost (excl VAT):	£
VAT:	£
Cost (incl VAT):	£
VAT Registration number (9 digits):	
Transaction authorised (Headteacher):	Signed:
Nat West One Card Provided to (Name/Role):	
Card received by:	Signed:
Date card provided:	
Card returned to (Headteacher):	Signed:
Date card returned:	
Receipt received (not confirmation or order):	
Goods confirmed as received (Headteacher or SBM):	Signed:

The Headteacher is responsible for ensuring that the Nat West One Card is held securely in school and is only removed for authorised purchases.

The card should not be removed from school overnight or for extended periods of time.

## Tradepoint Card – Requisition Form

<b>Date:</b>	
<b>Requested by:</b>	
<b>Item(s) requested:</b>	
<b>PO Number issued for purchase:</b>	
<b>Cost (excl VAT):</b>	£
<b>VAT:</b>	£
<b>Cost (incl VAT):</b>	£
<b>Transaction authorised (Headteacher):</b>	Signed:
<b>Tradepoint Card Provided to (Name/Role):</b>	
<b>Card received by:</b>	Signed:
<b>Date card provided:</b>	
<b>Card returned to (Headteacher):</b>	Signed:
<b>Date card returned:</b>	
<b>Receipt received (not confirmation or order):</b>	
<b>Goods confirmed as received (Headteacher or SBM):</b>	Signed:

The Headteacher is responsible for ensuring that the Tradepoint Card is held securely in school and is only removed for authorised purchases.

The card should not be removed from school overnight or for extended periods of time.