



Community
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FINANCIAL PROCEDURES MANUAL

COMMUNITY SCHOOLS ALLIANCE TRUST

Approved by Trustees December 2018

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1. Introduction

The Trustees of the Community Schools Alliance Trust have approved the financial procedures manual. The purpose of this manual is to ensure the Trust maintains and develops systems of financial control, which conform to the requirements both of propriety and of good financial management. It is essential these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).

The Trust must comply with the principles of financial control outlined in the Academies Financial Handbook published by the DfE. This manual expands on that and provides detailed information on the Trust's accounting procedures. All staff involved with financial processes should read this handbook.

The Community Schools Alliance Trust is responsible for the operation of Cheney School and Bayards Hill Primary School.

2. Organisation

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

The Members

The members can control changes to the constitution (subject to DfE approval) and other fundamental decisions relating to the academy Trust.

The main responsibilities include:

- Amendment of the articles of association subject to any restrictions in the articles or in the Trust's funding agreement or charity law;
- Appointment or removal of Trustees in certain circumstances;
- Appointment of the Trust's auditors and receive the Trust's audited annual accounts

The Trustees

The Trustees have overall responsibility for the administration of the Trust's finances. The main responsibilities of the Trustees are prescribed in the Articles of Association, the Funding Agreement between the Trust and the DfE, and in the Academies Financial Handbook. The Trustees are subject to the duties and responsibilities of charitable Trustees and company directors.

The main responsibilities include:

- Ensuring that grants from the Education & Skills Funding Agency ('ESFA') are used only for the purposes intended;
- Approval of the annual budget;
- Appointment of the Head Teacher;
- Appointment of the Chief Executive Officer;
- Appointment of the Chief Finance Officer (CFO), in conjunction with the Head teacher.
- Production of audited accounts and other statutory returns to the ESFA. Ensuring the annual financial statements are produced in accordance with the requirements of the Companies Act 2006, the Charities SORP, the Academies Financial Handbook and other guidance issued by the DfE and/or the ESFA.



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The Pay and Audit Committee

The Trust has a dedicated audit committee whose functions are established in such a way as to achieve internal scrutiny, which delivers objective and independent assurance. This means:

- Staff employed by the Trust should not be members of an audit committee, but may attend to provide information and participate in discussions;
- The accounting officer and other relevant senior staff should routinely attend the committee in the capacity set out directly above.
- The committee's work must focus on providing assurances to the Trustees that risks are being adequately identified and managed by:
 - reviewing the risks to internal financial control at the Trust;
 - agreeing a programme of work to address and provide assurance on those risks; and
 - appointing an internal auditor to provide assurance on the Trust's internal controls and procedures.
- The outcome of the work should inform the governance statement that accompanies the Trust's annual accounts and, so far as is possible, provide assurance to the external auditors.

The Local Governing Body (LGB)

The LGB is responsible for overseeing the financial affairs of their school and reporting to the Trust. The LGB may establish a subcommittee to whom they delegate responsibilities within the committee's terms of reference. The LGB or Finance & Resources committee (F&R) meets at least once per term.

The main responsibilities of the F&R are detailed in the written terms of reference, which have been approved by the LGB.

The main financial responsibilities of F&R are as follows:

- Initial review and authorisation of the annual budget;
- The regular monitoring of actual income and expenditure against the approved budget;
- Authorising orders and awarding contracts between £25,000 and £59,999 (Secondary Academy) or between £9,999 and £59,999 (Primary Academy) (**previously over £181,302**);
- Authorising changes to the academies personnel establishment that exceed the approved budget for the year.
- Reviewing reports of the internal auditor on the effectiveness of the financial procedures and controls. These reports must also be reported to the full LGB and Trust.
- Ensure the academies reserves are kept within the range approved by the Trust (Currently between 9% - 12% of GAG)

The Chief Executive Officer (CEO) (The Academy Trust's Accounting Officer)

The CEO is appointed as accounting officer, under the guidance of the Trust, and must have appropriate oversight of financial transactions, by:

- Ensuring that all the academy Trust's property is under the control of the Trustees, and measures are in place to prevent losses or misuse, including maintenance of fixed asset registers;
- Ensuring that bank accounts, financial systems and financial records are operated by more than one person;
- Keeping full and accurate accounting records;
- Preparing accruals accounts, giving a true and fair view of the Trust's use of resources in accordance with existing accounting standards.
- Signing cheques in conjunction with the CFO or other authorised signatory



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- Authorising payments for goods and services by BACS.

The Head Teacher

Within the framework of the school improvement plan, as approved by the LGB, the Head teacher has overall executive responsibility for the school's activities, including financial activities

The Head Teacher is responsible for:

- Approving new staff appointments within the authorised establishment, except for any senior staff posts which the LGB have agreed should be approved by them;
- Budget virements within the approved budget for the year.
- Authorising purchases up to £24,999 (Secondary School) or £9,999 (Primary School) subject to remaining within the approved budget. **(Previously: Authorising orders and contracts up to £181,302 on behalf of the LGB)**

Chief Financial Officer (CFO)

The Head of Finance acts as the Chief Financial Officer, working in close collaboration with the Head teachers through whom they are responsible to the Trust.

The main responsibilities of the CFO are to play both a technical and leadership role, including ensuring sound and appropriate financial governance and risk management arrangements are in place, preparing and monitoring of budgets, and ensuring the delivery of the annual accounts.

Other responsibilities of the CFO include:

- The day-to-day management of the Trust's finances, including the establishment and operation of a suitable accounting system;
- The management of the Trust financial position at a strategic and operational level within the framework for financial control determined by the Trust and CEO;
- The maintenance of effective systems of internal control;
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust;
- The preparation of monthly management accounts;
- Authorising orders and contracts approved through the scheme of delegation;
- Signing cheques in conjunction with the CEO or other authorised signatory;
- Authorising BACS payments for goods and services approved through the scheme of delegation;
- Authorising BACS payments for payroll;
- Ensuring forms and returns are sent to the DfE/ESFA in line with published deadlines.

The CFO need not discharge all of their duties personally. The Trust may decide that its needs are adequately served by employing staff or contractors with the relevant skills and knowledge at the appropriate time.

Other Finance Staff

Other members of staff with financial responsibilities include the Finance Officer, Finance Assistants, Office Assistants (and Budget Holders).

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



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Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all Trust governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the Trust may purchase goods or services. The register is open to public inspection.

The register should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the Trust.

The disclosures should also include relevant business interests arising from close family relationships such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.

The CFO is responsible for maintaining the register of interests and all interests of staff. Any changes in these should be notified to the CFO immediately.

The Trust must publish on their website relevant business and pecuniary interests of Trustees and members.

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

The Trust must obtain prior approval from the ESFA for contracts for the supply of goods or services to the trust by a related party where:

- the contract exceeds £20,000.
- a contract of any value that would take the total value of contracts with the related party beyond £20,000.
- a contract of any value if there have been contracts exceeding £20,000 individually or cumulatively with the related party in the same financial year ending 31 August.

3. Accounting system

All the financial transactions of the Trust must be recorded on the Corero Resource accounting system.

System Access

Entry to the Corero Resource system is password restricted and the CFO is responsible for implementing a system which ensures that passwords are changed at least every six months.

Access to the component parts of the Corero Resource system can also be restricted. The Finance Officer, with the guidance of the CFO, will set access levels for all members of staff using the system.

Backup Procedures

The CFO is responsible for ensuring that there are effective backup procedures for the accounting system.

The CFO will prepare a Disaster Recovery Plan in the event of loss of accounting facilities or financial data. This should link with the annual assessment made by the Trustees of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks.

Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in other sections of this manual.



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All journal entries must be approved by the CFO or Finance Officer.

Bank reconciliation transactions are input by the Finance Officer.

Detailed information on the operation of Corero Resource can be found in the user handbooks held online.

4. Financial planning and Monitoring

The LGBs prepare both medium and short-term financial plans.

