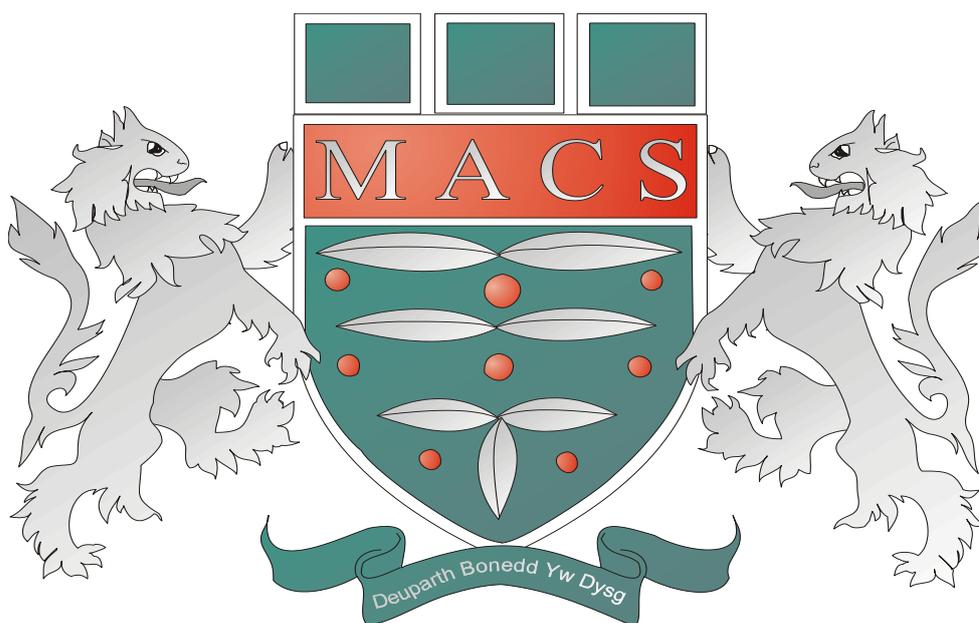


MOUNTAIN ASH COMPREHENSIVE SCHOOL

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PURCHASING POLICY

**Updated: April 2016
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1. PURCHASING POLICY

1.1 Purchasing policy

Mountain Ash Comprehensive School's Purchasing Policy is to obtain best value for money in all purchasing activity whether it is for goods or services.

1.2 Scope

These regulations are intended to cover all spending on equipment, materials and services for the school and will apply to all staff engaged directly or indirectly in the purchasing process.

The Purchasing Policy complies with the LEA's Scheme for Financing Schools and the Scheme for the Local Management of Schools, as issued by the LEA in September 2012.

2. ETHICS

2.1 General

Goods and services ordered by the school are paid for with public funds. Therefore, the school not only needs to maintain the integrity of public funds, they must also be seen to do so.

This entails the following three distinct aspects:

- **Probity** – To demonstrate all parties are dealt with on a fair and equitable basis and that there is no private gain, favouritism or corruption in the contractual relationships of the school (see below).
- **Accountability** – The school is publicly accountable for its expenditure and the conduct of its affairs.
- **Value for money** – To demonstrate economy, efficiency and effectiveness in the use of public funds.

2.2 Declaration of interests

Where a member of staff or governor or a close relative of a member of staff or governor acts as a supplier, or when the aforementioned hold significant interest in a business which trades or has potential for trading with the School, then the member of staff is required to declare all such interests to the School Manager/Bursar. Approval from the Bursar is required before such “interested” parties of the type identified begin to trade with the school.

2.3 Hospitality

Modest hospitality is an accepted courtesy of a business relationship.

However, the recipient must not allow a position to develop whereby they might be influenced, or might be deemed by others to have been compromised, into taking a business decision. The frequency and scale of hospitality accepted should not be significantly greater than that likely to be provided by the school on a reciprocal basis.

2.4 Fraud

Misuse or misappropriation of the assets and funds is a serious and disciplinary matter which could ultimately lead to criminal proceedings.

The direct contact between the school and outside agencies selling goods and services is an area which is particularly vulnerable to fraud. It is hence critical to protect the school and all members of staff by the use of strict and formal procedures for obtaining quotations, authorising purchasing expenditure, recording the receipt and acceptance of goods and services and the clearance of invoices for payment.

3. AUTHORITY TO PURCHASE

3.1 Authorisation

Orders up to the value of £3,000 must be authorised by the Deputy Headteacher.

Proposals for expenditure of between £3,000 and £10,000 should be referred to the Headteacher for approval. Single items purchased with a value of over £5,000 must be recorded and reported to the LEA.

The Headteacher should refer proposals for expenditure of between £10,000 and £40,000 to the Finance Committee for approval.

