

# **FINANCE POLICY**

## **(Extract –Procurement)**

**Issued: June 2016**  
**Reviewed: August 2017**  
**Next Review Due: August 2018**

## Introduction

The purpose of this document is to ensure that the Bradford Diocesan Academies Trust (BDAT) maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreements with the Education Skills & Funding Agency (ESFA).

Each academy within BDAT must comply with the principles of financial control outlined in the academies guidance published by the ESFA in the Academy Funding Agreement and the Academies Financial Handbook.

BDAT will ensure all staff, including the Accounting Officer, the Trust Director of Finance, Head teachers/Principals, Business Managers and the Finance /Admin Assistants and/or Officers, who deal with financial matters, are trained in the appropriate financial procedures. BDAT's Finance & Resources Committee, a sub-group of the BDAT Board will be responsible for reviewing all controls and procedures of financial systems operating within the trust.

The Bradford Diocesan Academies Trust (BDAT) is a Multi Academy Trust. The trust is a company limited by guarantee with charitable status and is governed by Board of Trustees. The membership and the main responsibilities of the Board are set out in the written terms of reference.

The Trustees have opted to establish separate committees to be known as Local Governing Bodies (LGBs) for each Academy and will ensure that, where possible, each Local Governing Body shall include at least one elected representative of the parents of students attending the relevant Academy.

## Procurement Extract

### 9. Procurement

The Trust wants to achieve the best value for money from all our purchases. This means we want to get what we need in the correct quality, quantity and time at the best price possible. A large proportion of their purchases will be paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:

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

#### 9.1 Routine Purchasing

Budget holders will be informed of the budget available to them as soon as the budget is formally ratified and approved by their Governing Body. It is the responsibility of the budget holder to manage their element of the budget and to ensure that the funds available are not overspent.

It is essential that all of the following controls are adhered to:

- orders should not be entered into verbally

- the use of 'Official Order Forms' through the local system automatically updates the financial records and enables committed expenditure to be included in management information for governors
- in exceptional circumstances (e.g. emergency repairs) orders may be placed by telephone. In such circumstances a confirmation order should be generated. Orders may be faxed to suppliers, in order to reduce timelines.
- orders should only be approved in accordance with the authorised limits within the scheme of delegation
- orders may only be used for goods and services provided to BDAT. Private individuals and other organisations may not use 'Official Order Forms' to obtain work, goods, materials and services net of VAT
- **orders under £5,000** - can be ordered by budget holders, who will be responsible for ensuring that reasonable steps have been taken to achieve Best Value. Best Value could be achieved by:
  - supplier chosen from the list of approved suppliers maintained by the Finance Office
  - bulk purchasing of common consumables
  - negotiating discounts
  - taking advantage of sale seasons
  - obtaining alternative quotations wherever possible
- **orders over £5,000 but less than £25,000 (Primary)** - at least three written quotations should be obtained for all orders between £5,000 and £25,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by Business Manager for audit purposes and approved by the HT
- **orders over £5,000 but less than £50,000 (Secondary)** - at least three written quotations should be obtained for all orders between £5,000 and £50,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by Business Manager for audit purposes and approved by the HT
- **orders over £25,000 but less than £75,000 (Primary)** - all goods/services ordered with a value over £25,000, or for a series of contracts which in total exceed £25,000, must be subject to three written quotations and must be referred to the respective Finance Committee for formal approval
- **orders over £50,000 but less than £75,000 (Secondary)** - all goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £75,000, must be subject to three written quotations and must be referred to the respective Finance Committee for formal approval
- **orders over £75,000** – will be subject to a tendering policy

The academy budget holder or the academy Business Manager must make appropriate arrangements for the delivery of goods and services to the academy. On receipt of goods and services there must be a detailed check of the goods and services received against the purchase order (or equivalent in exceptional circumstances). All discrepancies should be discussed with the supplier of the goods and services without delay.

All invoices should be sent to the academy's Business Manager to be checked against the PSF numbered order (or equivalent in exceptional circumstances) and the delivery note to evidence the following:

- invoice arithmetically correct
- goods/services received
- goods/services as ordered
- prices correct.

Invoices will be authorised for payment by the relevant cost centre holder and then passed to the academy's Business manager for recording and payment through PSF.