The medium term financial plan is prepared as part of the improvement planning process. This indicates how the Trust's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

The school improvement plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Trust and the planned use of those resources for the following year.

The improvement planning and budgetary processes are described in more detail below.

School Improvement Plan

The improvement plan is concerned with the future aims and objectives of the school and how they are to be achieved. This includes matching the school's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

The form and content of the improvement plan are matters for the school to decide, but due regard should be given to the matters included within the Academies Handbook and any annual guidance issued by the DfE/ESFA.

Each year the Head teacher will propose a planning cycle and timetable to the LGB which allows for:

- a) A review of past activities, aims and objectives - "did we get it right?"
- b) Definition or redefinition of aims and objectives – "are the aims still relevant?"
- c) Development of the plan and associated budgets – "how do we go forward?"
- d) Implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and
- e) Feedback into the next planning cycle – "what worked successfully and how can we improve?"

The timetable will specify the deadlines for the completion of each of the key stages described above.

Lead responsibility for the completion of each of the stages will be assigned by the Head teacher.

The completed improvement plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

For each objective, the lead responsibility for ensuring progress is made towards the objective will be assigned to an appropriate individual. The responsible person should monitor performance against the defined success criteria throughout the year and report to the senior management team on a quarterly basis. The senior management team will report to the LGB if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.



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Annual Budget

The CFO is responsible for preparing and obtaining approval for the annual consolidated (Trust) budget.

An academies budget must be approved by the Headteacher, the F&R and LGB committees, before being consolidated for approval by Trustees.

The final budget should be communicated to all staff with responsibility for a budget so that everyone is aware of the overall budgetary constraints.

The approved consolidated budget must be submitted to the DfE/ESFA by 31 July each year and the CFO is responsible for establishing a timetable, which allows sufficient time for the approval process, and ensures the submission date is met.

The annual budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the school improvement plan objectives.

The budgetary planning process will incorporate the following elements:

- a) Forecasts of the likely number of pupils to estimate the amount of DfE grants receivable;
- b) Review of other income sources available to the Trust to assess likely level of receipts;
- c) The cost of the approved staffing establishment required to deliver and support the school improvement plan;
- d) Review of past performance against budgets to promote an understanding of the true cost base;
- e) Identification of potential efficiency savings; and
- f) Review of the main expenditure headings in light of the improvement plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

Balancing the Budget

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a reserve or alternatively allocated to areas of need.

Reserves may be used to fund short term priorities, but only after approval through the scheme of delegation. The level of reserves held at each academy will be monitored by the CFO and reported to all the appropriate management and committees.

Academies within the Trust are currently required to maintain reserve levels between 9% and 12% of their GAG. If reserves fall outside this range, the Trustees may require the LGB or senior leadership team to:

- a) Provide a strategy to return reserves to the minimum level, or
- b) Provide explanations why reserves are being held above the maximum level.

Monitoring and Review

Budget holders are able to monitor their budgets through the Corero Web Portal. All relevant staff should be encouraged to review their budgets on a regular basis.



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The Pay & Audit Committee, CEO, Executive Team, F&R, and Head Teachers will receive all, or a combination of the following monthly reports:

- Management accounts.
- An up-to-date forecast for the year reflecting approved changes to the original budget
- An aged debtor and aged creditor analysis
- An analysis of reserves
- Appropriate Key Performance Indicators
- An analysis of key risks within the budget
- A cash flow forecast

Corero Resource will not allow requisitions to be raised against an overspent budget without the approval of the CFO. Consequently, any potential overspend against the budget must in the first instance be discussed with the CFO.

Management Reports

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast, it may be appropriate to vire money from another budget or from the school's reserves. All budget virements must be authorised in line with the authorisation levels set out in Appendix 3.

The CFO produces the management reports for each academy within the Trust on a monthly basis. Prior to running the period end process, and trial balance, the Finance Officer will review the balance sheet to ensure the underlying financial data is accurate:

Reconciliations

The Finance Officer is responsible for the following reconciliations:

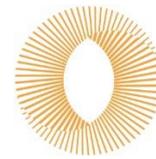
- Sales ledger control account;
- Purchase ledger control account;
- Payroll control account, including PAYE;
- Credit card control account;
- Bank balances;
- Fixed assets;
- Prepayments and accruals; and
- Any other balance sheet control accounts.

Any unusual or outstanding reconciling items must be reviewed by the CFO. The CFO will either sign all reconciliations, or provide an electronic reconciliation, as evidence of independent review.

5. Payroll

The main elements of the payroll system are:

- Staff appointments and contractual changes;
- Payroll administration, and
- Payments.



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Staff Appointments

The LGB approves the personnel establishment for their school. Changes can only be made to this establishment with the approval in the first instance of the F&R committee or LGB (if no F&R committee exists) who must ensure that adequate budgetary provision exists for any establishment changes.

The Head teacher, with the CFO, have authority to appoint staff within the authorised establishment except for the CFO whose appointment must follow consultation with the Trustees.

The Head of HR & Compliance at Cheney School (CS) and HR Officer at Bayard Hill Primary School (BH), on behalf of the Head teachers, maintain personnel files for all members of staff, which include contracts of employment

Payroll Administration

The Trust payroll is administered by Selima, an external payroll provider. All staff are paid monthly by Selima. A payroll file is created by Selima for each employee which records:

- Salary;
- Bank account details;
- Taxation status;
- Personal details;
- Any deductions or allowances payable.

Details of all new employees, leavers and changes to an employee's contracted pay must be sent in writing to the Head of HR & Compliance. Changes to employee's bank account details or address must be sent in writing by the employee to the Head of HR & Compliance at CS or HR Officer at BH.

These changes are entered on the Selima online database for each employee by Human Resources

Employees must complete a casual claim form for all overtime, casual working and supply. New supply staff must also complete a salary profile form. The forms must be signed by the appropriate line manager.

Employees must complete an expense claim form to reclaim expenses through the payroll. This form must be signed by the appropriate budget holder. The Finance Officer will input these claims online and submit them to Selima.

Each school must have a process whereby the Head of HR & Compliance (CS) and HR Officer (BH) are provided with details of all teaching staff sickness and other absences during the preceding month. The Head of HR & Compliance at CS and HR Officer at BH must complete a monthly online return of all teaching and support staff absences to Selima.

Monthly processes

All contractual variations are approved by the Head of HR and Compliance, and entered onto Selima by the HR Assistant. Information supporting the variation is kept on the relevant personnel file.

The Finance Officer enters all other payments onto Selima based on appropriate supporting information i.e. independently authorised overtime and expense claim forms. These are then reviewed, authorised, and submitted to Selima, by the Head of Finance. The Finance Officer is responsible for filing authorised supporting information on the monthly payroll file to provide audit evidence for the payment(s).

After the initial payroll file has been processed (but before payments have been authorised for BACs) Selima makes an interim payroll file detailing salary payments by individual and amounts payable in total available to the Finance Officer. This file is reconciled by the Finance Officer for each school and compared to the payment expected against the contracts report in Selima. All contracts information on Selima is maintained by the HR Team.



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The interim reconciliation **must** be reviewed, authorised and documented by the CFO within the deadline provided by Selima. Any variation(s) against the contract report should be documented and either supported by an appropriate explanation, or by supporting information i.e. an expense claim form. In the absence of the CFO, the Head of HR and Compliance should undertake this review.

The Head of Finance will also run the starter and leaver reports on Selima to ensure any movements have been reflected in the interim report.

Any queries on the interim report are collated and submitted to Selima by the Finance Officer. On receipt of the final report, the Finance Officer will reconcile the final report to the interim report to ensure all queries have been resolved by Selima.