Proposals for expenditure in excess of £40,000 should be referred to the full Governing Body for approval.

Expenditure in excess of £100,000 should also be approved by the LEA.

3.2 Placing orders

The proper internal requisition form should be used on all occasions and be correctly signed and dated by the head of department or other authorised signatory. If this is not done the school may hold the individual concerned personally responsible for payment of any costs incurred.

Purchase orders are not authorised until the internal requisition has been placed on the SIMS Finance system and the official purchase order has been printed and signed by the authorising officer.

The recognised school purchase order correctly completed and signed is the only way goods or services should be purchased. Verbal, telephone or internet orders must be avoided.

3.3 Signing contracts

Authority to approve contracts, lease agreements, or any other legally binding document other than school purchase orders rests with the Headteacher, although he may allow the School Manager/Bursar to sign on his behalf. All such agreements must have his approval.

3.4 Authorised signatories

The School Manager/Bursar is responsible for maintaining the list of authorised signatories.

The number of signatories authorised to certify internal requisitions, delivery of goods and payment of invoices should be kept to a minimum (Heads of Department).

All authorised signatories should be agreed by the Headteacher.

Current authorised signatories are as follows:

Mrs S Allen	-	Drama / PSE / School Production
Mrs L Baylis	-	Maths
Mr D Church	-	Religious Studies
Mrs J Cleves	-	Art
Miss R Davies	-	Welsh
Miss C Gait	-	Examination Fees & Expenses
Mrs J Grashoff	-	Healthy Schools
Miss L Hacker	-	English
Mrs C Harrison	-	French
Miss R Harrison	-	Computer Studies
Mr N Hoffland	-	Geography
Mrs C Jones	-	Business Studies / EGNI / Public Services / Work Skills
Mrs H Latham	-	Sixth Form
Mrs C Long	-	Learning Support / LRC / Literacy & Numeracy
Mrs F Morgan	-	Music
Mr J Morgan	-	History
Mrs H Peel	-	Science
Mrs R Pugh	-	Food, Textiles, Child Development
Miss M Rees	-	PE Travel / PE Dept
Mr A C Williams	-	Technology
Miss H Williams	-	Welsh Baccalaureate
Mrs S Evans	-	All other cost centres

Authorised signatories for purchase orders are as follows:

Mr D Mead **OR** Mrs L Mackie (substitute)

Authorised signatories for cheques are any two of the following:

Mrs S (Cert Officer) Mrs H Latham Mr H Dowden

4. PURCHASING PROCEDURES

4.1 Budgeting

Purchasing is inextricably linked to the budgeting process. Budgets should not be exceeded under any circumstances unless prior authorisation has been granted (see section 4.3 below).

4.2 Value for money

The following three elements are central to value for money:

- Economy – Minimising the costs of resources used within the school having regard to the appropriate quality.
- Efficiency – The relationship between output, in terms of goods, services or other results and the resources used to produce them.
- Effectiveness – The extent to which objectives have been achieved and the relationship between the intended results and actual results of an activity.

The school must always have regard to value for money considerations. This may not always result in purchase of the cheapest goods or service.

Consideration must be given to other factors such as quality, suitability, delivery date, credit terms, reliability of supplier and the financial position of a supplier.

4.3 Virements

The Headteacher may authorise virements from one budget heading to another budget heading up to a maximum of £20,000 in one transaction.

Any one proposed virement greater than £20,000 up to an amount of £50,000 must be referred to the Finance Committee for approval.

Proposals of virements in excess of £50,000 must be referred to the full Governing Body for approval.

All virements should be reported at the termly Finance Committee meeting.

4.4 Tendering for contracts and equipment

If the estimated value of the goods or services is under £5,000 then evidence must be retained to demonstrate that before the order was placed the school was aware of the value of goods, works or services being ordered and that it was below £5,000.

If the estimated value of the goods, works or services is over £5,000 then at least three written quotations must be sought and copies of those quotations received retained by the School Manager/Bursar.

Requests for quotations should be clear and as specific as possible to avoid any misunderstanding. The following are relevant considerations:

- Detailed specification of requirements.
- Quantity.
- Delivery date and address – The address should always be the school address.
- Terms and conditions.
- Quotation reference, authorisation and date.

5. PURCHASE / RECEIPT OF GOODS & SERVICES

5.1 Purchase of goods and services

5.1.1 Head of department / budget holder to complete an internal requisition sheet, including supplier's name, code and description of product or service, cost and quantity. If staff are unsure of which supplier to use, then they should contact the order processing clerk for assistance. The internal requisition must be signed by the budget holder.

5.1.2 Orders must be in line with the SDP and there must be sufficient money in the relevant budget to cover the cost of the proposed purchase.

