

Procurement and purchasing

13. Procurement principles

- 13.1 The Trust has agreed Financial Regulations relating to the procurement of goods and services. These are included in the Scheme of Delegation. These set a minimum standard of control for all the Trust's purchasing activities. Arrangements at individual academies may be more stringent. This section of the manual sets out the standards approved by the Local Governing Body for the Academy and provides additional guidance to Academy staff.
- 13.2 The Academy wants to achieve the best value for money from all its purchases. This means it wants to purchases to be in the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds. The Academy needs 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 dealings with the Academy are done on a fair and equitable basis.

14. Purchasing

Routine purchasing of £5,000 or less

- 14.1 Budget holders will be given indicative information of the budget available to them at least one month before the start of the financial year. Confirmation of their budget allocation will be received at the start of the Autumn Term. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Each budget holder must ensure that, each month, they review their budget and spend and ensure that they report any variances in accordance with the Academy requirements.
- 14.2 A quote or price must always be obtained before any order is placed. Budget holders and the Finance Office should ensure that best value is achieved, taking account of both quality and price.
- 14.3 In order to ensure compliance with good procurement practice please ensure that for procurements over £5,000 Primary & Special Schools or £10,000 Secondary advice is sought from the Trust Procurement Manager, this may be limited to just a short telephone conversation or email exchange.

Purchases over £5,000 and up to £20,000 Primary & Special Schools or £50,000 Secondary

- 14.4 **Before** commencing any procurement in excess of £20,000 Primary & Special Schools or £50,000 Secondary Schools the School Business Manager should complete the Schools Procurement Approval Form and submit this to the Trust's Director of Finance & Operations for approval. Please refer to Appendix 15 Procurement Strategy
- 14.5 At least three written quotations should be obtained for all orders over £5,000 and up to £30,000 to identify the best source of the goods/services. A summary and best value statement, including a brief comparison of quotations obtained should be prepared by budget holders and attached to orders passed to the Finance Office. This is for audit purposes. Telephone quotes are acceptable if these are evidenced and emailed or faxed confirmation of quotes has been received before a purchase decision is made.

- 14.6 All goods/services ordered with a value over £30,000 must be subject to formal tendering procedures. Ordering goods which may potentially be over £30,000 must be discussed with the School Business Manager / Trust Procurement Manager prior to any communication with suppliers. This is to ensure correct procedures are followed from the outset.
- 14.7 Procedures for the publication and award of tenders are set out in the Trust's Financial Regulations which are included in the Scheme of Delegation.
- 14.8 If the nature of a procurement makes it impossible to meet the requirements of the procurement regulations (such as specialist supplier and no comparable provider) the School Business Manager must complete the Request for dispensation from contract regulations Form and submit this to the Trust's Director of Finance & Operations for approval. Please refer to Appendix 15 Procurement Strategy
- 14.9 Purchases over £164,176 (threshold from 01/01/2016 for supplies and services) excluding VAT may fall under EU procurement rules which requires advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in the Academies Financial Handbook.

15. Ordering

- 15.1 All orders must be prepared using an official order form. Orders must be sent by the budget holder to the Finance Office. Orders will only be processed if there is adequate budget provision for the department.
- 15.2 The Lead Finance Officer / School Business Manager / Headteacher will countersign orders as detailed in the Schedule of Authorisation Limits – Appendix 1.
- 15.3 Countersigned orders are recorded in the commitment report, allocated an official purchase order number and dispatched to the supplier by the Finance Office.

16. Delivery and invoice processing

- 16.1 The Lead Finance Officer / School Business Manager must make appropriate arrangements for the delivery of goods to the Academy. On receipt, the Finance Office / authorised officer 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. All checked goods are then passed to the budget holder – large deliveries may be initially checked by the site team, any discrepancies reported to the Lead Finance Officer / Finance Officer immediately.
- 16.2 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality the Lead Finance Officer / Finance Officer will record this.
- 16.3 All invoices should be sent to the Lead Finance Officer / Finance Officer. All invoices must be authorised by the budget holder to ensure goods have been received and reconciled to the original order. The invoice will be recorded by the Lead Finance Officer / Finance Officer on PS Financials.

- 16.4 The Lead Finance Officer / Finance Officer will use a checklist to evidence the following:-
- goods/ services received;
 - goods/services as ordered;
 - prices correct;
 - invoice arithmetically correct;
 - invoice posted to purchase ledger;
 - invoice authorised for payment (by the budget holder and an independent person.)
- 16.5 If a budget holder is pursuing a query with a supplier, the Lead Finance Officer / Finance Officer must be informed of the query and kept up to date with progress on a weekly basis.
- 16.6 Once a month the Lead Finance Officer / Finance Officer will produce a report of outstanding orders and invoices from the sales / purchase ledger and this list, together with supporting documentation, will be reviewed by the Headteacher / School Business Manager who will note any action taken on the relevant print version of the list.
- 16.7 The Lead Finance Officer / Finance Officer will input details of payments to be made to the purchase ledger and generate the BACs payments or cheques required. The BACS payments or cheques must be signed by two of the nominated bank signatories, one of which must be either the Headteacher / Principal or the School Business Manager / nominated senior member of staff.
- 16.8 Cheques will be dispatched to suppliers by the Lead Finance Officer / Finance Officer, BACS payments will be notified to suppliers by email.
- 16.9 Non-order purchases must have the prior approval of the Lead Finance Officer / School Business Manager. Non-order purchases must be kept to a minimum and should only take place when it is essential for the smooth running of the department. Where the school has in house catering the Catering Manager is authorised to make non-order purchases for standard daily/weekly food supply orders where these total less than £1000 per week.