The final reconciliation **must** be reviewed, authorised and documented by the CFO within the deadline provided by Selima. In the absence of the CFO, the Head of HR and Compliance should undertake this review. **Both the interim and final report reconciliations must be kept on the monthly payroll file to provide evidence of review.**

All salary payments are made by BACS unless a specific cheque payment has been authorised by the CFO. The Selima system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for PAYE, national insurance and pension contributions.

The amounts payable are summarised in the monthly BACS disbursement sheet provided by Selima and paid by BACS on the due date. The BACS disbursement sheet must be signed by the Head of Finance and Head of HR and Compliance. A copy of the final report from Selima, identifying the amounts on the disbursement sheet, must be attached before being signed by the Head of HR and Compliance, or in their absence, by the CEO.

Payslips are made available to employees the day before salary payment is made into their bank/ building society accounts by Selima. All staff are provided with secure log in information so they are able to access payslip information. This is provided by the Finance Officer.

After the payroll has been processed by Selima, the nominal ledger will be updated using a payroll journal processed by the CFO. The journal must have a copy of the final disbursement sheet attached to support the posting. Postings will be made both to the payroll control account and to individual cost centres. The CFO will review the payroll control account each month to ensure the correct amount has been posted from the payroll system.

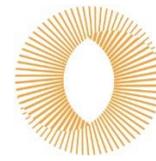
In addition to the internal audit programme, The CFO will sample personnel files to payslips to gain reassurance the underlying payroll data is accurate. These results will be reported to the pay and audit committee on an annual basis. An appropriate sample is considered to be no less than thirty members of staff during the course of the year, representing approximately 10% of the establishment.

Special Payments

These are transactions that fall outside academy Trusts' planned range of activities. They are non-statutory or non-contractual and so are subject to greater control than other payments.

Where a member of staff, governor or any other stakeholder or person has a serious concern about any aspect of the Trusts work, they are encouraged to come forward and voice those concerns. They include:

- staff severance payments
- compensation payments
- ex gratia payments



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Special staff severance payments

These are paid to employees outside of normal statutory or contractual requirements when leaving employment in public service whether they resign, are dismissed or reach an agreed termination of contract. They are different to ex gratia payments.

If an academy within the Trust is considering making a staff severance payment above the statutory or contractual entitlements, it must consider the following issues before making a binding commitment:

- that Trustees reasonably consider the proposed payment to be in the interests of the Trust
- whether such a payment is justified, based on a legal assessment of the chances of the Trust successfully defending the case at employment tribunal. If there is a significant prospect of losing the case then a settlement may be justified, especially if the costs incurred in maintaining a defence are likely to be high. Where a legal assessment suggests that the Trust is likely to be successful, then a settlement should not be offered
- if the settlement is justified, the Trust would then need to consider the level of settlement. This **must** be less than the legal assessment of what the relevant body (e.g. an employment tribunal) is likely to award in the circumstances

Staff severance payments should not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance. The only acceptable rationale in the case of gross misconduct would be where legal advice is that the claimant is likely to be successful in an employment tribunal claim because of employment law procedural errors. In the case of poor performance, an acceptable comparison would be the time and cost of taking someone through performance management and capability procedures.

Academy Trusts have delegated authority to approve individual staff severance payments provided any non-statutory/non-contractual element is under £50,000. Where the Trust is considering a non-statutory/non-contractual payment of £50,000 or more ESFA's prior approval must be obtained before the Trust makes any binding settlement offer to staff.

Academies within the Trust must demonstrate value for money by applying the same level of scrutiny to a payment under £50,000 as if it were over the £50,000 delegation and have a business case justifying the level of settlement reached. Settlements must not be accepted unless they satisfy the conditions in this handbook and in **ESFA's** guidance and submission template.

Compensation payments

Compensation payments are made to provide redress for loss or injury, for example: personal injuries; traffic accidents; or damage to property. If an academy within the Trust is considering making a compensation payment it must base its decision on a careful appraisal of the facts, including legal advice where relevant, and ensure that value for money will be achieved.

Academy Trusts have delegated authority to approve individual compensation payments provided any non-statutory/non-contractual element is under £50,000. Where the Trust is considering a non-statutory/non-contractual payment of £50,000 or more **ESFA's** prior approval must be obtained.

Ex gratia payments

Ex gratia payments are another type of transaction that go beyond statutory or contractual cover, or administrative rules.

Ex gratia payments are separate to other classes of special payment such as staff severance payments and compensation payments. Statutory and contractual payments made to academy staff in accordance with the Trust's pay and conditions policy would not be ex gratia.



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Ex gratia transactions must always be referred to the ESFA for prior authorisation. HM Treasury approval may also be needed dependent on the nature of the transaction. If MKET is in any doubt about a proposed transaction, they will seek prior advice from ESFA.

6. Purchasing

The Trust strives to achieve the 'best value' for money from all purchases. This means achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the Trust's charge, the avoidance of waste and extravagance, and prudent and economical administration. A large proportion of the Trusts purchases are paid for with public funds so it is important to maintain the integrity of these funds by following the general principles of:

- a) **Probity:** It must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust;
- b) **Accountability:** The Trust is publicly accountable for its expenditure and the conduct of its affairs; and
- c) **Fairness:** That all those dealt with by the Trust are dealt with on a fair and equitable basis.

The Finance Officer is responsible for setting up budget holders on the Trusts accounts software. Any changes to budget holders must be approved by the CFO.

The Head of HR & Compliance (CS) and HR Officer (BH) must notify the CFO in writing when a staff member leaves.

Budget holders are informed of the budget available to them in July each year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Budget holders have access to the Civica web portal which allows them to raise purchase order requisitions and to monitor income and expenditure against the approved budget.

The Finance Assistants maintain a list of sample signatures for key individuals. This is updated in September and March of every year.

The budget holder is expected to obtain the best value supplier for all goods and services. In the main this will generally be a supplier available through the Civica Web Requisitioning process. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the Civica list, the reasons for this decision must be discussed and agreed with the CFO and/or Finance Officer.

Routine purchases up to £1,000 can be approved by budget holders. Any requisition over £1,000 will also need to be approved by the budget holder's Leadership Group line manager. Budget holders will have one 'requisitioner' assigned to their budget who can raise a requisition order on their behalf. A requisitioner can be the budget holder, a curriculum assistant or other nominated person. All requisitions must be approved by the budget holder.

Once a requisition has been authorised by the budget holder, an order will be created in the Finance Office and sent to the supplier, normally by e-mail or Fax. Any requisition placed for a cost centre that has no budget, or for a cost centre where the budget is overspent will need to be approved by the CFO.

The Finance Assistant, in collaboration with the budget holder, must make appropriate arrangements for the delivery of goods to the Trust. On receipt the budget holder must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be raised with the Finance Assistant CS / Admin Assistant (BH) immediately who will discuss with



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the supplier of the goods without delay. Any goods that are rejected or to be returned to the supplier because they are not as ordered or are of sub-standard quality should be managed by the Finance Office.

All invoices must be sent to the Finance Office (CS). The Finance Assistants will match the invoice against the original order and requisition, scan the invoice so it is available to view on the Corero Web Portal. The originator of the invoice will receive an e-mail alert asking for receipt of the invoiced goods or services to be confirmed. If the goods are flagged as received and the invoice matches the order, the invoice will be marked for payment without further intervention by the budget holder.

Where the invoice value exceeds the order value by 5% or £20.00 (whichever is the smaller) the budget holder will be required to authorise the additional payment. Any invoice queries must be sent to the Finance Team CS using the 'Query' function on the Corero Web Portal. Where the invoice value exceeds the order value by £50 the CFO will be required to authorise the additional payment.

Where an invoice arrives without an order being raised, the budget holder will be required to confirm receipt of the goods and authorise the invoice for payment. All non-order invoices will need to be approved by the Finance Officer or Head teacher if they raised the order.

At regular intervals and generally no more than two weeks apart, invoices ready for payment will be paid. Those suppliers able to receive payment by BACS will be paid using this method, with cheques being created for all other suppliers. The Trust will use the BACS payment system wherever possible.