5.1.3 Approved requisition forms to be passed to the order processing clerk, who will commit the order to the finance system and produce a printed official purchase order with an official purchase order number. A copy of the official purchase order to be returned to staff, indicating the date the order was processed and its official order number.

5.1.4 The authorising officer will sign the official order and, once authorised, orders will be posted or faxed by the order processing clerk.

5.1.5 To ensure efficiency within the finance department, orders will only be sent on a weekly basis (Wednesday). This relies on all staff planning their resourcing requirements and completing requisition forms several weeks in advance of the date the resources are required. All orders must be received by 12pm Wednesday to provide sufficient time to be processed.

5.1.6 The school official order should be used at all times when purchasing goods and services. Verbal orders, telephoned orders or internet orders are not allowed. The contractors / suppliers shall not supply any goods or services without being in receipt of a properly authorised school order otherwise the school shall not be liable for payment.

5.1.7 See the separate Purchasing Card Policy for details of purchases that are permissible via the school's purchasing card and the procedures for such purchases.

5.2 Receipt of goods

5.2.1 All goods must be delivered to reception. Delivery notes for items accepted at reception must be signed (not initialled) by the authorised person receiving the goods and a copy retained. Delivery notes should also be annotated as to whether the items were checked, unchecked, damaged, etc. (The number of parcels received should always be checked before signing.)

5.2.2 The delivery note and goods must be kept in a secure place and passed to the deliveries clerk as soon as practicable.

5.2.3 The deliveries clerk will note the delivery and check for any invoices that are in or attached to parcels, and attach a goods inspection form to the items. The school

caretakers will then deliver the goods to the budget holder, together with a copy of the delivery note and a goods inspection form.

5.2.4 Deliveries must be checked promptly by the relevant person and the delivery note annotated regarding quantity and quality of goods. The person checking the delivery must be meticulous, as their signature on the goods inspection form certifies that the goods have been received and authorises payment.

5.2.5 Large deliveries must be sent to the designated area and the relevant person to receive the goods contacted so they can be in situ when the delivery arrives.

5.2.6 Goods inspection forms should be signed and returned to the deliveries clerk within two days of receipt of delivery. Any enclosed invoices must also be passed on.

5.2.7 Any discrepancies, damaged items or incorrect items must be notified to the deliveries clerk immediately.

5.2.8 Payment should never be made on a delivery note – wait for the invoice.

5.3 Receipt of services

5.3.1 Service notes should be signed (not initialled) by the relevant authorised person. In the absence of the relevant person, reception may sign the service note provided they are aware that the service has been contracted by the school. If in doubt, contact the School Manager/Bursar or the Caretaker. Please annotate that the contractor was on site, but the service has not been checked.

5.3.2 The service note must be passed to the School Manager/Bursar.

5.3.3 Services must be checked promptly by the relevant person and the service note annotated regarding quantity and quality of service. The person checking the service must be meticulous.

5.4 Inspection copies

5.4.1 Budget holders are to order their own inspection copies, but should inform the deliveries clerk.

5.4.2 When the inspection copy arrives at school, the deliveries clerk will inform the budget holder.

5.4.3 The budget holder will collect the inspection copy from the deliveries clerk and sign the inspection copy record book as evidence that they have received the items. If the inspection copy is not collected by the budget holder within two weeks of arriving at school, the deliveries clerk will return the items to the company.

5.4.4 The budget holder will inform the deliveries clerk within the specified time limit of the company whether the inspection copy is to be returned or purchased. If the inspection copy is to be retained, the budget holder must return the signed invoice to the School Manager/Bursar for payment.

5.4.5 If the inspection copy is not required, it must be returned to the deliveries clerk along with any accompanying documentation so that it can be despatched back to the company concerned.

5.5 Payment of goods and services

5.5.1 Payments must only be made on invoices or payment confirmation slips – delivery notes are not acceptable. Invoices will only be paid when all mandatory paperwork is in place.

5.5.2 Payments will only be made on invoices which relate to official orders. Staff who have purchased items without an official order form, may be liable to pay for such items themselves.

5.5.3 VAT can only be claimed on VAT invoices and payments must comply with the Construction Industry Tax Deduction Scheme.

5.5.4 The School Manager/Bursar will cross reference invoices against delivery notes and orders and check prices are the same as the original commitment. She will then enter invoices on SIMS.

5.5.5 To ensure efficiency within the finance department, cheque runs will only be processed on a weekly basis (Thursday).

5.5.6 A cheque run report will be printed for every cheque run completed and one signatory will sign the report as proof of authorisation.

5.5.7 Paid invoices to be filed in payment date order with consecutive cheque numbers.

5.5.8 Supplier statements should be reconciled regularly to the outstanding invoices.