A proposed payment list will be raised by the Finance Assistant. This must be approved by the Finance Officer and CFO. The payments will be authorised as described in Appendix 3. The final Purchase Ledger document list will be signed by the CEO.

Orders for £1,000 and over and less than £10,000 (Other than Approved Suppliers)

At least two written quotations must be obtained for all orders between £1,000 and £9,999 to demonstrate value for money. Quotations must be supported by a written requirement from the budget holder. Details of the requirements, quotations, and the basis of decision must be saved and kept with the official order.

In addition to the budget holder, all requisitions in the range £1,000 to £9,999 must be authorised by the budget holder's Leadership Team line manager.

Orders for £10,000 and over and less than £25,000 (Other than Approved Suppliers)

At least three written quotations must be obtained for all orders between £10,000 and £24,999 to demonstrate value for money. Quotations must be supported by a written requirement from the budget holder. Details of the requirements, quotations, and the basis of decision must be saved and kept with the official order.

All goods and services with a value between £10,000 and £24,999 must be authorised by the budget holder, the budget holder's Leadership Team line manager, and the Head teacher.

Orders up to £25,000

Community Schools Alliance Trust recognises that "Best Value" can be achieved by the use of approved suppliers whose cost effectiveness is tested at least every 2 years. Orders can be placed with the approved suppliers listed in Appendix 7 without additional quotations.

Orders for £25,000 and over but less than £164,176

All goods and services with a value between £25,000 and £164,175 must be authorised by the budget holder, the budget holder's Leadership Team line manager and the Head teacher on behalf of the Governors.



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The order must be reported to the next Finance & Resources Governors' meeting.

Orders for £164,176 and over

All requisitions over £164,176 must be authorised by the Head teacher (on behalf of Governors) the budget holder's Leadership Team line manager and the budget holder, and then be authorised by the LGB or Governors' Finance and Resources Committee in writing before the order is placed.

Purchases over the European Union thresholds may fall under EU procurement rules which require advertising in the Official Journal of the European Union. The thresholds at 01/01/16 are as follows:

Works	£4,104,394
Supplies	£164,176
Services	£164,176

7. Tendering

Forms of Tenders

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the CFO how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering as it is most conducive to competition and the propriety of public funds.
- **Restricted Tender:** This is where specific suppliers are invited to tender. Restricted tenders are appropriate where:
 - a) there is a need to maintain a balance between the contract value and administrative costs;
 - b) a large number of suppliers would come forward or because the nature of the goods/services are such that only specific suppliers can be expected to supply the Trust's requirements; or
 - c) the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - a) the above methods have resulted in either no or unacceptable tenders,
 - b) only one or very few suppliers are available,
 - c) extreme urgency exists,
 - d) additional deliveries by the existing supplier are justified.

Preparation for Tender

When preparing for tender full consideration should be given to:

- a) objective of project
- b) overall requirements
- c) technical skills required
- d) after sales service requirements
- e) form of contract.



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It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

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

An invitation to tender should include the following:

- a) introduction/background to the project;
- b) scope and objectives of the project;
- c) technical requirements;
- d) implementation of the project;
- e) terms and conditions of tender and
- f) form of response.

Tender Evaluation

Financial

- a) Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- b) Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- c) Is there scope for negotiation?

Technical/Suitability

- a) Qualifications of the contractor
- b) Relevant experience of the contractor
- c) Descriptions of technical and service facilities
- d) Certificates of quality/conformity with standards
- e) Quality control procedures
- f) Details of previous sales and references from past customers.

Other Considerations

- a) Pre sales demonstrations
- b) After sales service
- c) Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the Trust. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt, and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders.

- For contracts up to £25,000 - two budget holders, the CFO or Head teacher;



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- For contracts over £25,000 - either the CFO or Head teacher, plus a member of the LGB/Finance and Resources Committee.

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

Tendering Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest, then that person must withdraw from the tendering process.

Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Full records should be kept of all criteria used for evaluation and for contracts over £25,000 and under £164,176, a report should be prepared for the F&R Committee highlighting the relevant issues and reporting of the decision. For contracts over £164,176 the decision and criteria should be recommended to the F&R Committee who must approve the decision in advance of the order being placed.

Where required by the conditions attached to a specific grant from the DfE, the department's (ESFA) approval must be obtained before the acceptance of a tender.

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

Credit Cards

The Trust has nine credit cards as detailed in Appendix 4. These should be used for purchasing items online where the supplier does not operate a standard purchase order process, where best value can be obtained, or there is an expectation as part of an employee's job that they should make regular purchases on behalf of the Trust.

When a budget holder needs to make use of this facility, the standard school purchasing procedure must be followed, with the order being placed on line.

It is the responsibility of the cardholder to maintain appropriate supporting documentation for all credit card transactions.

The Finance Assistant(s) are responsible for ensuring individual credit card statements has the appropriate supporting documentation. The credit card files are held in the finance office so the CFO can review them each month.

The CFO reviews the files each month, and, on a sample basis, ensures either transactions have a receipt, or invoice attached. The CFO is responsible for ensuring the correct amount has been reimbursed through the main bank account each month and must authorise the statements as evidence of review.

In cases where an individual has to use a personal credit card to purchase items, for example on a foreign trip, individuals must only do so if they feel personally happy, and where prior agreement has been obtained from the CFO. Where a personal credit card is used, the individual must submit an expenses claim with a copy of the CFO's authorisation and attach a valid VAT receipt.



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Booking Training Courses

Staff must carry out the following procedures when booking training courses:

- A request for staff development must be completed by the person wishing to book the training course, checking with the course supplier that places are available.
- Once completed, the request should be passed to the team or subject leader for signature, and the Cover Manager who will check cover and the AHT for authorisation from the CPD budget.
- Once authorised, details of the order will be passed to the Finance Assistant so that a purchase order can be raised.

Note: When checking that places are available; staff may make a provisional course booking. However, in doing so the member of staff must ensure that no cost would be incurred if the provisional booking was cancelled.

8. Income

The main sources of income for the Trust are grants received from the DfE. The receipt of these sums is monitored directly by the CFO who is responsible for ensuring that all grants due to the Trust are collected.

The Trust also obtains income from:

- Students, mainly for school meals, educational visits and uniform sales;
- The public, mainly for sports and other lettings;
- Other schools/educational establishments, for the provision of education support services.

Catering

All vending and payment machines should be emptied on a daily basis. This should be carried out by two members of staff from the finance team (CS) or admin team (BH). Once the takings have been collected the staff should return the money to the finance office. The takings should then be counted by the two members of staff.

At CS a cash sheet for machine takings should be completed. This should be signed by both the counter and the other staff member present.

The cash sheets should be entered on the accounting system by the finance team.

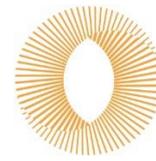
The cash should be bagged without any deductions and held in the safe until collection. The safe should be emptied at least once per week, on a Friday. If the amount in the safe exceeds the cash insurance limit at any time, the cash must be banked immediately.

Any differences noted when reconciling the accounting system in respect of catering takings should be reported immediately to the CFO.

At BH catering income is collected either at the school office or in classrooms and passed to the school office in register bags each day. This cash is securely stored in the school office and banked on a weekly basis.

Grants

A member of staff should be appointed by the CFO to be responsible for each grant applied for by the Trust. The CFO should be notified when a grant has been awarded and provided with the names of the Responsible Staff Members (RSM).



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When preparing an application for a grant the RSM should discuss the application with the CFO to ensure the financial details are complete and accurate and the project can be achieved within the Trust's cash flow. The RSM must take overall responsibility for all aspects of the grant.

Once the RSM has submitted the application to the appropriate authorities, a copy must be forwarded to the CFO.

When a grant is awarded, the Finance Officer is responsible for setting up a cost centre and associated nominal ledger codes on the accounting system so that all income and expenditure can be monitored against the original grant.

The RSM is responsible for ensuring that all costs are identified to enable the finance team to allocate appropriate nominal ledger codes.

For all grants awarded the RSM and CFO should meet regularly to monitor performance against the original grant awarded.

Where a grants funding is paid in instalments and on receipt of an official claim, these claims should be prepared by the RSM following discussions with the CFO.

A copy of all grant claims must also be passed to the CFO.

Upon receipt of the funds from the appropriate authority the finance team will enter the data on to the accounting system.

The finance department will inform the RSM of the receipt of the funds.

School Trips

A lead teacher must be appointed for each trip to take overall responsibility for the trips administration. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record should be given to the Finance Assistants.

Students should make payments to the Finance Assistants (CS) or the School Administrators (BH) in the School Shop/Office or online. Under no circumstances should any teacher take receipt of money. The value any receipt should be recorded against the student.

The Finance Assistant must maintain an up to date record for each student, showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a regular basis and as required. The lead teacher is responsible for chasing the outstanding amounts.

Lettings

The Soft Services Manager is responsible for maintaining appropriate documentation to support the booking of facilities and for identifying the sums due from each customer using the system as detailed elsewhere and following the school's Lettings Policy.

Details of customers using the school and sports facilities should be sent by the Operations Manager to the Finance Assistants who will raise an official sales invoice on the Corero accounting system. Details of payments received and amounts outstanding will be forwarded to the Operations Manager at the beginning of each month. The Operations Manager is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.

All lettings must be paid for in advance to avoid bad debts be incurred.



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Bayards Hill Primary School is not currently used for lettings other than the joint use by Oxfordshire Music Service and Barton Football Club. Bookings are made by the Music Service with the Bayards Hill site Manager and the joint use is crossed charged on a termly basis.

External Education and Services

The Finance Assistants are responsible for raising sales invoices for all external education and services provided by the Trust. All relevant information needed to raise a sales invoice should be provided by the relevant member of staff.

Fundraising Events

Records for all fundraising events should be maintained by the person responsible for the event. Sufficient detail should be provided to the Finance Assistants to enable them to identify the total income raised from the event and all relevant costs incurred.

For all events where ticket income or gate money is generated, a reasonableness check should be carried out by the Finance Assistants to ensure all income received reconciles to the number of tickets issued.

Bad Debts

The finance team (CS) should initially pursue any overdue debts by telephone, followed by a formal letter on headed paper. The initial telephone call should be made within 7 days of the debt becoming due, followed by the formal letter within 14 days of the original telephone conversation.

If a debt to the Trust remains unpaid after more than 6 months, or where it becomes clear the debt will remain unpaid, the CFO must submit a report to the relevant committee for approval to write-off the debt, as outlined in the scheme of delegation.

- Bad debts up to the value of £5,000 must be approved by the F&R committee before they can be written off.
- Bad debts between £5,000 and £10,000 must be approved by the F&R committee before they can be written off.
- Bad debts between £10,000 and the threshold outlined in the academies financial handbook must be approved by the MAT Board before they can be written off.

The academies financial handbook allows for the following delegated limits, subject to a maximum of £250,000:

- 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 Trusts that have not submitted timely, unqualified audited accounts for the previous two financial years.
- Cumulatively, 5% of total annual income in any one financial year per category of transaction for any Trusts that have not submitted timely, unqualified audited accounts for the previous two financial years.

Custody and Recording

Pre-numbered Trust receipts will be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the Finance Office safe prior to banking. Banking should take place every week, or more frequently if the cash collected exceeds the £7,500 insurance limit on the Finance Office safe.

Monies collected must be banked in their entirety in the appropriate bank account. The receipt from the bank must be reconciled promptly to the sums posted to the accounting system to make sure there are no discrepancies.



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9. Cash Management

The Trust is not permitted to overdraw its bank accounts or to arrange with their appointed bankers any overdraft facilities, loan facilities or other forms of credit.

The Trust should not offer any security to the bank under any circumstances.

Bank Accounts

The Trust has the following bank accounts:

- Main Operating Account; and
- Direct credit account for the purpose of receiving online payments (Parent pay)

All bank accounts are held with the Trust's appointed bankers, Lloyds Bank

The opening of all accounts must be authorised by the Trustees who must set out, in a formal memorandum, the arrangements covering the operation of new accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

The CFO, in conjunction with the Finance Officer will at least every three years, review the bank's terms and conditions and make recommendations for any change. The CFO, in conjunction with the Finance Officer will also ensure competitive rates of interest are obtained and that appropriate deposit accounts are opened.

Deposits

Particulars of any deposit must be entered by the Finance Assistant (CH) / Office administrator (BH) on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

- 1) the amount of the deposit and
- 2) a reference, such as the number of the receipt or the name of the debtor.

Particulars of all deposits will be confirmed by the Finance Officer, detailing amounts, cheque details, nominal ledger and cost centre codes. Cash and cheques will be sealed in the bank's 'Business Pay In' bags which must have a unique reference number on them. The bags of cash and cheques will be banked weekly by collection from G4S.

The Finance Assistant will post the deposits to the cash book and sales ledger in Corero.

Payments and withdrawals

All cheques and other instruments authorising withdrawal from Trust bank accounts must bear the signatures of two of the following authorised signatories:

- CEO;
- Deputy Head teacher (CS);
- Finance Officer;
- Finance Assistant
- Head of Finance (CFO)
- Chair of Governors
- Chair of Finances and Resources Committee



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This provision applies to all accounts, public or private, operated by or on behalf of the Trust.

Bank account signatories must not sign a cheque reimbursing themselves.

All BACS payments from the Trust's main bank account must be approved on-line by two signatories.

Custody

All cash and cheques received must be locked in the finance office safe prior to banking. All cash and cheques received should be banked on a weekly basis by the finance team and recorded on paying-in slips.

The Finance Officer should review the reconciliation of the paying-in slip to the deposit entry in the Trust's accounting records to ensure all cash and cheques received have been appropriately recorded.

Under no circumstances should cash be physically held by the Trust on its premises which exceeds the insured cash limit.

Administration

The Finance Officer must ensure bank statements are downloaded and that reconciliations are performed at least on a monthly basis.

Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the Trust's nominal ledger;
- reconciliations are prepared by the Finance Officer;
- reconciliations are subject to an independent monthly review carried out by the CFO or in his absence the Head teacher, and
- adjustments arising are dealt with promptly.

Petty Cash Accounts

The Trust does not operate a petty cash system. Small value transactions are purchased through Credit Cards, and therefore subject to the relevant procedure outlined on page 16. One Credit Card is held by the Head Teachers personal assistant at Bayards, with the remainder held at Cheney School.

Cash Flow Forecasts

The CFO is responsible for preparing regular cash flow forecasts to ensure the Trust has sufficient funds available to pay for day-to-day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly, plans should be made to transfer funds from another bank account to cover potential cash shortages.

Investments

The Trustees are for ensuring investment risk is properly managed.

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

Direct Debits

Governors have delegated to the Head teacher and Finance staff the authority to set up direct debits where appropriate. Direct debits will be reconciled in line with the normal bank and finance reconciliation procedures.



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10. Fixed assets

Asset register

All relevant items purchased with a value over £1,000 **must** be entered onto the Trusts asset register.

Each month the Finance Officer identifies purchase's over £1,000, and where appropriate, enters the purchase on the accounts software (Corero). The asset is then recognised on the balance sheet and recorded on a register held on Corero. The CFO reviews the balance sheet each month to ensure the register agrees with the information held on the register.

The register should include the following information:

- a) asset description including any unique identification such as a serial number
- b) date of acquisition
- c) asset cost
- d) source of funding (% of original cost funded from DfE grant and % funded from other sources)
- e) depreciation basis
- f) current book value
- g) location and
- h) name of member of staff responsible for the asset

The asset register helps:

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

Capitalisation and Depreciation Policy

These limits are shown in Appendix 5.

Assets in the course of construction are not depreciated until they are complete and brought into use.

Security of assets

Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

All the items in the register should be permanently and visibly marked as the Trust's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Trustees. Inventories of Trust property should be kept up to date and reviewed regularly.

Where items are used by the Trust but do not belong to it this should be noted.

Disposals

Assets which are to be disposed of by sale or destruction must be authorised for disposal by the CFO and, where significant, should be sold following a competitive process.

Academy Trusts must seek and obtain prior written approval from ESFA for the following transactions:

- acquiring a freehold of land or buildings



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- disposing of a freehold of land or buildings
- disposing of heritage assets beyond any limits set out in the Trust's funding agreement in respect of the disposal of assets generally. Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, as defined in applicable financial reporting standards

Disposal of equipment to staff is not encouraged as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Trust would need to ensure licences for software programmes have been legally transferred to a new owner.

The Trust is expected to reinvest the proceeds from all asset sales (where a capital grant was received) in other Trust assets. If the sale proceeds are not reinvested, then the Trust must repay to the DfE a proportion of the sale proceeds.

Loan of Assets

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

If assets are on loan for extended periods, or to a single member of staff, on a regular basis. This situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Trust's auditors.

Leasing of Assets

There are two types of lease:

- Operating leases: these do not represent borrowing
- Finance leases: these are a form of borrowing

The Trust does not require ESFA's approval for operating leases except for some transactions relating to land or buildings. However, MKET will obtain ESFA's prior approval for the following leasing transactions if they arise:

- taking up of a finance lease on any class of asset for any duration from another party (borrowing)
- taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party

Academies within the Trust must ensure that any lease arrangement maintains the principles of value for money, regularity and propriety whether or not ESFA's prior approval is required.

Advice from a professional financial adviser and/or external auditor should be sought if there is any doubt over whether a lease involves an element of borrowing.

The LGB is responsible for approving all asset leasing and hiring arrangements for the Trust.

No leased assets are to be disposed of by the Trust (including by part exchange, re-leasing, sub-letting or donating) without the express permission of the leasing company and the approval of the LGB.



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11. Insurance

The CFO is responsible for reviewing all risks on an annual basis to ensure the cover available and sums insured are adequate and appropriate for the Trust.

The types of insurance cover that should be in place for the Trust are:

- a) Premises and contents: These will be insured at replacement cost against damage by subsidence, fire, lighting, storm, flood, riot, malicious damage, terrorism and similar risks;
- b) Business interruption;
- c) Trustee and employer liability;
- d) Any statutory motor transport insurance;
- e) Loss of assets through fraud or dishonesty on the part of any staff;
- f) Personal accident; and
- g) Fidelity insurance.

The details of the insurance cover held by the Trust are maintained by the CFO and the Finance Officer.

The CFO is responsible for notifying the Trust's insurers of any new risks or any other alterations affecting existing insurances.

The Trust will not provide any indemnity to a third party.

The CFO is responsible for advising the insurers immediately of any accident, loss or other incident which may give rise to an insurance claim.

12. VAT

The Trust is not currently registered for VAT purposes as its business activity is not expected to exceed the current VAT registration threshold. This is monitored by the CFO on an annual basis.

VAT repayments claims are made using the VAT126 Form and are submitted to HMRC on a regular basis. The repayment claim will be prepared by the finance team (CS), using the automated facility within the Trust's accounting system, and will be approved by the CFO before submission to HMRC.

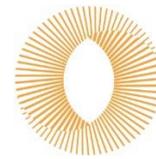
The CFO is responsible for ensuring the Trust abides by the procedures and rules issued by HMRC in relation to VAT.

The procedures for preparing and completing the VAT repayment claim using the automated facility are detailed in the accounting system user manuals.

Where a purchase is used for business purposes the VAT amount should be reduced.

13. Gifts & Hospitality

The Trusts policy on gifts and Hospitality is outlined in a separate policy approved by Trustees.



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Appendix 1: Internal Auditor

The Trustees have agreed to appoint Critchleys to provide this service. This service will be reviewed on an annual basis.

The Role of the Internal Auditor

The role of the Internal Auditor is to provide the Pay and Audit Committee with an on-going independent oversight of the Trust's financial affairs. The internal audit role is to provide the Pay and Audit Committee with independent assurance that:

- the financial responsibilities of the Pay and Audit Committee are being properly discharged;
- resources are managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained; and
- financial considerations are fully taken into account in reaching decisions.

Delivering assurance

Academy trusts should manage this programme of risk review and checking of financial controls in the way that they deem most appropriate to their circumstances. Options include:

- the appointment of an internal audit service (either in-house, bought-in or provided by a sponsor)
- the performance of a supplementary programme of work by the trust's external auditor
- the appointment of a non-employed trustee with an appropriate level of qualifications and/or experience to check the trust's internal controls, who neither charges, nor is paid by the trust for their work. This appointment is not mandatory but is one way trusts are able to conduct their internal checks
- a peer review, with the work being performed by the chief financial officer, or a suitably qualified or experienced member of the finance team, from another academy trust, as an independent reviewer

Appendix 2: Cheney School and Bayards Hill Finance and Resources Committees

Remit

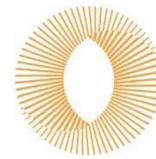
1. The role of these Committees are to assist the decision making Trustees by enabling more detailed consideration to be given to the best means of fulfilling the Trustees responsibility to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity at an individual school level.
2. While it is required to make appropriate comments and recommendations on such matters to the Trustees on a regular basis, and has decision-making responsibilities, major issues will be referred to the Trustees for ratification.
3. The Committees will meet at least once a term i.e. at least six times a year. The membership and terms of reference of the Committees will be reviewed on an annual basis.
4. The Committees will have a Chair and a Clerk. The Senior Finance Manager and Senior Operations Manager will be the Professional Leads to the Cheney School Finance & Resources Committee and to the Bayards Hill Finance and Resource committee



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Terms of Reference

1. Consider the School's indicative funding, notified annually by the DfE, and to assess its implications for the School and Trust, in consultation with the Head teacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the Trustees and LGB's.
2. Consider and recommend acceptance/non-acceptance of the School's budget, by June each year, ready for 31st July submission to ESFA and start of financial year on 1st September.
3. Contribute to the formulation of the School's Improvement Plan, through the consideration of financial priorities and proposals, in consultation with the Head teacher, with the stated and agreed aims and objectives of the School.
4. Receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the improvement priorities set out in the School Improvement Plan.
5. To receive reports from the Senior Finance Manager on personnel matters and to make recommendations about the financial aspects of matters being considered by them.
6. Monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the School, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the LGB/Trustees.
7. Monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
8. Appoint teachers to leadership group (as defined by Trustees) in conjunction the Head teacher.
9. Decide on recommendations relating to the pay of all members of staff, staff appointments and salaries. Pay policy and oversight of performance related pay is a Trust level responsibility,
10. Research and review the opportunities/challenges arising from extended school provision/lettings (from a premises and resources perspective).
11. Approve lettings policy and charges.
12. Procure and agree a maintenance strategy for new buildings including developing a properly funded maintenance plan.
13. To ensure that all significant losses have been properly investigated and that the internal and external auditors, and where appropriate the Trust's Accounting Officer, have been informed.
14. To oversee the Trust's policy on fraud and irregularity, including being notified of any action taken under that policy.
15. To satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness (value for money).
16. To receive any relevant reports from the Department of Education, the Education Funding Agency, H M Revenue & Customs and other organisations.
17. To submit an annual report to the Trustees, summarising the activity for the year. This will give the F&R Committee's opinion on the adequacy and effectiveness of the Trust's arrangements for the following control and governance (including the accuracy of the statement of internal control); economy, efficiency and effectiveness. The F&R Committee annual report should normally be submitted to the Trustees before the Trustees' responsibility statement in the annual financial statements is signed.



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Appendix 3: Authorisation Levels

Purchase Requisitions

Up to £999	Budget Holder	Best value supplier
£1,000 - £9,999	Budget Holder SLT and/ or Head Teacher	At least two written quotations
(At primary academy any purchase above £9,999 must go to F&R for approval where a supplier is not on the approved supplier list)		
£10,000 - £24,999	Budget Holder SLT and/ or Head Teacher	At least three written quotes
(At secondary academy any purchase above £24,999 must go to F&R for approval where a supplier is not on the approved supplier list)		
£25,000 - £59,999	Budget Holder SLT and/or Head Teacher	Three or more tenders
Finance and Resources Committee (Primary threshold £9,999 - £59,999)		
£60,000 - £164,176	As above plus approval by Pay and Audit Committee	
£164,176+	As above plus approval by MAT Board	
Cheque Signatories		
Up to £999	Finance Officer and CFO (or CEO or Deputy Head teacher (CS) in the CFO's or Finance Officer's absence)	
Over £1,000	CFO and CEO (or Deputy Head teacher in the CEO's absence)	

BACS Payments

BACS payments require a BACS file to be created from the accounting system, Corero Resource. The file is then uploaded to The Lloyds Bank online banking service, followed by submission of the file by an individual other than the person who uploaded the file.

File creation	Finance Assistant
File upload	Finance Assistant
File submission	CFO (following review and sign-off of the proposed payments by the CEO and CFO)
Payment run	Head teacher and CFO approval



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Virements

The Head teacher is able to authorise budget virements subject to remaining within the approved budget for the year. These will be presented to the relevant committees through the reforecast in the management reports.

Where a proposed virement is expected to take the forecast above the approved budget, approval is required from the Finance and Resources Committee, subject to remaining within the approved minimum reserves level.

Use of Reserves

Up to £59,999 Finance and Resources Committee (Subject to remaining within the approved reserves range)

Report to all relevant committees

£60,000+ Pay and Audit Committee (or where the approved reserves level is breached)

Appendix 4: Financial Roles 2018-2019

Accounting Officer	Jolie Kirby (Chief Executive Officer)
Internal Auditor	Madhu Richards
Chief Finance Officer	Shane Carter (Head of Finance)
Finance Officer	Elena Dolguireva
Finance Assistant	Joy Beesley
Finance Assistant	Anita Dillon
Company Secretary	Gemma Flegg
Additional Signatory	Anita Dillon
Admin Assistants (BH)	Lorraine Beevor and Julie Germain

Credit Card Holders

The following staff have purchasing cards; their areas of responsibility are also shown:

Member of staff	Areas of responsibility
Joy Beesley	Primary Credit Card Owner
Shane Carter	Backup to Primary Credit Card Owner
Antony Barwell	IT Manager – Specialist IT purchases and I Tunes
Christopher Honey	Head of Premises



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Amy Franklin and Paulina Intek	Senior Science Technician – purchase of small items to support science experiments.
Peter Haslam	Catering Manager – Cheney School
Jacque Hardie	DT Technician – Cheney School
Jill Fenton	Librarian
Julie Germain	Personal assistant to Head Teacher at Bayards Hill School

Appendix 5: Fixed Assets and Depreciation

Depreciation Rates

The depreciation rates for different categories of assets will be as follows:

Freehold or leasehold land	Not depreciated
Freehold buildings	2% straight line basis (depreciated over 50 years)
Leasehold buildings	Period of lease or 50 years, whichever is lower
Plant and machinery	10% (depreciated over 10 years)
Motor Vehicles (including mini buses/vans)	25% reducing balance basis
Furniture and fittings	20% straight line basis (depreciated over 5 years)
Computer equipment and software	20% straight line basis

Note that within the accounts 'Plant and machinery' and 'Furniture and fittings' are combined within a single category of fixed asset, 'Fixtures and fittings', in line with the Academies: Accounts Direction 2010/2011.

Capitalisation Level and Depreciation

A minimum capitalisation level of £1,000 will be applied to an individual whole operational item, for example a desktop PC with screen, keyboard, mouse, extended warranty and operating software. Depreciation will be applied at the end of each month, with assets purchased within the month depreciated in the following month.



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Appendix 6: Definitions

For the purposes of this Manual, the following definitions will apply.

Academic year	The “school year” starting 1 September and ending 31 August.
Academy Trust (AT)	The company which has entered into a funding agreement with the Secretary of State to run one or more Trust schools
Accounting officer	A senior executive of the Academy Trust who has been designated as accountable for propriety, regularity and value for money. In most academies, this will be the CEO.
Accounting officer’s statement	The AT’s accounting officer is required to complete and sign a statement on governance, regularity, propriety and compliance each year. This must include, as an annex, a short statement explaining how the AT has secured value for money. This statement and annex should be included in the AT’s annual report and so submitted to the ESFA at the same time as the annual accounts.
Asset	Anything that is capable of being owned or controlled to produce value and that is held to have positive economic value. Can be “revenue” (e.g. cash) or “capital” (e.g. a building).
Capital	Capital assets or funding are those from which an AT can expect to derive a benefit for more than one year: typically, land, buildings, vehicles, etc.
Statutory returns	ATs are required to provide a number of statutory returns each year to support the governments consolidation and monitoring of AT’s.
	These include:
	<ul style="list-style-type: none"> • Land and Buildings collection – Submitted in October • Annual Accounts Return (AAR) – Submitted in January • Budget Forecast Return (BFRO) – submitted in May • Budget Forecast Return (BFR) – submitted in July
DfE	The Department for Education.
Economy	Obtaining an outcome for the least possible input of resources.
ESFA	The Education & Skills Funding Agency: an executive agency of the Department for Education that acts as the agent of the Secretary of State.
Effectiveness	Obtaining the desired outcome.
Efficiency	Obtaining the best possible outcome for the resources input.
Financial year	For ATs, this is usually the same as the academic year. For most the public sector bodies (such as the ESFA) it means the period from 1 April to 31 March.



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GAG	General Annual Grant: the main source of income for ATs.
Trustees	Usually the senior committee of an AT. This will often also be the board of Trustees and the company board of directors.
Propriety	The requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary control. This includes standards of conduct, behaviour and corporate governance.
Public funds	Funds which, ultimately, derive from Parliamentary authority. All ATs' income, expenditure, assets and liabilities are consolidated into the accounts of the DfE and will be considered by Parliament to be public unless otherwise demonstrated.
Regularity	The requirement for all items of income and expenditure to be dealt with in accordance with the legislation authorising them, and any applicable delegated authority.
Secretary of State	The Secretary of State for Education.
SORP	The Charity Commission's statement of recommended practice.
Value for money	The educational and wider societal outcomes achieved in return for the taxpayer resources received.



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Appendix 7: Approved Suppliers

A list of current suppliers will be presented to the Finance & Resources Committees on an annual basis for discussion. The list will identify current suppliers on the accounts software over a 3-year period, and will identify the number of individual transactions above £1,000 by each supplier.

Prior to the report being presented to the Finance & Resources Committees the CFO will discuss it with key budget holders, requiring them to provide evidence those suppliers are continuing to provide value for money, particularly where the required number of quotations are not being obtained.

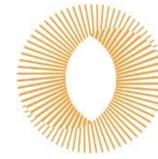
Current Approved Suppliers

Supplier Name	Supplier Name	Supplier Name
Rhodar Limited	Boxford Holdings Ltd	Smart Food UK Ltd
Monarch Education	Food Technology Appliance Services Ltd	WJEC CBAC Limited
School Playground Construction Limited	H & E Engineers Maintenance Ltd	Alternative Communications
Ridge and Partners LLP	CGP	Stark Software International
Selective Recruitment Solutions Ltd	Travel Class Ltd	The Mulberry Bush School
Oxfordshire County Council Pension Fund	Micks Skips Limited	Nick Dawson
Savona Provisions Ltd	IAG Technology Ltd	Love Joes
CCS Media Ltd	GL Education	Rainbow Office Supplies
Oxford City Council Rates only	Trax Motor Project	Renaissance Learning UK Ltd
R E Gore Building Services Ltd	Aston and James Office Supplies Ltd	Sharp Business Systems UK plc
Total Gas & Power Ltd	OCS Group UK Ltd	PHS Group plc
Oxfordshire County Council	Jools UK Ltd	Kingston Fruiterers
AQA	Universal Services Sports Equipment Ltd	Castle Water Limited Bayards
R&R Frontline Services Ltd	Hampshire County Council	CWE Services Ltd
Ambleglow Limited	Haysham Ltd	Ambican UK Limited
Adventure Beyond School Ltd	Walters Coaches	Kajima Partnership Ltd RE
Green Scythe Ltd	Alastair White	Vale Academy Trust King Alfred's
Pearson Educational land	The Low Carbon Hub IPS Limited	Civica UK Limited
SMS Environmental Ltd	Oxford University Press	Springfield Business Papers
C T Walters Electrical Ltd	Executive Security Locksmiths Ltd	Harper Collins Publishers
JSC	The PiXL Club Ltd	School Trends
Seldram Supplies	The Key Support Services Ltd	Grundon Waste Management Ltd
Orsted	Fusion Lifestyle	LEB Partnership Ltd
Arrow & Window & Door Specialists	The Cirdan Sailing Trust	Executive Alarms Ltd
The Candy Box Ltd	Omega Red Group Ltd	Ruth Miskin Literacy Ltd
Meadowbrook College	Mobile Unit Ltd	Educatus Recruitment
The Consortium Education	Blackwell UK Ltd	Nisbets
DONG Energy	Kingswood Learning & Leisure Group Ltd	Npower Ltd Cheney
BXM Expeditions Ltd	Pyrotech Services Ltd	Trade UK 6331640070146691



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Supplier Name	Supplier Name	Supplier Name
Turn It On	Safeguard Secure Solutions Ltd	Scientific and Chemical Supplies Ltd
Virgin Media Business	BMSi Ltd	Cambridge University Press
The Owl Impendent Therapy	DATA HARVEST	Oxford City Council Cheney School
ESPO	Field Studies Council Ltd	The Oxfordshire Taxi Company Ltd
Devon County Council	NFER	Shred it Ltd
ESPO	RM Education plc	Amandla Health Ltd
Yearsley Group	Firoka Oxford United Stadium Ltd	Whitco Catering & Bakery Equipment Ltd
Bidfood Bidvest 3663	Oxford Brookes University	CPOMS System Limited
Simply Education Ltd	Executive Fire Protection Limited	Sportivater Limited
OCR	MRF Window Cleaning Services	Npower Bayards Hill
CAPITA Business Services Ltd	Crate Mate	Brewers Oxford
Konica Minolta	Reduce Your Use	Dr Andy Swallow Education Consultancy
Critchleys LLP	River Leadership Consultancy Ltd	October Resolutions Ltd
Rayburn Tours	Barriers Direct	Activate Learning
Selima on access company	Arthur J Gallagher	Summit Hygiene
Castle Water Ltd Cheney	PJ Webb	Davies Sports
PGL Travel Ltd	Neopost Limited Postage Funds only	Fast Track Telecom
Wider Plan Ltd	Darren Fuller	FFT Org UK FFT Education Ltd
Teaching Personnel Ltd	Oxford Sign and Print	Praxis42 Limited
Pearce's Private Hire Limited	Julia Woods	Polaris Telecoms
Clear Sky Children's Charity	Telemaxx Ltd	Click View Limited UK
Paycare	Technology Rentals Ltd	WSM Engineering Facilities Limited
Centre for Education and Financial Management Ltd	Integral Change Consulting Ltd	BMSi
Oxford Direct Services Trading Ltd	Phoenix Counselling Cooperative	FCS Live Limited
Euro Drive	NCFE	Browns Books for Students
Oxford City Council General Fund	SecuriPol Limited	Ashlar ID Limited
SSE Metering Ltd	Always Flourishing Recruitment Ltd	Pest Control Plus
School Asset Manager	YPO	Minuteman Press Oxford Ltd
Neopost Finance Limited Leasing only	Ideal Flooring Oxford Ltd	Orovia Group



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Appendix 8: Financial Reserves Policy

1. Introduction

The Trustees and Local Governing Bodies need to consider the level of reserves the schools should hold. Levels of reserves which are too high tie up money which should be spent on current school activities. Levels of reserves which are too low may put the future activities of the school at risk.

The reserves policy should both **inform and be informed** by:

- **strategic and operational planning** including considering how new projects or activities will be funded
- **the budget process** considering whether reserves need to be used during the financial year or built up for future projects
- **the risk management process** by identifying any uncertainty in future income streams

2. Development of the academy's reserves policy

When considering an appropriate level of reserves, the Trustees consider:

- the risk of unforeseen emergency or other unexpected need for funds
- covering unforeseen day-to-day operational costs, for example employing temporary staff to cover a long-term sick absence
- a fall in a source of income
- planned commitments, or designations, that cannot be met by future income alone, for example contributions towards a major capital project
- the need to fund potential deficits in a cash budget, for example money may need to be spent before a funding grant is received
- the level of budget sensitivity (uncertainty/ range of possible outcomes in budget)
- other risks on the risk register which may have a financial implication

The financial risks identified determine the amount of reserves the academy targets to hold.

3. During the financial year

The Trustees identify:

- when reserves are drawn on, so that they understand the reasons for this and can consider what corrective action, if any, needs to be taken
- when reserve levels rise significantly above target so that they understand the reasons and can consider the corrective action, if any that needs to be taken
- where the reserves level is below target and consider whether this is due to short-term circumstance or longer term reasons which might trigger a broader review of finances and reserves



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4. In-year reports to the Trustees and the Finance and Resources Committee

In-year reports:

- compare the amount of reserves held with the target amount or target range set for reserves
- explain any shortfall or excess in reserves against target set
- explain any action being taken or planned to bring reserves into line with target

5. Annual financial statements

The Trustees' report must explain the academy Trust's policy for holding reserves in particular stating:

- the amount of reserves held
- the reason for holding reserves

The Trustees' report should contain a review of the academy Trust's reserves which:

- state the amount of total funds held at the balance sheet date
- identifies the amount of any restricted funds that are not available for the general purposes of the academy Trust
- identifies any amounts that have been designated, where material
- identifies the amount of any fund that can only be realised by disposing of tangible fixed assets
- provides details of funds that are materially in deficit
- states the amount of reserves held at the balance sheet date after making allowance for any restricted and designated funds
- compares the amount of reserves held at the balance sheet with the academy Trust's reserves policy and explains any steps being taken to bring the level of reserves held into line with the level set out in the policy

Where plans for the future use of reserves are made, both the purpose and the likely timing of the expenditure should be explained.

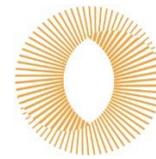
The Trustees may determine, as good practice, to disclose their policy in relation to other reserves (e.g. restricted general funds, including GAG).

6. Target range of reserves for the financial year

The level of reserve will be reviewed and set on an annual basis as part of the budget setting plan.

7. Monitoring and evaluation of the policy

This policy will be monitored regularly for any changes in legislation or directions from the DFE which may have an effect and evaluated in the light of any comments made by the DFE, ESFA, auditors and any other interested parties.



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Appendix 9: Annual Approvals

Document/procedure	Comments
Financial Procedures Manual	In consideration with the most recent Academies Financial Handbook (Approved by Trustees)
Gifts and Hospitality Policy	Approved by Trustees
Charges & Remissions Policy	Approved by Trustees
Payroll Samples	Report to Pay and Audit on annual payroll samples
Preferred Suppliers	Approved by F&R committees and report to Pay and Audit.